Crompton

Transforming while Performing

Crompton Greaves Consumer Electricals Limited
Integrated Annual Report 2023-24

Crompton 2.0

In June 2023, we launched '**Crompton 2.0**', a renewed focus on top-line growth with a profit-led approach. This strategic pivot involves substantial investments in growth spends including people and process capability, brand reinforcement, consumer led innovation and refined go-to-market strategies.

In Financial Year 2023-24, this strategy has enabled us to deliver robust financial performance, streamline our operations, intensify our distribution network, ameliorate our market leadership and build strong relations with our external stakeholders. Electrical Consumer Durables ("**ECD**") segment has demonstrated industry leading growth on back of our extensive pan-India distribution and innovation engine. Significant step up in advertising spends to enhance brand visibility for both Crompton and Butterfly.

While we have embarked on Crompton 2.0 journey with the objective of accelerated growth at healthy margins to deliver strong shareholder return, our focus on solidifying foundation of the organisation, driving growth enablers and the pillars of strength continues.

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FINANCIAL YEAR 2023-24 HIGHLIGHTS

Crompton is among India's leading consumer electrical companies with a strong presence in the ECD and Lighting segments.

Financial highlights

₹ 6,388 Crore
Revenue from operations

₹ 689 Crore
EBITDA

₹ 466 Crore
Profit after tax

150%
Dividend % on face value ₹ 2

Operational highlights

₹ 659 Crore
Revenue from new products

19
Patents

76%
E-commerce growth

165
New Products launched

ESG highlights

33,950* KL
Water recycled

83,861* GJ
Energy consumed

35,661
Total training manhours provided to employees

(Y-o-Y increase)

*only including manufacturing facilities.

ABOUT THE REPORT

Our Financial Year 2023-24 Integrated Annual Report communicates our financial and non-financial performance and achievements, governance, material issues, risks, opportunities, strategy, and prospects to all stakeholders. This report highlights how our vision, purpose, strategy and business model work cohesively to create value for our stakeholders over the short, medium and long term.

We are led by **Purpose**

Enriching life for generations with smart and responsible solutions

Building on **Capitals**

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Financial Capital | Human Capital | Manufactured Capital | Social and Relationship Capital | Intellectual Capital | Natural Capital

With a consistent eye on

Opportunities

Risks

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Focusing on **Material topics**

- Energy efficiency
- Resource optimisation
- Occupational health and safety
- Business ethics and general business principles
- Data privacy and cyber security
- Innovation and research
- Employee well-being
- Customer relationships
- Talent development
- Brand salience
- Product responsibility and safety
- Economic growth

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Enabled by **Strategic enablers**

- Enabled & Empowered organisation
- Consumer need-led innovation
- Premiumisation of portfolio
- Supply chain excellence
- Go-To-Market excellence
- Digital enablement

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With a consistent eye on **Stakeholders**

- Investors
- Consumers
- People
- Value Chain partners
- Communities
- Environment

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Scope of reporting

Reporting period

This Integrated Annual Report is published annually for the Financial Year April 1, 2023 to March 31, 2024.

Reporting boundary(ies)

For Financial disclosures
- Consolidated

For Non Financial disclosures
- Standalone

For environmental KPIs
- Includes only manufacturing facilities

Financial and Non-Financial Reporting

For Non-Financial parameters, we have covered Crompton and not its subsidiaries.

For environmental KPIs, we have excluded Crompton offices and warehouses.

Targeted readers

This report is primarily intended to address the information requirements of long-term investors (our equity shareholders, and prospective investors). We have attempted to present information in a manner that is relevant to the way we create value for other key stakeholders, including our employees, customers, regulators and society.

Report alignment

This report aligns with the principles and guidelines of the:

- International framework published by the of the International Integrated Reporting Council (IIRC) (known as IFRS Foundation)
- United Nations Sustainable Development Goals (UN-SDGs)
- In reference to the GRI (Global Reporting Initiative) Standards, 2016, for reporting non-financial performance
- United Nations Global Compact Principles (UNGC)
- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

Board Responsibility Statement

Our Board of Directors acknowledge their responsibilities to ensure the integrity of this Integrated Annual Report. The Board has, accordingly, applied its collective knowledge and believes the report addresses all identified material issues, and presents the integrated performance of our Company and its impact fairly and accurately.

Assurance

The management has conducted a thorough examination of the information and statements provided in the report to maintain their accuracy and reliability. This review process was undertaken to ensure that all the facts and qualitative information contained within the report were presented in an unbiased and transparent manner. We have engaged BDO India LLP ("BDO") to provide reasonable assurance for BRSR core indicators and limited assurance for non-financial disclosures in the Integrated Annual Report. BDO India has conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement" issued by the International Auditing and Standards Board.

Feedback

We welcome feedback on our suite of reports to ensure that we continue to disclose pertinent information that is conducive to stakeholder decision-making.

Please refer queries or suggestions to crompton.investorrelations@crompton.co.in

WHO WE ARE

With a rich legacy of 85+ years, Crompton is a pioneering **ECD** brand with a wide portfolio of products across categories and a pan-India footprint. With a consistent emphasis on innovation, we go the extra mile to cater to the modern consumers. This has resulted in superior quality and award winning products like water heaters, fans, pumps, built-in kitchen appliances and the like.

Business segments

ECD segment ₹ 5,392 Crore Revenue | ₹ 775 Crore EBIT

Fans
#1
Market leadership

Ceiling

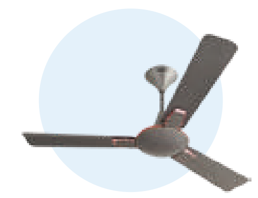
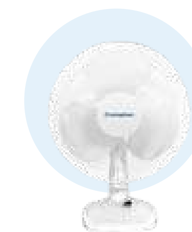
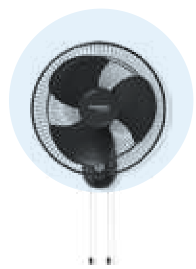
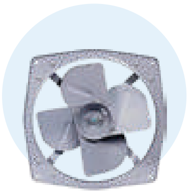
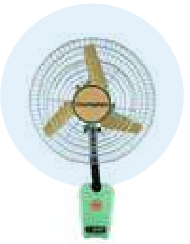



Table

Wall-mounted

Ventilating

Heavy-duty exhaust

Pedestal

Industrial Air Circulators



Pumps
#1
Residential Pumps

Residential

Agricultural

Solar

Speciality

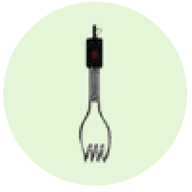

Large Domestic Appliances
#5
In Water heaters

#6
In Air coolers

Water heaters

Air coolers

Room heaters

Immersion rod


Small Domestic Appliances

40%
Revenue growth over last year

AMEO_PRO

Fabriautotech Iron

Air Fryier - NourishPro DG

Tandori Magic 35L

Large Kitchen Appliances

2.3x
Revenue growth over last year

Built-in Hob

Built-in oven

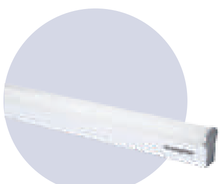
Dishwasher

Lighting

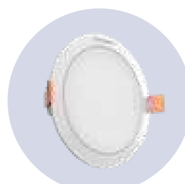
Lighting	#3 Market leader-ship	₹ 996 Crore Revenue	₹ 105 Crore EBIT

LED lamps

LED battens



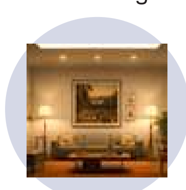
LED panels



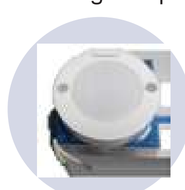
LED streetlights and floodlights

High mast/ Streetlighting pole

Interior and architectural lighting



High intensity discharge lamps



Tiranga Rope Light

Butterfly

Butterfly	Top Player in South India	₹ 931 Crore Revenue	₹ 9 Crore EBIT

Mixer Grinders

Gas Stoves

Pressure Cookers

Cookware

Purpose

Enriching life for generations with smart and responsible solutions.

Mission

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

Values

C **Caring** Respects people and acts with empathy. Demonstrates concern and tries to genuinely help.

R **Responsible** Constantly works towards fulfilling key expectations through thoughtful and insightful actions. Sticks to commitments. Enables Crompton's journey towards our purpose.

E **Entrepreneurial** Taking responsibility to drive action. Being bold in taking risks – fail fast, learn fast. Lead with passion, commitment, and unwavering courage. Being proactive and spots opportunities.

A **Accountable** Demonstrating ownership and takes accountability of self and team performance. Is performance focused and result oriented.

T **Team Player** Collaborating to innovate, solve challenges, foster creativity, and achieve shared objectives. Building trust and embraces diversity, valuing varied suggestions and seeking constructive feedback.

E **Ethical** Commitment to authenticity, integrity, ethical conduct and sustainability defines our interactions with all stakeholders, with a genuine concern for what is right for Business, Community and Environment.

ESG priority areas

- Energy efficiency, reduction in emissions and responsible sourcing
- Positive organisational culture
- Employee value proposition
- Ethical business practices and compliance with laws and regulations
- Customer service excellence

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Key facts

5#
Manufacturing locations

21*
Branch offices
(including HO & R&D centre)

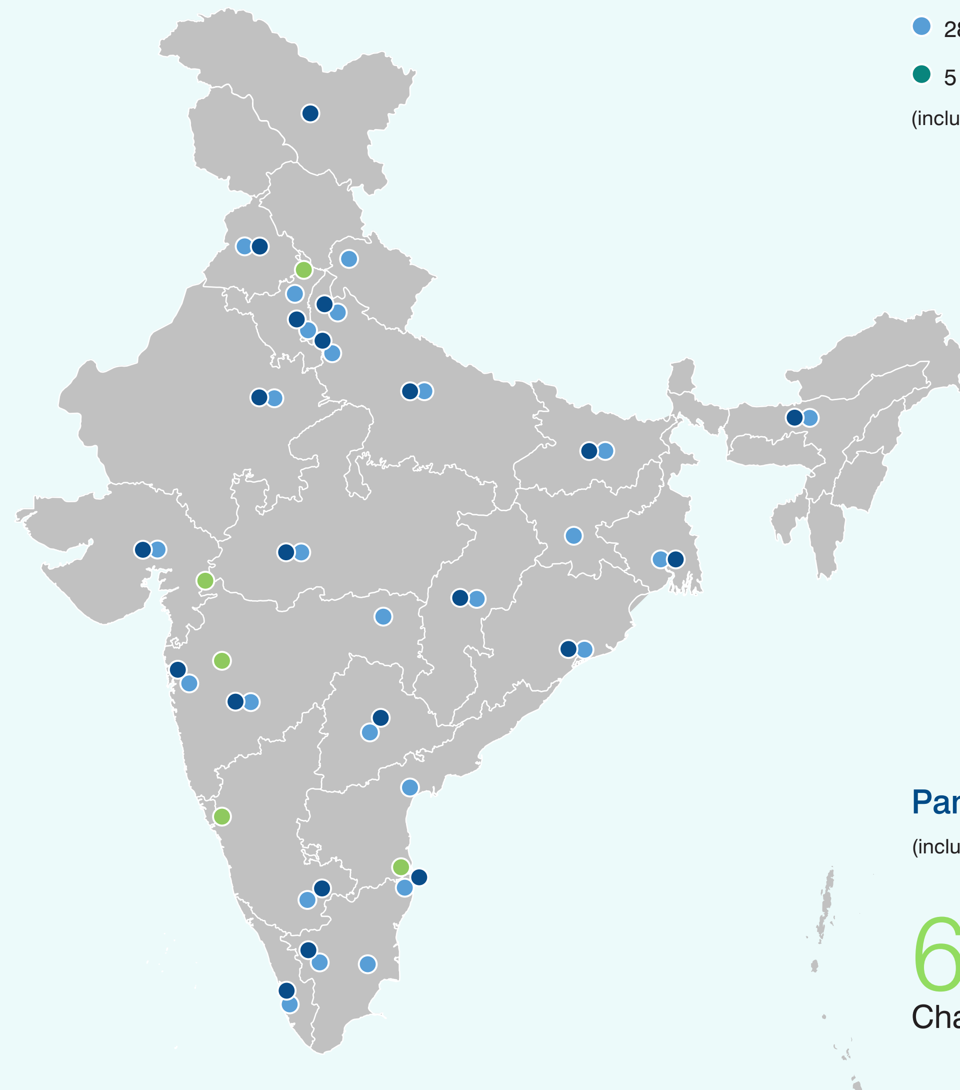
6,700+
Direct Channel Partners

2,238
People strength
(Permanent employees including permanent workers)

#Including Butterfly
*Excluding Butterfly

WHERE WE OPERATE

Our manufacturing units in Goa, Vadodara, Ahmednagar, Chennai and Baddi are equipped with state-of-the art machinery to ensure the consistent delivery of high-quality products. The acquisition of Butterfly has led to a synergistic partnership, enabling us to enhance our appliance manufacturing capabilities, improve our operations and distribution, and integrate our businesses through the value chain. We aim to optimise performance through operational efficiencies and innovative technological solutions.



- 21 Branches
- 28 Warehouses
- 5 Manufacturing locations

(including Butterfly)

Pan India sales footprint

(including Butterfly)

6,700+
Channel partners

2,69,794
Retailers

HOW WE CREATE VALUE

We are committed to creating and amplifying long-term stakeholder value by offering high-quality products that differentiate us from the rest.

Inputs

Financial Capital
Equity: ₹ 128.62 Crore
Net worth: ₹ 3,205.48 Crore
Capital expenditure: ₹ 87.63 Crore

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Manufactured Capital
No. of manufacturing locations: 5*

Installed capacity
Fans: 20 Lakh units / month
Lighting: 56.5 Lakh units / month
Pumps: 49,725 units / month
Warehouses: 28

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Intellectual Capital
- No. of R&D professionals employed: 160
- Revenue from new products launched: ₹ 659 Crore

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Human Capital
Permanent employees including permanent workers: 2,238
Total training manhours provided to employees: 35,661

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Social and relationship Capital
Channel partners (including Butterfly): 6,744
Retailers including Butterfly): 2,69,794
CSR expenditure: ~₹ 13.81 Crore

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Natural Capital
Wind energy installed capacity: 0
Energy consumption: 0

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* Including Butterfly

Process

Customer Survey
Research and development
Procurement
After sales Service
Manufacturing
Distribution
Sales
Marketing/ branding initiatives

Innovative solution
Consumer centricity
Sustainable supply chain
Operational excellence
Reliability & trust

Fans
Pumps
Lighting
Home appliances
Kitchen appliances

Value generated

For providers of financial capital
We deliver consistent, profitable and responsible growth.

For customers
Improving customer-centricity by providing innovative, high-quality products and services.

For our people
We strive to provide equal opportunities to all our employees and ensure capacity building, training, and a safe work environment.

For suppliers
We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications.

For communities around us
We contribute towards improving the living conditions of the communities around us through our CSR activities. We also ensure that our production processes do not have any adverse impact on the environment.

Outcomes

Revenue: ₹ 6,388 Crore
EBITDA: ₹ 689 Crore
PAT: ₹ 466 Crore
EPS: ₹ 7.29
Return on capital Employed: 26.78

Manufacturing Capacity
Vadodara Plant: 56,40,000
Goa Plant: 12,52,500
Baddi (Lighting) Plant: 31,12,500
Baddi (Fans) Plant: 7,50,000

Patents filed: 19

New products launched: 165

LTIFR: ZERO

40,000
Lives touched by water conservation efforts

1,700
Youth trained

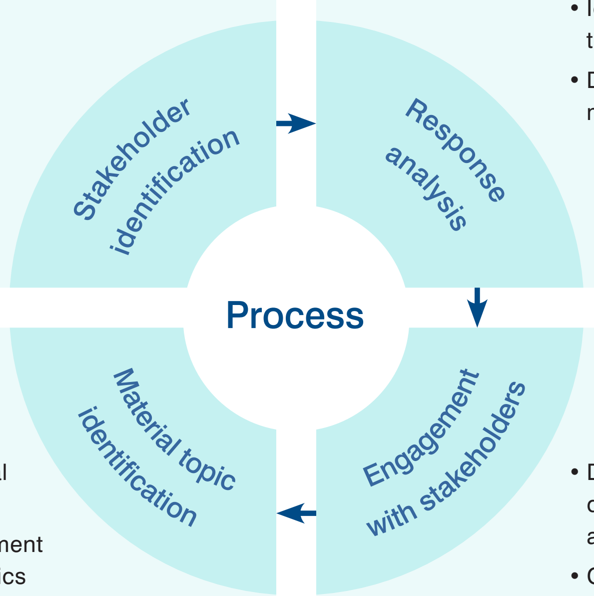
33,950* KL
Water recycled

*only including manufacturing facilities

Our stakeholders

Listening, connecting, and partnering with stakeholders enables us to focus on the impacts of our business and improve outcomes for customers, society, and the environment.

We define our key stakeholders as those who influence our business operations and are in turn, affected by our activities. We recognise the importance of clear communication and meaningful interactions with our stakeholders in building and sustaining robuts and enduring relationships throughout our diverse stakeholder network. Continuous engagement with these groups is critical to our business strategy and to our approach to corporate responsibility, which includes our materiality assessment.



Stakeholder identification

- Preparing a list of stakeholders
- Classification of internal and external stakeholders
- Prioritising stakeholders

Response analysis

- Collating responses from stakeholders
- Identifying key material topics based on responses
- Determining the materiality matrix

Material topic identification

- Preparing a list of material topics
- Discussion with management to determine material topics
- Consolidating list of most prioritised topics

Engagement with stakeholders

- Development of a questionnaire for the internal and external stakeholders
- Organising the exercise with the selected stakeholder groups
- Engaging with stakeholders and recording their responses

How we engage

Investors

Purpose of engagement

Engagement with investors is important to deepen their understanding of our business model and update them on new developments. The management actively communicates our strategic direction, capital allocation priorities, and responds to queries regarding operational or financial performance.

Strategic priorities

- High return on investment
- Efficient capital allocation
- Increased investment in brand building, R&D, and people capabilities under the Crompton 2.0 strategy
- Enhanced ESG impact
- Transparent disclosure to aid informed investment decisions

Mode of engagement

- One-on-one interactions and calls
- Group meetings
- Investor conferences
- Non-deal roadshows
- Quarterly results declaration
- Media releases

Frequency of engagement

Ongoing

Capitals impacted

Value created

₹ 3

Dividend per share

26.78%

Return on capital

Employees

Purpose of engagement

Our employees are our most valuable assets. They are critical to increasing our competitive edge and strengthening market leadership, thereby driving our long-term success.

Strategic priorities

- Employee benefits
- Safe working environment
- Career progression
- Equal opportunities and treatment
- Learning and growth
- Work-life balance
- Fair rewards and recognition
- Innovation and adaptability
- Digital transformation

Mode of engagement

- Meetings/ Town hall briefings
- Employee engagement surveys
- Team building, workshops, capability building and training
- Annual appraisals
- Employee newsletters
- Conversation Forums
- Rewards and recognitions
- Robust people policies

Frequency of engagement

Continuous

Capitals impacted

Value created

35,661

Manhours of training

Community

Purpose of engagement

Empowering the community is necessary to our long-term sustainability. Through numerous upliftment projects and activities, we continue to develop our relationships with the communities and transform their lives.

Strategic priorities

- Contribution to society
- Provide opportunities for self-sustenance and empowerment

Mode of engagement

- CSR initiatives
- Community interactions with NGOs
- Volunteering

Frequency of engagement

Monthly

Capitals impacted

Value created

53,000

Lives impacted

Suppliers

Purpose of engagement

We collaborate with the suppliers to maintain a seamless business operation by ensuring effective and efficient procurement practices.

Strategic priorities

- Long-term partnerships
- Transparent practices
- Reliable payment schedules
- Timely redressal of any queries
- Cost efficiency

Mode of engagement

- One-to-One Meetings
- Regular operational reviews
- Vendor meets

Frequency of engagement

Continuous

Capitals impacted

Value created

₹ 1,788 Crore

Inhouse buying spend

Consumers

Purpose of engagement

Consumers' purchasing habits influence our strategy and success. Thus, it is critical to have continual contact with them to understand their evolving needs and desires.

Strategic priorities

- Anticipating evolving needs
- Innovative product solutions to cater to changing consumer needs
- Create delight through faster & qualitative service

Mode of engagement

- Customer engagement surveys
- Post service feedback

Frequency of engagement

Continuous

Capitals impacted

Value created

94.9%

Complaints resolved in 1 day

Government/ Regulatory authorities

Purpose of engagement

The government agencies and regulatory bodies provide requisite registrations essential to conduct the businesses smoothly.

Strategic priorities

- Compliance with rules and regulations
- Timely reporting through various compliance-based forms

Mode of engagement

- Disclosures and filings for compliance reporting
- Meeting authorities for permissions/ approvals

Frequency of engagement

Need-basis

Capitals impacted

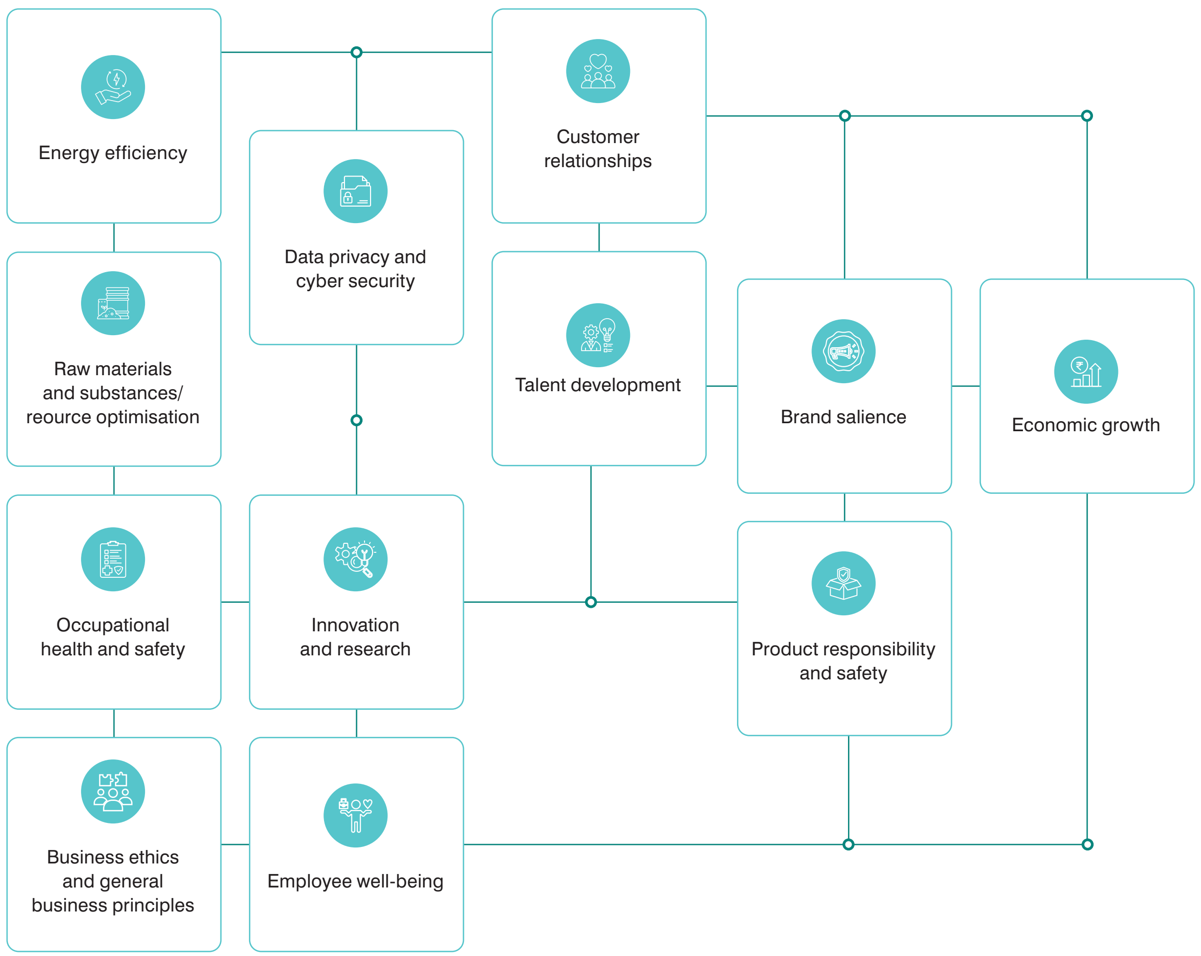
Value created

- Timely tax payment
- High compliances with regulations
- Support government initiatives

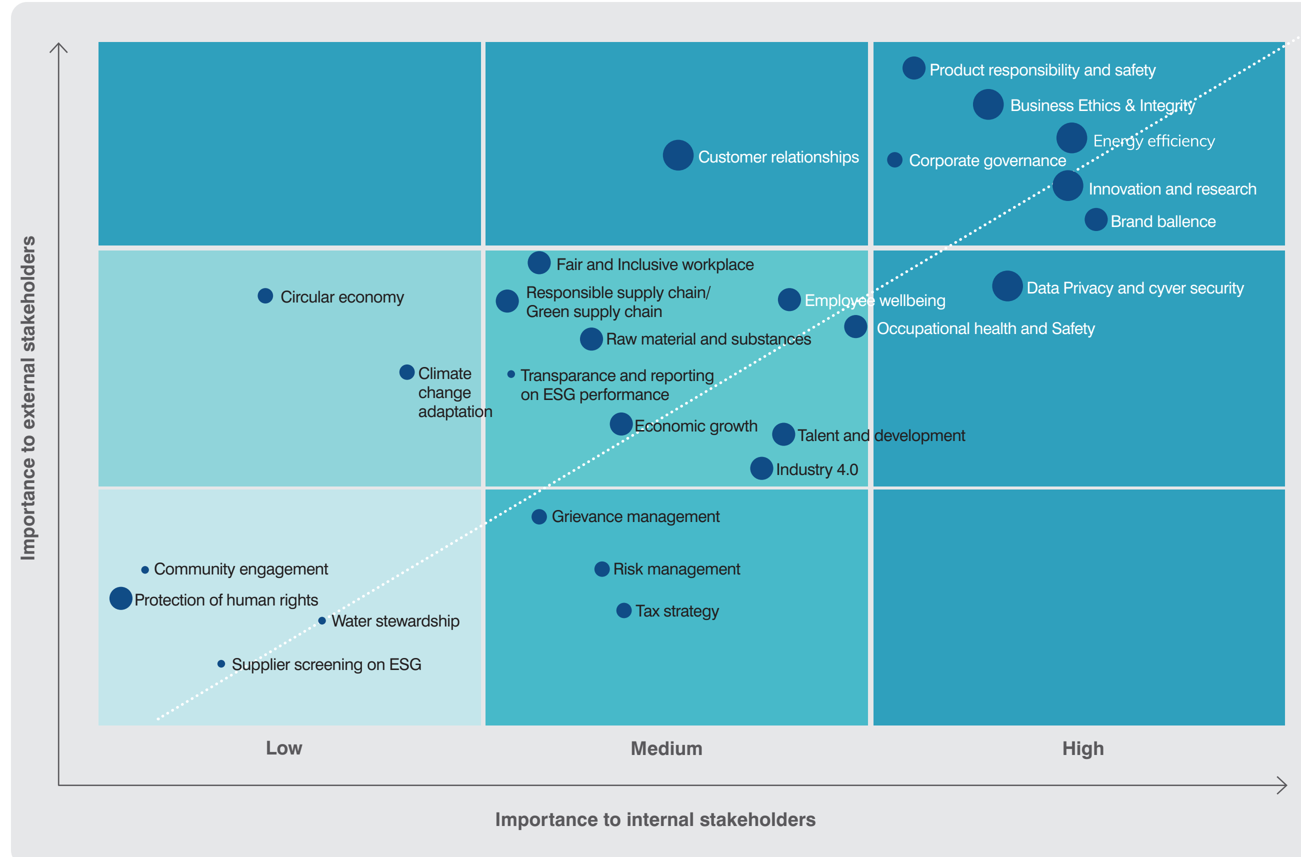
Materiality

At Crompton, we engage with our stakeholders to identify topics that are material to our value-creation process. Our materiality assessment exercise is a clearly defined, closed-loop interaction that involves identification, prioritisation, strategising, receiving feedback and incorporating the insights in the holistic analysis system to identify material topics. We conducted the exercise last year and it gave us a comprehensive understanding of the material issues that have a significant impact on our stakeholders, guiding us to prioritise our actions and allocate our resources more effectively.

Material topics considered:



Materiality matrix



Top priorities

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

Priority issues

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

Hidden value creators

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

Hygiene factors

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

Monitoring issues

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

Megatrends

We are responsive to the intrinsic risks and opportunities of the operating environment. While the rate and impact of the trends may vary, our strategy is to capitalise on the emerging opportunities and minimise risks to the extent possible.

01
Consumption trends

(i) India is rapidly urbanising

India is undergoing rapid urbanisation, although it currently lags behind countries like Japan, Brazil, the US, Russia, Indonesia, and China in terms of the urban population share. India's urban population is projected to reach 600 million by 2030 – double the size of the entire US population. This urbanisation trend is expected to facilitate knowledge diffusion, spur innovation, and boost productivity and employment. Consequently, there will be a rise in consumer demand, leading to an increased demand for housing and related amenities.

600 crore
India's urban population by 2030
Source: World Bank

28.4 years
Median age
Source: EY

(ii) Increased participation of women workforce

The proportion of women in the Indian workforce has been on a steady rise. This is indicated in the results of the latest Periodic Labour Force Survey (PLFS), released by the Labour Bureau in October 2023, which revealed India's female labour force participation rate rose from 23.3% in 2017-18 to 37% in 2022-23.

37%
Representation of women workforce in 2023
Source: India Today

(iii) Favourable demographics

Urbanisation, a young aspirational population, rising disposable income, and a preference for quality branded products are expected to drive the growth of consumer electronic goods in India. The share of the working-age population is projected to reach 68.9% by 2030. With a median age of 28.4 years, India has the advantage of having a competitive workforce and the opportunity to leverage the consumption power of its youth population. A Standard Chartered report predicts India's per capita income to grow nearly 70% to $4,000 by 2030, from $2,450 in Financial Year 2023. This presents significant opportunities for consumer durable companies to tap into the expanding market and meet the evolving demands of the population.

$**4,000**
India's per capita income in 2030
Source: Standard Chartered Bank

Our response

- R&D capabilities allow for rapid product innovation
- Focus on high-quality premium range to fulfil ambitions of young India
- Higher marketing expenditure to strengthen brand value

02
Increase in share of premium, energy-efficient products

The Indian consumer is leaning towards high-end, energy-efficient and attractive products. To meet this demand, industry players are either establishing production facilities for premium goods or acquiring innovative companies. This strategic approach aims to enhance innovation and boost the proportion of high-margin premium products in the sales portfolio. There has been a shift in shopping behaviour towards energy-efficient products. In the Indian energy ratings scale, five stars are the most energy efficient, and one star is the least energy efficient. Each higher energy-rated model is at least 8-10% costlier than the preceding level. However, according to Adecco consumer sustainability trends 2023, over 50% of consumers are willing to pay more for sustainable products.

50%+
Consumers are willing to pay more for sustainable products

Our response

- Green range and energy-efficient products across categories
- Invest in technical and people capabilities to be future ready

03
Government initiatives

The government's emphasis on capital expenditure will have a high multiplier effect on the economy, strengthening the physical and social infrastructure of the country. The infrastructure outlay for FY 2024-25 has increase to approx. 11 Lakh Crore, which is 3.4% of the GDP. Additionally, various specific initiatives have been rolled out. PM Gati Shakti programme will reduce logistics costs and facilitate multi-modal connectivity. 'PM Kusum Scheme' for Solar pumps, 'Housing for All,' 'Power for All' and rural electrification would play a pivotal role in advancing the consumer durable industry.

₹ **11.11** Lakh Crore
Budget allocation for infrastructure outlay

Our response

- Robust strategies in place to meet growing demand from the industry developments
- In-house manufacturing with backward integration to retain quality focus
- Pan-India market reach and accelerated efforts to make the brand more accessible
- We are expanding our enterprise business in the B2B Lighting sector, aiming to meet the growing demand for specialised lighting solutions in commercial and industrial spaces.

04
Digital evolution

The widespread adoption of the internet across the country has significantly contributed to the growth of the industry. Digital platforms have enhanced access to a wide range of products at affordable rates, offering convenience to the consumer. Companies are also increasing the use of digital tools to improve the efficiency of their operations, customer service and marketing spends.

~**1** billion
Expected internet users in India by 2025

Our response

- Digital, IoT and artificial intelligence technologies are enabling new processes of value creation and promoting product efficiencies that were not possible before
- These technologies also help us to create more energy-efficient products, thus reducing their impact on the environment

Electrical Consumer Durables Segment

Crompton's ECD business provides high-quality electrical products and consumer durables to customers in India and around the world. Meeting the needs of both residential and commercial customers, we offer electrical products, known for their durability, efficiency and performance, across a wide range of categories such as fans, water heaters, air coolers, kitchen appliances and pumps, among others.

Financial Year 2023-24 performance for ECD segment

Industry-leading growth of 17% Y-o-Y in ECD due to strong momentum in fans, pumps and small domestic appliances.

Fans

Modern and efficient products, effective marketing campaigns and exceptional after sales support have established Crompton as a growing player in the premium and decorative fan segments.

Financial Year 2023-24 performance for Fans

- Fans segment delivered noteworthy results led by higher share of premium fans, new product launches and growth in non-ceiling fans
- We focused on enhancing our gross margins through targeted pricing strategies and cost efficiency measures.
- Strengthened our market presence in e-commerce platforms, gaining a substantial share and expanding our digital footprint
- We introduced several new models across categories such as Hyperjet, Cookie, Groove+, Roverr (non-underlight), and Baby Enso (36") in BLDC, alongside innovative induction models like Toro, Rapidus, Java, Infinia, Star Speed, Star Breeze, and Star Spin

Mr. Rajat Chopra
Business Head – Home Electricals & Pumps

"We are dedicated to providing meaningful solutions that resonate with consumers, aligning closely with their preferences. Our continuous focus on enhancing energy efficiency and delivering best-in-class designs underscores this commitment. Moreover, we will persist in serving the mass segment while expanding our premium offerings with innovative solutions."

Quote by Business Head

Key trends

Changing purchasing behaviour - Evolving consumer buying patterns are evident, with a noticeable increase in spending and interest in home décor, leading to a preference for designer fans. This shift is accompanied by a rise in consultations with interior designers. The choice of colour finish and materials has become pivotal, with superior performance being considered a fundamental requirement.

Sustainability and technology convenience - The market is experiencing a notable transformation towards sustainability and technological convenience. There is a growing emphasis on energy efficiency, favoring cleaner and greener brands. Government regulations are now addressing recyclability, required quality standards, and manufacturing processes. The market is also witnessing a transition towards technologically advanced and innovative products, such as those equipped with remote control and Internet of Things (IoT) capabilities.

From functionality to solution oriented - The focus is shifting from mere functionality to solution-oriented approaches. This includes personalised cooling solutions, integration of fans with other devices, and applications in both commercial and domestic settings. High Volume Low Speed fans are gaining prominence, and there is a growing demand for truly functional domestic and industrial exhaust systems.

Financial Year 2024-25 plans

- Strengthen the core and increase share in the premium category with a focus on executing successful new product development and growing alternative channels
- Bolster leadership position in Bharat-drive expansion in rural, regional chain stores, e-commerce and grow market share in under-penetrated markets
- GTM excellence for the premium segment
- Leadership in energy efficiency by working on existing and new technologies

Pumps

Crompton offers a comprehensive selection of consumer pumps designed for Residential, Agricultural and Specialised applications. Known for their durability, our pumps deliver consistent and reliable performance, ensuring steadfast and unfailing operation for various industrial needs.

Financial Year 2023-24 performance

- We exhibited a robust growth in driven by strong traction in both the Agricultural and Residential segments. The agricultural pump category grew by 18% Y-o-Y, boosting our overall performance
- The rollout of a new brand architecture contributed to an improvement in premiumisation across our product lines, enhancing market penetration and customer satisfaction
- We made a foray into the solar pump business, successfully executing orders worth ₹ 36 Crore under the PM KUSUM scheme, with additional empanelment for ₹ 70 Crore, as a commitment to sustainable energy solutions
- New product launches included:

STP/CCP Series:
Introduced with durable features like Anti-Rust CED Coating and the capability to handle fibrous solids, equipped with a float switch tailored for ease of use enhancing operational efficiency and lifespan.

Solar Pumps:
Successfully launched agricultural Solar Pumps of capacity up to 10HP for irrigation systems complying to MNRE guidelines. Tender Qualifications achieved for Haryana, Rajasthan, Maharashtra & Madhya Pradesh.

Agri Pumps:
We also expanded our traditional pumps offerings by launching Monoblock, Open well, and Borewell agricultural pumps with advanced durability features.

Mr. Rajat Chopra
Business Head – Home Electricals & Pumps

"We provide energy efficient solutions for residential and agricultural applications to meet the consumer needs, through our innovative range of products. Our foray into Solar pumps is also a step towards the same."

Quote by Business Head

Key trends

Government initiatives

The government's Jal Jeevan mission is driving the adoption of residential pumps, with ongoing efforts to formalise regulations for energy-efficient pumps. The Bureau of Indian Standards (BIS) is redefining the efficiency standards for agricultural pumps, and there is a specific governmental focus on promoting energy-saving solar pumps for agricultural applications.

The government also launched the PM KUSUM scheme to set up 20 Lakh standalone solar agricultural pumps, supporting farmers to install solar pumps up to 15 HP for irrigation. The scheme is already underway in several Indian states. Crompton has secured the contract to implement the KUSUM tender in Haryana, Maharashtra, Rajasthan, and Madhya Pradesh for the next 2 (Two) years.

Lifestyle and technology

These trends indicate a noticeable surge in consumer expenditure on pressure pumps for household use. Additionally, the upswing in commercial and construction activities has fuelled a demand for dewatering and sewage pumps. There has also been a rising consumer need for IoT-based products in the pump industry.

Increasing cost of ownership for agricultural pumps

The escalating cost of ownership for agricultural pumps is a significant concern, marked by a 70% increase. This is attributed to rising expenses in parts like pipes, cables, and boring processes. Furthermore, consumers now have higher expectations for warranties due to the considerable costs of repairs. Farmers are responding to this surge by adopting a sharing model for pumps on an hourly or daily basis.

Financial Year 2024-25 plans

Residential

Extend brand architecture across other product portfolio with revamping of the Submersible Borewell Series for higher durability as consumer offerings

Agricultural

GTM focus and range expansion

Solar/ Specialty

Faster execution of solar orders to leverage the opportunities in government business, along with new product launches in Speciality segment to gain entry into the industrial segment

Distribution

Focus on high-potential, low market share territories for residential/ agricultural business through GTM expansion and brand promotion

Large domestic appliances (LDA)

Crompton offers a wide variety of innovative home and kitchen appliances that cater to the diverse daily needs of consumers.

Financial Year 2023-24 performance

- The focus on premiumisation and portfolio expansion across our product lines has led to improved premium saliency and improved margins
- Water heaters continued to deliver a significant growth on E-commerce. There has also been an increased contribution of premium water heaters in the trade channel
- New product launches included:

Air Coolers:
Introduced a new range of industrial coolers and an expanded selection of personal and tower coolers

Water Heaters:
Launched innovative models including horizontal water heaters, tankless geysers

Room Heaters:
We launched carbon-based heaters in this category

Mr. Malhar Vadke
PL Head – LDA

"We are focused on building the water heaters and air cooler portfolio by offering consumer relevant innovations based on consumer insights."

Quote by PL Head

Key trends

Time and energy efficiency

Emphasis on time and energy efficiency, and user-friendly solutions is driving the market towards sustainable and energy-efficient products.

Enhanced user experience

Improved user experience is becoming important, with a shift towards digital-first product launches. Consumer preferences are steadily favouring thoughtfully designed and user-friendly products.

Financial Year 2024-25 plans

- Leverage synergy in the home electricals category – focus on increasing distribution across geographies by leveraging the reach of allied categories
- Focus on increasing brand awareness and consumer relevant innovation

Small domestic appliances (SDA)

This past year has been pivotal in steering our course through new product launches in the mixer grinder category and completing the range in the small kitchen appliances category with the introduction of 6 (Six) new categories and 21 (Twenty One) new products.

Mr. Ketan Chaudhari
PL Head - SDA

> **We are dedicated to increase our footprint in kitchen space by strengthening the grinders segment and building strong portfolio in other small kitchen appliances category that helps consumers to upgrade their lifestyle**

Quote by PL Head

Financial Year 2023-24 performance

- We achieved notable growth in the mixer grinder category, especially online, highlighting our competitive edge in digital marketplaces.
- Enhanced our offerings with advanced models tailored to consumer needs ced our offerings with advanced models tailored to consumer needs.

Key trends

Shift towards premiumisation

Consumers are increasingly preferring products that combine enhanced functionality with aesthetic appeal, demonstrating a market shift towards premiumisation.

Focus on health-conscious products

There is a growing trend for health-oriented products that promote healthier lifestyles.

Financial Year 2024-25 plans

- Introduce products that meet the evolving needs of modern consumers, focusing on feature-led products, smart technology, health benefits and aesthetically appealing designs
- Increase our distribution footprint across underpenetrated regions, particularly in the eastern and western parts of the country, while strengthening our presence in the north
- Enhance our engagement strategies to better connect with our customers, utilising data-driven insights to tailor our products and marketing efforts more effectively

Large kitchen appliances

Innovative product features addressing specific consumer pain points, effective marketing campaigns, and exceptional after sales support have established Crompton large kitchen appliances as a growing player in the premium built-in kitchen appliances segment.

Financial Year 2023-24 performance

- We achieved a remarkable 2.3x revenue growth and an improvement in margins, led by reach expansion and product innovations
- We set up Point of Sales across leading cities including Exclusive Brand Outlets, Multi Brand Outlets, E-commerce, Regional Retail and Modern Organised Retail. Our product display is based on our brand architecture that enables our consumers to make informed choices
- Built-in Kitchen Appliances Business model received distinguished recognition in the India Edition of **"Essentials of Modern Marketing"** by Philip Kotler and Tuhin Mukherjee.
- New Product launches included:

Chimneys	Ovens	Hobs
Introduced the QuietPro Plus, setting a new standard in the market for low-noise technology	Launched the GrandArt TFT Oven, Pyrolytic Pro Oven, and Viola Pro Oven, each designed to cater to sophisticated cooking needs	Debuted the Optime Hob, known for its optimal efficiency and modern design

Mr. Nitesh Mathur
Business Head – Built-in Kitchen Appliances

> **Crompton is seen as the fastest growing brand in the Industry, with India focussed differenced Product Portfolio, Strong sales and Service network and high acceptability from consumers.**
>
> **Our Conversion rates in the stores are very encouraging and gives us confidence to be on a high growth journey in the years to come.**

Quote by Business Head

Key trends

Immersive consumer journey

The consumer journey is immersive in this extensively researched category, with an omnichannel purchase path lasting over 45 (Forty Five) days. On average, consumers visit approximately 3 (Three) to 5 (Five) counters before making a purchase decision.

Preference for product combos from a single brand

There is a notable inclination towards acquiring product combos from a single brand, as evidenced by 75% of chimney purchases being accompanied by cooktops and hobs. Consumers prefer a single brand that promises coordinated aesthetics, installation, and after-care services.

Category premiumisation

This is driven by increasing income levels and aspirations.

Financial Year 2024-25 plans

- Expand through continued product differentiation – Launch new category to accelerate growth, exclusive models to increase market addressability (e-commerce)
- Channel expansion is focused on Exclusive Brand Outlets (EBO) and Multi-Brand Outlets (MBO), aiming to increase profitability through targeted consumer reach. Consequently, we are enhancing partnerships with key regional and national chain stores

Mr. Shaleen Nayak
Business Head – Lighting

> We are well positioned to deliver growth in the coming year through a widened portfolio, expanded route to market and brand investments in the B2C segment.
>
> Anticipating continued Governmental focus and investment on infrastructure development, we are poised to contribute to the India growth story in the B2B lighting space through street lighting and industrial lighting solutions.

Quote by Business Head

Lighting

Our energy-efficient products deliver enhanced light output, improving comfort in the spaces where they are used. With innovative product launches in both the B2C and B2B segments, we have enhanced our industry presence and responded effectively to evolving consumer demands.

Financial Year 2023-24 performance

B2C segment

- The B2C segment continued to encounter industry-level challenges, including price erosion and intense competition, which impacted revenue. Despite these hurdles, we focused on expanding our product range and enhancing market penetration through a structured Go-to-Market (GTM) strategy
- There was an increased emphasis on e-commerce platforms, supported by the introduction of new products designed to meet evolving consumer preferences. New product launches included - the Trio range of lights, High Wattage battens, Decorative Battens, Extension Boards, and Solar-powered Streetlights
- The saliency of ceiling lights and new products in the B2C segment showed improvement

B2B segment

- The B2B segment was driven by a resurgence in traditional markets and an uptick in government sector engagements
- We secured several prestigious projects, which contributed to our visibility and business growth. These include the Mumbai Coastal Road, Noida International Airport, Ahmedabad Municipal Corporation, and engagements with the Chennai Municipal Administration.
- Growth in our enterprise business aided the overall B2B performance, with profit improvements led by higher margins from new product launches

Key trends

B2C

Changes in consumer preferences
There has been a growing inclination towards brighter solutions, particularly profile lights

Growth in the premium category
The premium category is experiencing substantial growth, driven by technology and a focus on both automation and aesthetics

Personalisation has become a key factor contributing to this growth

Increasing demand for outdoors
The demand for outdoor lighting solutions for façades, gates, gardens, and decorative walls is high. This demand extends to a variety of outdoor lighting options, including solar powered solutions and decorative rope lights

B2B

Increasing investments in infrastructure
Investments in infrastructure have grown, with increased capital allocations for entities such as NHAI, airports, metro systems, railways and ports. The government is also allocating additional funds for park and civic amenities, including street lighting, building illumination, city beautification projects, and the centralised procurement of street lights at the state level

Increased focus on sustainable solutions
The heightened emphasis on sustainable solutions is reflected in the government's financial commitment to the initiatives that are facilitated through Nodal Agencies who are responsible for energy savings across various states

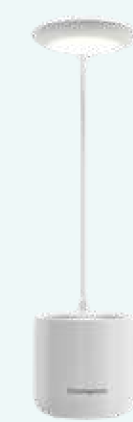
Financial Year 2024-25 plans

B2C segment

- Build a comprehensive product portfolio; expand ceiling offering
  - Augment deep optics, track lights and premium lighting range
  - Launch fast-moving indoor wall lights
- Focus on growing distribution reach through strengthening direct dealer network as well as e-commerce and modern trade

B2B segment

- Strengthen brand equity and market position in infrastructure
- Expand range of solar-lighting solutions



Butterfly Gandhimathi Appliances Limited

Butterfly is one of the largest integrated domestic kitchen appliance manufacturers in India. It has a diverse product portfolio that includes kitchen appliances (food processors, mixer grinders, table-top wet grinders), heating appliances (LPG stoves, pressure cookers), breakfast appliances (toasters, sandwich makers) and drink-ware (stainless steel flasks and water bottles). Butterfly maintains strong leadership in the kitchen appliances sector in South India, particularly noted for its wet grinders and LPG stoves. This sustained leadership is driven by compelling brand appeal, technical proficiency and success in the e-commerce sector. The enduring quality and durability of products have earned trust among consumers, reinforcing the brand's reputation in both traditional and emerging market segments.

13%
Contriubution from new product launches

Key Highlights

- Retail and modern trade channels continue to grow despite demand slow down
- Several activities were conducted to drive consumer engagement and reinvigorate the channel

Financial Year 2024-25 plans

- Target robust revenue growth and profitability through focused e-commerce strategies
- Invest in new range of high-efficiency cookers and gas stoves with customer-centricity in mind
- Focus on emerging categories such as induction cook tops, chimneys and kettles

Chairman's Message

As we look ahead, India's consumer electrical sector is poised for continuous growth in the coming year(s). This growth will be driven by technological advancements, evolving consumer preferences, and a heightened awareness of durable and energy-efficient appliances.

Dear Stakeholders,

I am pleased to present to you **Crompton's Integrated Annual Report for Financial Year 2023-24**, on behalf of our esteemed Board of Directors. Amidst global turbulence, India's impressive progress stands as a beacon of hope for its citizens. In parallel, **Crompton** has undergone a transformation in alignment with the country's journey.

Throughout the year, we implemented several strategic initiatives:

Realignment of Executive Leadership
We restructured our leadership team, establishing a second-level leadership tier for each business unit.

Organisational Structure Renewal
We introduced **Centres of Excellence** for both back-end and front-end functions, empowering our business units.

Crompton 2.0 Strategy
This strategic framework significantly contributed to robust revenue growth. Notably, our expansion in the **ECD (Electrical Consumer Durables)** segment played a pivotal role.

Investments in Branding, Innovation, and Go-To-Market Excellence
These efforts fueled our success.

At Crompton, we uphold the highest standards of **governance, ethics, and integrity**. These principles are not mere buzzwords; they are crucial for sustained value creation and safeguarding our stakeholders' interests. Our commitment to good governance involves:

- **Accountability Reinforcement**
- **Robust Risk and Performance Management**
- **Transparency**
- **Ethical and Effective Leadership**

Guided by our core values and an informed Board, we remain steadfast in creating enduring value for our investors and stakeholders. Leveraging the diverse expertise within our organisation, we forge ahead toward a brighter future.

Our unwavering goal is to consistently deliver **high performance** and **exceed expectations**. Throughout the year, we have diligently fostered a culture of excellence that revolves around our clients and embraces **diversity and inclusivity**. Our workforce is a **crucial asset**, propelling us toward our desired success and productivity. We deeply appreciate the **diverse backgrounds, perspectives, and networks** of all our employees.

As we look ahead, India's **consumer electrical sector** is poised for **continuous growth** in the coming year(s). This growth will be driven by technological advancements, evolving consumer preferences, and a heightened awareness of durable and energy-efficient appliances. With a **robust and dynamic team**, a diverse product portfolio spanning various categories, and a steadfastly **customer-focused approach**, we are well-positioned to seize opportunities and deliver value to our stakeholders. Our business fundamentals stand strong, and we anticipate that our performance will reflect the **resilience of our business model**. The implementation of our growth strategy under **Crompton 2.0** fills us with confidence as we strive toward our long-term aspirations.

We extend our gratitude to our stakeholders for their unwavering support. Equally, we recognise and appreciate the immense contributions of all our employees in building Crompton and its businesses. As we look into the future, I envision even greater achievements for our company, and I eagerly look forward to a successful year ahead.

Regards,

D. Sundaram
Chairman & Independent Director

MD & CEO's Message

Under Crompton 2.0 strategy, the strategic investments in brand building, innovation, and Go-To-Market excellence has delivered robust revenue growth, best in industry profitability and strengthened leadership position across categories.

Dear Stakeholders,

In a dynamic business landscape – shaped by evolving consumer preferences, emerging new technologies, and a renewed focus on sustainability – we must evolve and thrive simultaneously. Committed to excellence, we have initiated the transformative journey of Crompton 2.0. This transition is not merely a change in name or structure – it represents a bold leap into the future. Crompton 2.0 will be constructed upon the foundation of our values and past successes, yet it will be equipped with the tools, strategies, and mindset needed to succeed in the modern world. This ensures current success while establishing the groundwork for a resilient and prosperous future.

Throughout the year, we implemented various measures as part of Crompton 2.0, focusing on operational efficiency, empowering our workforce, and fostering long-term growth. We restructured our organisation into a matrix structure, with business unit heads responsible for both business and financial outcomes, supported by functional Centres of Excellence. Further investments were made to accelerate new product launches, establish robust supply chain processes, and enhance the success rate of products. Our engagements with distributors, retailers, and the sales team have increased significantly, ensuring clarity for all stakeholders.

Tenets of Crompton 2.0

- Enabled & Empowered Organisation
- Consumer Need-led Innovation
- Premiumisation of Portfolio
- Supply Chain Excellence
- GTM Excellence
- Digital Enablement

Enabled & empowered organisation

Crompton's strength resides in empowering talent with futuristic capabilities in an empathetic workplace. This makes us the employer of choice for both experienced professionals and fresh graduates. In a competitive talent market, our distinctiveness is maintained through a people-focused, purpose-driven culture, alongside cutting-edge career and development opportunities. Through the Crompton Leadership Development Programme (CLDP), we aim to cultivate leadership potential and enhance strategic capabilities among senior executives, achieving organisational excellence.

Consumer need-led innovation

Our consistent efforts in portfolio excellence have enabled us to deliver products – be it the affordable or the premium category – with enhanced performance and durability, superior aesthetics, and improved energy efficiency. We are strengthening our efforts to gather consumer insights and feedback.

Additionally, we encourage our employees to share their ideas and perspectives and to embed innovation at the core of each activity. The ultimate objective is not only to develop new products but to successfully transition those products from lab to shelf and to drive awareness.

Premiumisation of portfolio

The demand for convenient and time-saving consumer durables is on the rise, mainly driven by fast-paced lifestyles. Premium, feature-led products with advanced technology and sustainability will be key growth drivers. Given the focus on R&D and the continual insights journey, the prominence of premium products has improved over the years. However, perfecting the time to market is crucial, and hence we have been investing in creating a dedicated ecosystem for new product introductions.

Supply chain excellence

Our ability to develop and deliver quality products efficiently is based on our robust supply chain strategy. We continue to roll out initiatives in 4 (Four) focus areas across the supply chain: Manufacturing Excellence, Supplier Strategy, Continual Quality Improvement, and Driving Sustainability. We have dedicated programmes for each initiative.

Through the Udaan programme, we are working on strengthening our manufacturing and quality capabilities, achieving the right balance of quality vendors and suppliers. Our flagship cost excellence programme, Unnati, helps us optimise processes and then reinvest savings into growth areas. Our recently initiated Uday programme focuses on improving the availability of stocks at various locations while maintaining optimum inventory levels.

GTM excellence

Our comprehensive Go-To-Market (GTM) strategy is focused on strengthening our current distribution network and creating a balanced channel mix to increase market presence and enhance customer reach. Moving ahead, our strategy involves broadening our GTM channels with the aid of technology. We place substantial emphasis on enhancing sales proficiency, a pivotal factor in propelling our growth trajectory and fostering customer satisfaction.

Digital enablement

We have embarked on the next phase of digital transformation. We aim to enable the business to rely on technology to improve the productivity of our people and the efficiency of our processes. While we continue to leverage our existing setup, our goal is to drive digitalisation across the value chain.

Financial performance

Our investments in brand building, innovation, and GTM excellence resulted in a noteworthy 10% YoY growth in revenue growth and a robust 3% growth in absolute profit.
The ECD segment saw a leading 13% revenue growth, driven by strong performances in fans, pumps, and appliances. We continue to expand our market share in premium fans. The Appliances category experienced robust growth, particularly Water Heaters and Small Domestic Appliances, with Water Heaters becoming the top brand on e-commerce platforms. Our focus on agricultural and solar pumps is generating positive outcomes. While the lighting business faced few challenges, corrective measures have been implemented for future growth. Moreover, we have bolstered our credibility by securing significant projects such as the Mumbai Coastal Road, Ahmedabad Municipal Corporation, and Chennai Municipal Administration. The expansion of Butterfly's presence in retail and e-commerce has helped offset the decline in the corporate channel.

Environment and communities

To bring about a positive impact on our communities and the environment we are pioneering adherence to all regulatory changes, including BEE and BIS standards. Our multifaceted strategy to minimise emissions encompasses green innovation, enhancements in operational efficiency, and waste reduction. By actively promoting initiatives such as rainwater harvesting, watershed development, and providing clean drinking water at the community level, we educate communities on water conservation practices. Our commitment to Extended Producer Responsibility (EPR) ensures the responsible management of products throughout their lifecycle.

Our community development initiatives also focus on skill and entrepreneurship development, sustainable livelihood, women empowerment, and employee engagement. We are committed to creating holistic societal changes, and the Changemaker Grant program empowers employees to contribute to the betterment of society by working on projects aligned with their chosen causes.

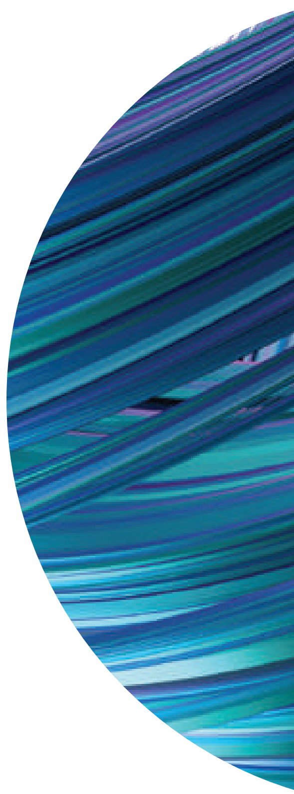
Way forward

Our increased investments in brand, innovation, and people, emphasising accelerated topline growth and absolute profit growth for robust Total Shareholder Return (TSR), mark a shift from our previous approach. Our objective is to maintain agility by emphasising innovation and our GTM strategy while upholding our brand legacy and addressing consumer needs as a top priority. Concurrently, we persistently work on strengthening our competitive position and exploring new avenues for growth.

I extend our heartfelt gratitude to our valued stakeholders, including customers, bankers, financial institutions, channel partners, business associates, suppliers, employees, and the community. Here's to another year of transforming the relentless and unstoppable forces of change into long-term breakthroughs.

Regards,

Promeet Ghosh
MD & CEO



Manufacturing highlights

This year, we intensified our efforts to optimise product efficiency, responsibly source raw materials and minimise waste. Harnessing cutting-edge technologies, we have further streamlined our operations, leading to faster product launches and improved performance. This unwavering focus on resourcefulness and technological advancement ensures that Crompton delivers exceptional products that contribute to a sustainable future. Our manufactured capital propels us forward, allowing us to realise our vision of creating value for our customers, employees, the environment and other stakeholders.

5
Manufacturing locations including Butterfly

9.3%
Reduction in complaints rate (PPR %) with 24 quality improvement projects completed in Financial Year 2023-24

Mr. Pravin Saraf
Head Manufacturing, Planning, & Logistics

"We've prioritised growth and resilience through smart manufacturing and supply chain management, focusing on efficiency, quality, and agility. We have strengthened our logistics networks and foster robust partnerships. Our commitment to sustainability remains strong and aligning with our corporate values."

Quote by Function Head

Manufacturing facilities

Goa (Fans)

8
Product lines

12,52,500
Manufacturing Capacity (Per Month)

Baddi (Fans)

4
Product lines

7,50,000
Manufacturing Capacity (Per Month)

Vadodara (Lighting)

8
Product lines

56,40,000
Manufacturing Capacity (Per Month)

Baddi (Lighting)

5
Product lines

31,12,500
Manufacturing Capacity (Per Month)

Kundaim Plant

Ahmednagar (Pumps)

4
Product lines

49,725
Manufacturing Capacity (Per Month)

Chennai - Butterfly (Kitchen Appliances)

17
Product lines

11,58,750
Manufacturing Capacity (Per Month)

Enhancing operational excellence

Crompton embraces a lean manufacturing philosophy, striving for peak productivity with minimal waste. This ethos permeates every stage of our operations, resulting in a remarkable 90% improvement in new product development efficiency. Additionally, we are committed to environmental sustainability, implementing green packaging solutions for select products. These efforts have yielded impressive results, with a significant increase in capacity utilisation. Our relentless pursuit of operational excellence propels us towards continued success in the ever-evolving manufacturing landscape.

Various initiatives implemented to optimise factory operations:

- Including MOST study, inventory management, Kaizen.
- Buffer-based replenishment system from plant/ CWH to branches (Project Uday) being piloted with fans and appliances business.
- Stockout and near-stockout instances (black and red count) are reduced over time and white inventory has also been reduced.

Project Udaan

Project Udaan is a strategic initiative to bring in our products at the lowest possible cost while maintaining best-in-class quality and service standards. Since the launch in 2019, the project has since made remarkable progress in improving our Company's footprint, manufacturing process and supply chain.

Across a five-year horizon, the project aims to recalibrate our business model by focusing on:

- Achieving manufacturing excellence through improved throughput, productivity, cost and quality performance.
- Optimising 'Make v/s Buy' portfolio configuration, considering product criticality and the supply chain ability.
- Augmented manufacturing network capable of delivering products (finished goods, components) in line with cost, quality and service levels.
- Sourcing excellence initiative, aligned to the requirements of the overall supply strategy (finished goods, components), considering cost, quality and service levels.

Supply chain & logistics

A robust supply chain is integral to our success. We achieve this by adhering to Standardised Operating Procedures (SOPs) and maintaining a stringent vendor onboarding process. Strategic partnerships are strengthened through a comprehensive scorecard system that monitors Key Performance Indicators (KPIs) for vendors, suppliers, transporters, and Carrying and Forwarding Agents (CFAs).

In response to the current economic climate, we have adapted our operating model to optimise resource utilisation, emphasising the criticality of cash flow. Initiatives are also taken to enhance supply chain resilience and create sustainable competitiveness. Environmental, Health, and Safety (EHS) considerations are considered through regular audits. Our commitment to achieving best-in-class inventory management is reflected in strategic measures such as warehouse modernisation, logistics digitalisation and automation advancements across procurement, physical distribution and integrated business planning. These efforts ensure a smooth material flow, optimise inventory levels and contribute to enhanced efficiency and responsiveness throughout the entire supply chain.

Quality assurance

Achieving operational excellence by emphasising quality throughout the entire value chain is paramount to us. Through a multifaceted approach, we foster a culture of continuous improvement and standardised practices through key programmes such as 5S, Quality Circles, and Daily Work Management. Transparency and accountability are promoted through initiatives like 'Glass Walls.'

In addition, we leverage 6 (Six) Sigma to enhance our problem-solving capabilities. This methodology empowers our teams to address complex quality challenges with data-driven solutions by enabling easy access to advanced statistical tools and project management training. Backed by these efforts, we work towards improving product quality, minimising defects, and ultimately delivering exceptional value to our customers.

We ensure quality through

- A robust NPD release and validation process
- Preventive quality tools deployment-Process Capability studies, PokaYoke, Digital Inspection Equipment – CMM , Automated Shaft and Blade Measurement Systems
- Quality Management Module Implementation in SAP for E2E traceability of Inspection and Validations
- Continuous Product Quality improvement through design upgrades and manufacturing process improvements in LED bulb, Induction Motor Fans, Storage Water heaters, Mini Series Pump, etc.

Innovation highlights

At Crompton, innovation is the cornerstone of our success. We have been at the forefront of leveraging technology for product advancement, creating new efficiencies and bringing about business growth sustainably. This year we continued to invest in newer technologies and pro-actively worked towards regulatory changes. In Financial Year 2024, we pushed the boundaries of possibility to create a vibrant product range that seamlessly integrates into evolving lifestyles.

Mr. Sanjeev Agrawal
Chief Technology Officer (CTO) & Head – ESG

"**We believe in constantly challenging ourselves to explore new possibilities, and embrace emerging technologies to deliver smarter, more sustainable, user-centric products that enrich the lives of our consumers.**"

Quote by Function Head

The next frontier for innovation

Pioneering sustainable technologies: Recognising the urgent need for environmental responsibility, we prioritise R&D efforts in eco-friendly solutions across categories. From energy-efficient motors to AI-powered smart homes, we empower consumers to contribute to the positive impact.

Human-centric design: Empathy remains our guiding principle. We integrate user-centric insights into every stage of product development, ensuring our innovations enhance daily lives with intuitive functionality and aesthetic appeal.

Harnessing digital transformation: The evolving digital landscape redefines the way industries work. We embrace agile methodologies and invest in talent equipped to navigate the ever-evolving technological terrain. This ensures our intellectual capital remains future-proof, adaptable, and responsive to emerging trends.

Key highlights

19
Patents filed

160
R&D team size

165
New products launched across various categories

New product development

Each business segment has specialised teams to focus on the different aspects of New Product Development (NPD) including design, development, project management and product testing. In strict compliance with current government regulations concerning safety, performance and reliability, the teams employ a range of engineering tools and software to consistently enhance their knowledge and skills.

Our 165 product launches in the year demonstrates our dedication to advancing product development. These advancements cater to changing consumer demands, prioritising aspects such as aesthetics, functionality and energy efficiency. We also strengthened our technology development team, focusing on motor controller development as a key technology. Additionally, by improving capabilities and upgrading lab infrastructure, we have fortified our Innovation and Development function.

New products

Fans
We have launched an industry-first in BLDC fan technology with the Groove Regmote, which combines both remote and regulator operations for enhanced user convenience. Additionally, our new Star Series—comprising StarSpin, StarSpeed, StarBriz, and StarDrift—targets the economy segment with an exceptional feature of 400 RPM, setting new standards in performance and affordability. In the mass premium segment, we have expanded our offerings with the decorative range including models like Toro, Rapidus, and Java. Moreover, the Infinia model stands out with its electroplated finish and stunning aesthetics.

Pumps
The new Nile Plus range launched in Surefill Plus category of Mini Brand architecture gained significant traction in market due to its superior performance and cost competitiveness. Our Pumps R&D and Marketing team also collaborated to develop & launch Solar Pumps thus initiating installations at various locations.

Lighting
The lighting R&D team introduced numerous products in the B2C lighting segment, including the industry-first flagship Trio Series comprising lamps, battens and downlights. Additionally, our B2B segment has been fortified with the launch of street and floodlight platforms.

In the coming months, we are set to launch additions in existing categories and add new categories with a focus on energy efficiency and sustainability. Using user data, we aim to deliver personalised solutions to enhance convenience, positioning us for continued success in the evolving market.

₹ 659 Crore

Revenue from products launched

Key priorities

Product premiumisation

- Drive better consumer experience in existing categories and build unique first-time solutions in the market

Innovation and technology

- Strengthen core technology and incubate futuristic technology for driving long-term growth
- Comfort - Air delivery, cooling and heating technologies, noiseless operation
- Platform development for
- Material technologies -Antidust, Antistain, Disinfectant
- New materials -Light diffusion, heat and electrical conductivity

Systems and capabilities

- Establish an integrated product development process using digitalisation to fuel innovation and NPD journey
- Digitalisation to increase rigour and drive post facto learning

Sustainability in Product Innovation

The initiation of the ESG Dashboard marks a crucial development in our strategy to monitor and enhance our sustainability performance. This tool centralises data, enhances decision-making capabilities, and tracks critical performance indicators such as greenhouse gas emissions and resource utilisation, paving the way for informed sustainability practices across our operations.

We have also significantly enhanced energy efficiency across our product lines. Key highlights include:

Ceiling Fans

We achieved ~27% improvement in energy efficiency by transitioning to BEE Star-rated fans, thereby reducing energy consumption and enhancing product sustainability.

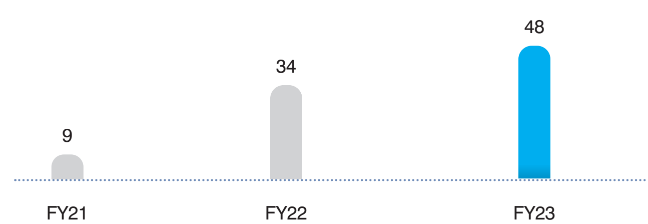
Water Heaters

Our storage water heaters now feature improved insulation, resulting in an average of 9% reduction in standing loss, aligning with the latest BEE Star rating upgrades.

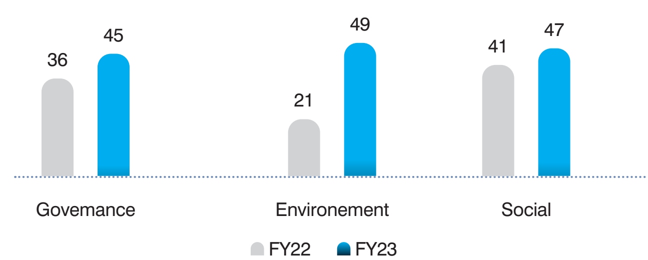
Lighting Solutions

In our B2C segment, the luminous efficacy of our bulbs has improved by 15%, as a part of BEE star rating upgradation

DJSI Score Improvement



Environment, Social and Governance Score



R&D infrastructure

We prioritise process improvements through investments in talent and state-of-the-art facilities. Embracing a culture of innovation with ample resources, we continue to build on our successes in R&D. We also celebrated two years since the inauguration of our R&D office - with renewed determination to advance research and development for driving future growth and innovation.

During the year, we implemented several key changes to streamline our processes and empower the R&D team. These include:

- **Product Lifecycle Management (PLM) and Product Data Management (PDM):** These processes enhance efficiency and transparency in product development, ensuring everyone has access to the latest information.
- **Digital change management:** This system replaces manual change notification with a digital workflow, facilitating faster approvals and execution.

Consumer-centric innovation

At Crompton, understanding and exceeding consumer expectations is paramount. The R&D philosophy centres around creating products that seamlessly integrate into users' lives, offering both functionality and aesthetic appeal. This consumer-centric approach manifests in several ways:

Prioritising health and hygiene: We showcase a dedication to user well-being through products like the anti-dust fan and antibacterial mixer grinder.

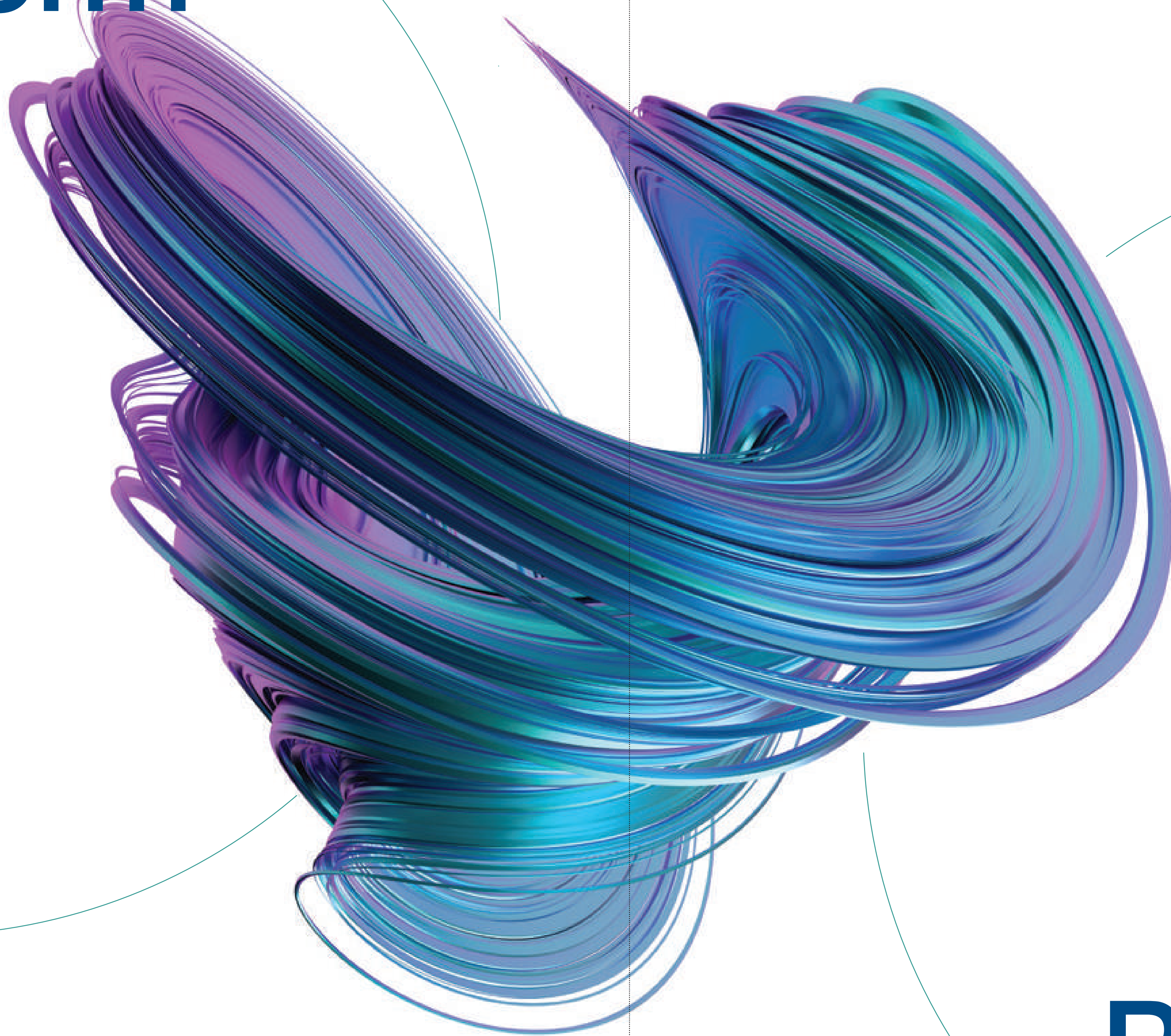
Energy efficiency advocacy: We empower environmentally conscious choices with 33% of products being star-rated while ensuring performance is not compromised.

Intuitive design excellence: User-friendly elements such as ergonomic knobs and spill-proof designs underscore our commitment to simplifying daily tasks.

At Crompton, the way forward is to explore smart and connected products, utilising AI for personalised user experiences. Our understanding of consumer needs helps us keep pace with the latest innovation trends, enabling us to deliver products that delight and empower our users.

Transform

Leveraging our brand and people strength backed by extensive distribution network, the outlined Crompton 2.0 strategy focusses on delivering robust and sustainable growth with healthy margins while we continue to invest in enhancing brand visibility, broadening product offerings led by premiumisation and diversification in Go-To-Market channel. Our commitment to core values remains unwavering and it is crucial that we remain adaptable and forward-thinking to stay ahead. Through these transformative initiatives, we aim to consolidate leadership and create superior value for our stakeholders.



While we march on the tranformation journey, we emphasise the importance of short term goals as stepping stones towards long-term success. We remain focussed on how we consistently achieve operational excellence driven by continuous improvement initiatives and leveraging realtime data to refine processes and enhance decision making. This approach ensures that we meet our productivity goals, delivering superior products and services that ensure customer satisfaction and competitive advantage.

Perform

Our growth strategy

Both Crompton and Butterfly have strong brand legacy and are known for serving consumers and creating a long-lasting partnership with various stakeholders. Knowing our strengths and success and considering the evolving market landscape, we have outlined the Crompton 2.0 strategy to drive accelerated growth. The fundamental change is moving from 'profitability led' to 'profit led'. Underpinning this, there are 6 tenets of Crompton 2.0

Crompton 2.0 Strategy

To drive accelerated growth while maintaining healthy margins, ultimately delivering strong Total Shareholder Return (TSR).

01 Protect and grow the core

The fans segment is being enhanced by strengthening core offerings and capturing a larger share of the premium segment. Large domestic appliances are seeing a push towards premiumisation to sustain growth, while pumps are being repositioned to expand the agricultural footprint.

02 Win in the kitchen

The strategy for kitchen appliances focuses on leveraging mutual strengths to expand market share and reach. In large kitchen appliances, there is a continuous effort to create a differentiated portfolio that responds to consumer demands, emphasising higher value extraction and market expansion.

03 Transform lighting business

This involves driving innovation and repositioning products, enhancing go-to-market and sales processes, and broadening the range across panels and other segments to revitalise the lighting business.

04 Foray into new segments

Plans include evaluating 2-3 new attractive market spaces that align with the overall strategic vision and exploring opportunities to leverage existing capabilities in new areas.

Enabled by

- **Enabled and empowered organisation**
- **Consumer need-led innovation**
- **Premiumisation of portfolio**
- **Supply chain excellence**
- **Go-to-Market excellence**
- **Digital enablement**

Enabled & Empowered Organisation

Our goal is to build a team of high-performing and empowered individuals who are deeply committed to our organisational values but also exemplify outstanding behaviour.

With an emphasis on professional development opportunities, we strive to create an inclusive and recognition-driven environment for our employees, enabling them to achieve their career aspirations. We envision a workplace where our team members are valued and ultimately contribute to the continued success of our organisation.

During the year, we restructured our leadership to pave the way for an empowered organisation under the 'Crompton 2.0' vision. This transformation involved substantial changes including clustering business units around common products and establishing new business units specifically dedicated to strategic initiatives.

Further enhancing our corporate culture, we introduced our Purpose, "Enriching life for generations with smart and responsible solutions." The core values – Caring, Responsible, Entrepreneurial, Accountable, Team Player, Ethical – are integral to our operations, guiding us in making decisions that uphold integrity, foster collaboration, and ensure sustainability in all our practices.

Key initiatives

- Introduced a specialised learning platform aimed at enhancing employee capabilities
- Implemented AI-driven tools to assess and address employee concerns effectively
- Ongoing efforts to enhance employee engagement through inputs derived from ongoing surveys
- Implementation of the Crompton Leadership Development Programme (CLDP), Future Leadership Development Programme (FLDP), and Emerging Leadership Development Programme (ELDP) to foster leadership qualities across different career stages
- Engagement in Design Thinking workshops, Sales Development centres, and specialised customer service training to boost functional expertise
- Conducting Health Awareness programmes, personal hygiene workshops, and rigorous safety training including electrical hazards and first aid to ensure employee well-being and safety

Financial Year 2024-25 key focus areas

- Drive improvement in talent hiring and retention
- Evolve a 'Young Talent Nurture Program' for management trainees and graduate engineer trainees
- Strengthen the Performance Management System (PMS) to make the process more robust and have assessment competencies derived from Purpose and Values

Consumer need-led innovation

At Crompton, our dedication to consumer need-led innovation is anchored in robust consumer insights and research, guiding our product development and marketing strategies. We continuously engage in employee idea workshops and partnerships with technology innovators to bring these insights to fruition.

160
R&D team size

₹ 659 Crore
Revenue from new products

19
Patent filed

165
Products launched

New product development is driven by the identified focused themes

Energy efficiency

- Focus on reducing power and water consumption.
- Use of energy-efficient materials
- Implementation of energy loss detection and energy-saving measures

Healthy living

- Development of antibacterial and antifungal surfaces.
- Features that kill viruses and promote pollution-free environments
- Emphasis on kitchen, bathroom, and entryway hygiene

Smart connectivity

- Integration of smart home technologies
- Enhancement of appliances with smart capabilities
- Addition of smart product converters/ adapters and intelligent features

Consumer-centric design

- Improvement of comfort and convenience in product designs
- Addition of exciting features to existing products.
- Focus on redefining user perceptions through innovative design

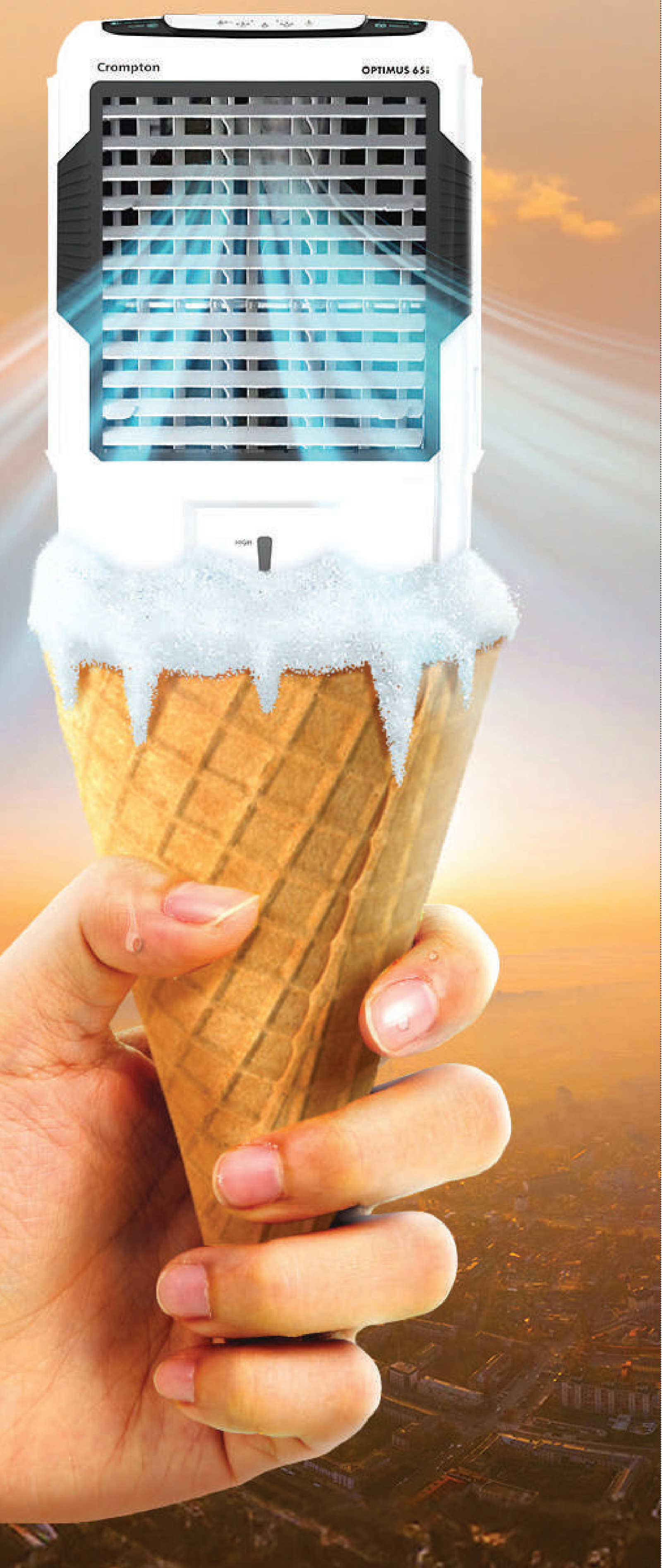
Financial Year 2024-25 key focus areas

- Amplifying consumer immersion programs to derive actionable insights
- Escalating investments in cutting-edge, consumer-preferred digital platforms
- Focusing on enhancing research, innovation, and technology development to keep pace with evolving consumer expectations and technological advancements

Premiumisation of portfolio

Crompton is steering towards premiumisation of its product portfolio, recognising the rising consumer demand for premium features and overall enhanced product experiences.

We are innovating across all categories - introducing superior BLDC fans, expanding the range of residential pumps based on our redefined brand architecture, and diversifying offerings in the appliances category with a focus on energy efficiency and advanced technology. We have further added signature studios to expand our presence into built-in kitchen appliances. These efforts are aimed at meeting consumer expectations of quality and functionality, setting new standards in the consumer durables industry.



Key highlights of the portfolio

Fans

The premium segment is experiencing faster growth compared to mid-mass products. The introduction of new innovative products, predominantly BLDC fans, presents a substantial opportunity to capture a greater share of the premium market.

Lighting

We are building a comprehensive portfolio with a focus on ceiling lights, growing distribution, leveraging traditional channels and strengthening modern trade and e-commerce.

Pumps

Successfully released premium pumps through deployment of brand architecture in mini & high suction pump series with durability features & performance enhancement.

Appliances

To stimulate growth in this appliances category, we are diversifying our portfolio by expanding the range in small & large domestic appliances.

Financial Year 2024-25 key focus areas

- Drive better consumer experience in existing categories and build unique first-time solutions in the market
- Strengthen product uniqueness through advanced technology and meticulous control over processes
- Evaluate attractive whitespaces that align with the overarching vision

Supply Chain Excellence

Manufactured Capital | Intellectual Capital | Natural Capital

We are dedicated to achieving operational excellence through the reinforcement of our supply chain, ensuring the timely and cost-efficient delivery of our products.

Key initiatives

Manufacturing excellence

Strengthened through Project Unnati and Project Udaan, our process and cost improvement initiatives targets the elimination of non-value-added costs, reinforcing our position as a cost leader.

Continual quality improvement

We have stepped up our efforts on improving our quality across value chain through focused execution of key initiatives including 5S, Six Sigma, Quality circles etc. We conducted various training and awareness programs across our factories and supply chain partners.

Supplier strategy

We have initiated a journey towards vendor/ supplier optimisation to enhance vendor performance and drive cost excellence, aligning with our strategy to optimise both direct and indirect costs through strategic partnerships.

Driving sustainability across the supply chain

Our commitment is demonstrated through investments in technology and digitalisation to improve operational efficiency and data security. We incorporate customer feedback directly into our systems for real-time market trend monitoring and competitive positioning. Environmental stewardship is also a priority, showcased by our Extended Producer Responsibility (EPR) initiatives that promote recycling and waste reduction.

Mr. Manoj Kumar
Chief Supply Chain Officer

"We view our supply chain as a strategic asset that drives efficiency, innovation, and sustainability across our operations. Our commitment to operational excellence, cost optimisation, and risk mitigation ensures that we deliver value to our customers while upholding the highest standards of ethical sourcing and environmental stewardship"

Quote by Function Head

Financial Year 2024-25 key focus areas

- Transition towards distribution based on replenishment and manufacturing driven by demand
- To optimise the supply base and spend concentration with strategic supplier
- Build capabilities to reduce new model launch time to market, through efficient resource planning, early procurement and supplier involvement and reduce non value- added activities
- Focus on standardisation and digitalisation of the procurement process to enhance resource efficiency

Drive operational excellence through simplifying and digitising key process

Cost sheet
Standardise and digitise cost sheets for products

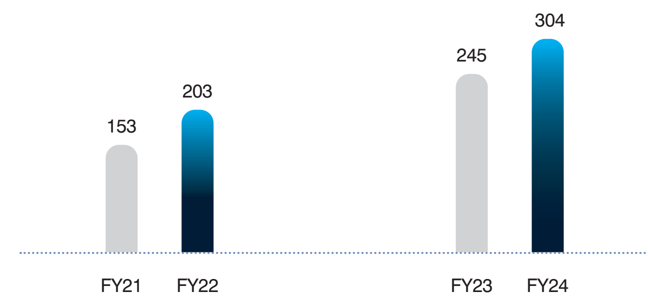
Analytics
Build process for QVE (Qualitative Value Engineering), tear down analysis, BOM verification

New product development
A dedicated team to be created for new product development to reduce time to market

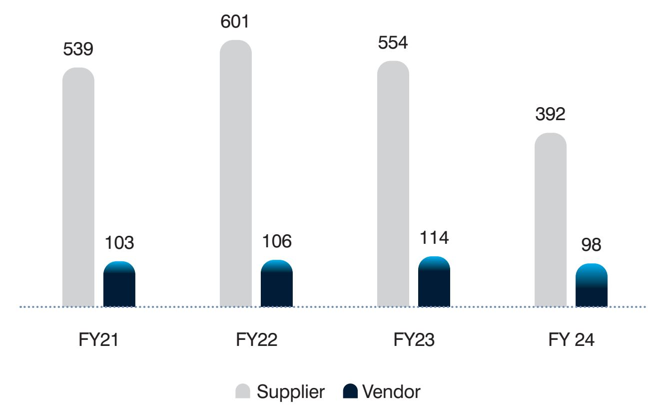
Pricing
Establish stable price visibility and predictability mechanism

Process
Simplify cost and discount negotiation frequency and strategic negotiations

Cost saving (₹ in Crore)



Supplier/ vendor base



Go-To-Market Excellence

Our Omni Channel Go-To-Market strategy has been focused on leveraging various channels to improve our touch points in the market by increasing our numeric reach and depth of distribution. This approach reflects our commitment to adaptability and customer first approach in the evolving market landscape.

Mr. Anand Kumar
Group Sales & Services Head (GSSH)

"Our focus remains steadfast on driving sales growth and expanding our distribution network. We are implementing innovative strategies to be omnipresent, to enhance customer engagement and leverage new market opportunities to be closer to the consumer.

Building capability not only in team but also with partners to drive premiumisation will be our focus agenda. We are committed to create consumer delight through qualitative after sales service and faster response."

Quote by Function Head

We are actively tapping into new channels such as e-commerce, modern retail, rurban and institutional channels to foster growth across our business units. In the realm of large kitchen appliances, our reach is extending, and Butterfly has ambitious plans for nationwide expansion through all these channels. Moreover, we anticipate growth in domestic appliances, fans, heaters and pumps by fortifying our presence in emerging channels like e-commerce.

We are also exploring opportunities for expansion through exports. This comprehensive approach guides our commitment to driving growth across diverse markets and channels.

Diversification in GTM channels enabled by technology

Grow existing channels

Reach expansion (trade) | Channel engagement

Leverage new channels

E-commerce | Institutional channel | Modern retail

Build future-ready channels

D2C and omnichannel | Export

"Go-to-market excellence is not just about reaching the market; it's about making an impact that resonates with customers and drives sustainable growth. In the pursuit of go-to-market excellence, every interaction with customers should be viewed as an opportunity to create value and build lasting relationships"

Key initiatives

- **Pumps –** Working towards expanding our base of channel partners and enhancing their participation in the agricultural segment
- **Large kitchen appliances –** Commenced tie up with national & regional chain stores
- **Lighting –** Stronger focus on trade channel development through direct dealer appointments and on e-commerce
- Expansion of product portfolio, improved product availability, and heightened investments in digital marketing

Financial Year 2024-25 key focus areas

- Drive channel engagement through premium channel partner meets, retailer meets and influencer meets across the country
- Faster settlement of claims through scheme automation
- Integration of internal systems to increase employee efficiency
- Conducting behavioural and technical programmes for sales & service team for capability enhancement

Digital enablement

In the fast-paced and ever-evolving business landscape of today, the adoption and integration of digital technologies are imperative for staying competitive. Our strategic commitment to digital transformation transcends mere technological upgrades – it is an essential driver of operational excellence, productivity enhancement, and innovation across every facet of our organisation,

Our digital initiatives have fundamentally transformed the operational dynamics of our business units. These changes have equipped them to adeptly navigate the complexities of today's market, adapt swiftly to evolving consumer expectations, and stand out in a competitive landscape.

Mr. Vikram Sridharan
Chief Digital Officer (CDO)

> **As we embark on our digitalisation journey, we continue to safeguard our digital infrastructure, enrich experiences for partners and employees with an emphasis on data driven decision making.**

Quote by Function Head

Key initiatives

- **Enterprise data management:** Establishing a single source of truth for our enterprise data, emphasising quality, consistency, and accessibility. Through robust data governance frameworks and policies, we define roles, standards, and ensure accuracy throughout the data lifecycle. Adopting cutting-edge platforms and tools, we facilitate seamless data sharing and collaboration, empowering our teams to make informed decisions
- **Internal communication portal:**'SyncUp,' our new intranet portal was introduced, serving as the centralised hub for internal communication and resources. Featuring news, updates, policies, and access to various applications, it enhances engagement, collaboration, and productivity. With single sign-on convenience, it fosters a culture of learning and improvement, keeping us connected and informed.
- **Sales digitalisation:** As part of sales digitalisation, we've revamped promotion management, doubling our dealer portal footprint. Now, our channel partners access real-time order, delivery, payment, and promotion info, enhancing communication and feedback, boosting operational efficiency, and loyalty
- **New website:** Launch of our new mobile friendly external website showcasing our products, services, and solutions in a secure and engaging manner, aiding in customer attraction, brand awareness, and lead generation.
- **Inventory optimisation:** Another significant milestone in our digitalisation journey is the successful implementation of inventory norms and material resource planning. This initiative has optimised inventory management, manufacturing, and supply chain operations, resulting in reduced stock-outs, overstocking, and wastage. Streamlining procurement, manufacturing, and distribution processes has led to cost savings and improved customer satisfaction

Financial Year 2024-25 key focus areas

- Further automation of schemes and quality management procedures to streamline operations
- Upgrades to our CRM systems and optimisation of HR applications to improve user experience and operational efficiency
- Implementation of advanced traceability measures throughout our manufacturing and Supply-chain processes
- Enhancing our dealer and vendor portals to improve user experience and transparency
- Development of a cloud-based data lake to transition from descriptive to diagnostic analytics
- Strengthening the cybersecurity infrastructure to protect against emerging threats and ensure the integrity of our digital assets

Cyber and information security

In the rapidly evolving digital landscape, ensuring the security and resilience of our digital infrastructure remains a top priority. As cyber threats grow more frequent and sophisticated, they pose increasing risks to our operational integrity and reputation. Our dedicated digital team is actively engaged in fortifying our cyber defenses to mitigate these risks effectively.

Strategic cybersecurity initiatives

- **External collaborations**
  We enhance our cyber resilience by partnering with specialised firms to conduct comprehensive cyber assessments, vulnerability and penetration testing, and privacy assessments of Personally Identifiable Information (PII)
- **Advanced monitoring and response systems**
  Our deployment of cutting-edge tools and technologies enables real-time monitoring, detection, and response to cyber incidents. These systems are crucial in preventing and recovering from data breaches and ransomware attacks
- **Endpoint device management and data recovery**
  We maintain rigorous control over endpoint device management, which includes regular backups of critical systems and conducting disaster recovery drills to ensure quick recovery and minimal disruption in the event of a cyber incident
- **Employee and stakeholder awareness**
  To cultivate a culture of vigilance, we conduct regular training sessions, simulated phishing drills, and provide ongoing guidance on cybersecurity best practices. Our goal is to empower our employees and stakeholders to recognise and respond to cyber threats proactively

Investors

We are proud of our ability to steer our finances in a manner that fosters sustained long-term growth and profitability. A robust balance sheet, achieved through effective cost optimisation and access to a varied pool of economical funding, has enabled us to venture into numerous opportunities within the dynamic operating environment.

Material issues	Key risks considered
• Economic growth • Business ethics and general business principles	• Supply • Information and Technology

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Financial Capital

Key highlights (Consolidated)

₹ 7,312.81 Crore
Revenue

₹ 713.69 Crore
EBITDA

₹ 441.78 Crore
PAT

₹ 843.41 Crore
Operating cash flow

Performance

In the face of macroeconomic difficulties, the ECD business demonstrated robust performance, achieving a 13% Y-o-Y growth, primarily driven by fans and appliances. The pumps category witnessed an upswing, fuelled by the agricultural segment. The lighting business experienced persistent high competitive pressure, resulting in price erosion in the B2C segment but displayed encouraging signs of recovery in B2B. The segment managed to improve its EBIT margin by 250 bps. Large Kitchen Appliances businesses expanded its reach with opening of 100 exclusive stores.

Substantial investments were directed towards brand-building activities across various platforms, and efforts to expand our distribution network through alternate channels are ongoing.

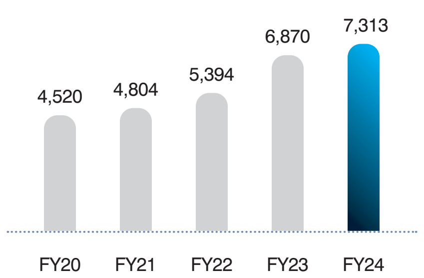
Mr. Kaleeswaran Arunachalam
Group Chief Financial Officer - **(Group CFO) & Head of Strategy**

"We continue to focus on optimal capital allocation and perfecting unit economics across our businesses which in turn creates value for all our stakeholder."

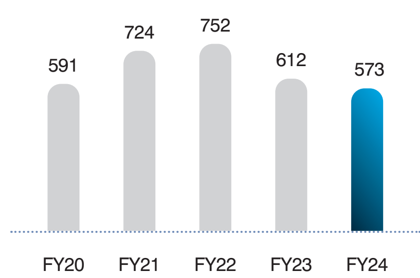
Quote by Function Head

Consolidated Financial metrics

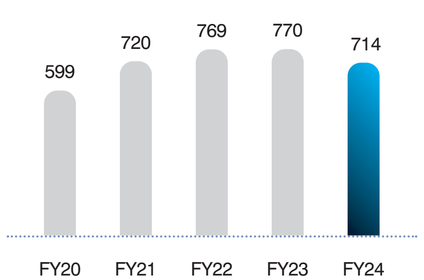
Revenue (₹ in Crore)



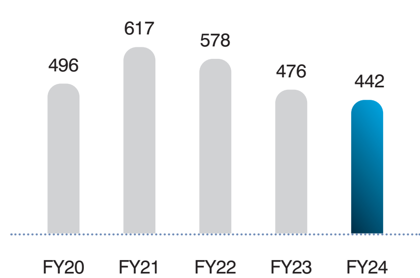
Profit Before Tax (PBT) (₹ in Crore)



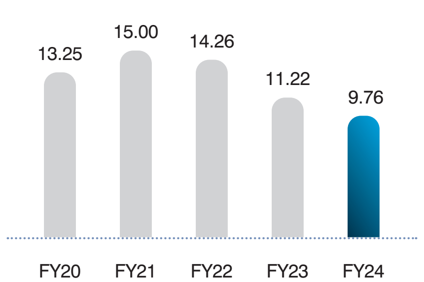
EBITDA (₹ in Crore)



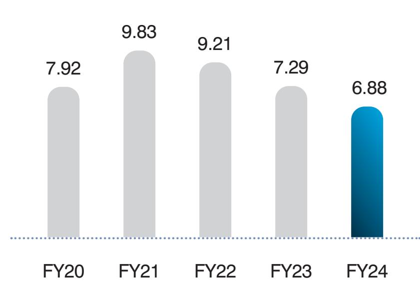
Profit After Tax (PAT) (₹ in Crore)



EBITDA margin (%)

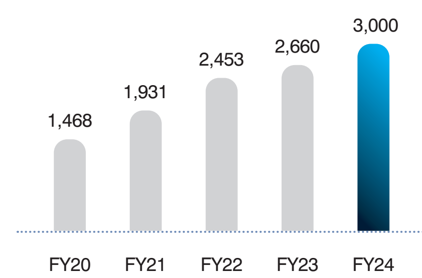


EPS (₹)

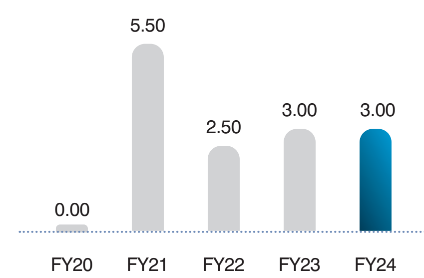


Financial metrics

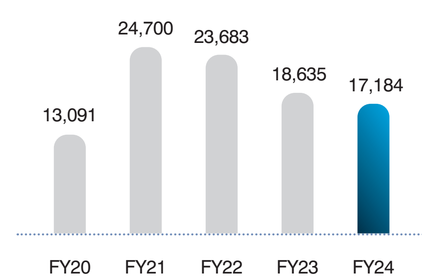
Networth* (₹ in Crore)



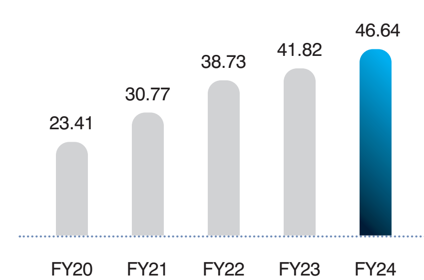
Dividend per share (₹)



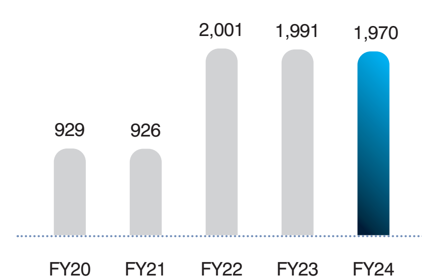
Market capitalisation (₹ in Crore)



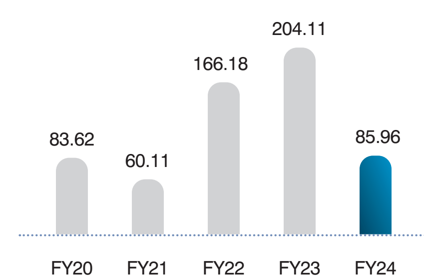
Book value per share* (₹)



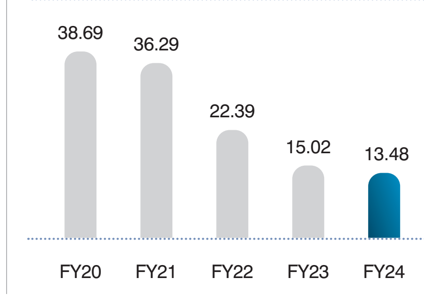
Net fixed asset (₹ in Crore)



Return on Capital Employed (ROCE) (%)



Return on Equity (ROE) (%)



*Excluding non controlling interest

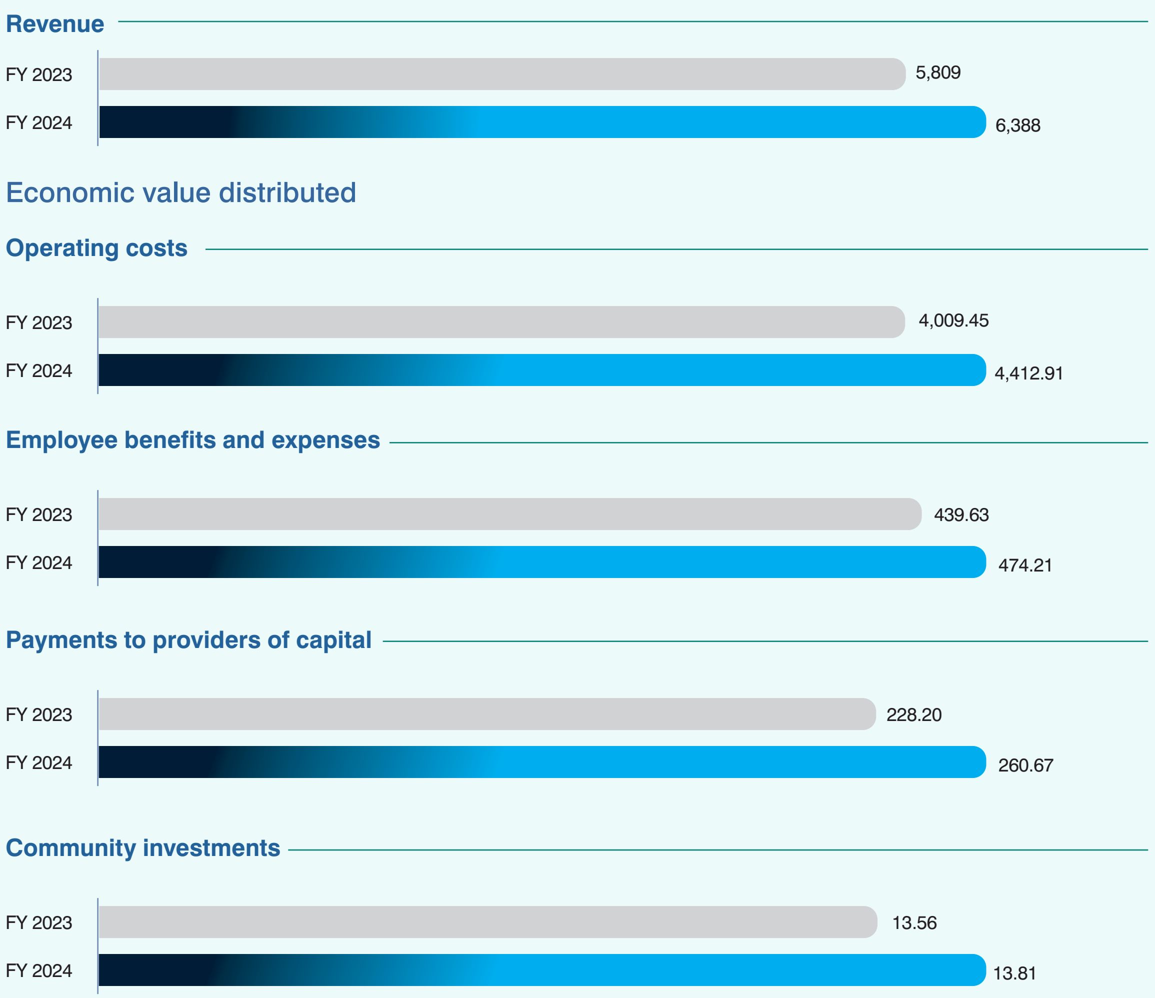
Bringing economic value to stakeholders

Crompton is committed to conducting business ethically and responsibly by implementing best practices and consistently evaluating its performance across both financial and non-financial parameters.

Economic value contribution

Economic value generated

(₹ in Crore)



Economic value retained (calculated as economic value generated less economic value distributed)

Consumers

We depend on comprehensive consumer insights to develop products that directly meet the evolving needs, preferences, and challenges of our Consumers. This motivates us to embrace the latest innovations and ensure our solutions remain relevant and impactful.

Material issues	Key risks considered
• Customer relationships	• Brand • Supply • Disruption • EHS • Culture • People

SDGs impacted

3 GOOD HEALTH AND WELL-BEING
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

Financial Capital

Social and relationship Capital

Key highlights

94.9%
1 day TAT

95.4%
Happy Code

For us, customer satisfaction is the final testimony to our success in the market. We invest significant time and effort to understand the evolving needs of our customers, prioritising the delivery of high-quality products. We also remain actively engaged with our customers and provide dependable after-sales support.

Brand Excellence

We have been successfully driving consumer-centric communication that is meaningful, differentiated and relevant to our target audience. The core insights for each of the categories are defined as per the top equity measures for each category. Accordingly, the proposition is developed and deployed across mediums with high reach, affinity and impact. We have significantly increased our investments on digital platforms including performance marketing to target in-market audience and high intent consumers, driving consideration and preference for the brand.

Consumer Insights

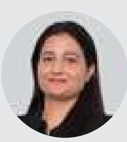
Over the years, we have adopted a consumer-first approach by easing out the in-sighting process through initiatives like 'Know Your Consumer' academy.

Brand Proposition

The brand proposition has been developed after a detailed understanding of top equity drivers for each of our categories. We constantly strive to achieve a superior brand positioning based on these equity drivers to enable consideration and preference for our brand among consumers.

Media Excellence

Considering our core categories are highly penetrated, we reach our consumers through optimised investments in mass mediums. We also follow the approach of sharp targeting with new-age digital media to curate our audiences who are in-market as well as high-intent consumers.



Ms. Pragya Bijalwan
Head-Marketing

"We are proud of the strides the brand has made across several categories with increased saliency underpinned by meaningful consumer proposition. We have not only maintained our commitment to delivering top-tier products and services but also embrace innovation in ways that have significantly enhanced our market presence.

Looking ahead, we are committed to fostering a culture of continuous improvement and consumer-centricity, ensuring that every decision we make aligns with our core values. Together, we are poised to achieve even greater milestones, solidifying our brand's legacy of excellence and trust thereby creating unparalleled value for our stakeholders."

Quote by Function Head

Strengthening digital discoverability

We have disproportionately stepped up our investments on digital platforms to drive consideration and preference for the brand. This has led to an increase in the brand salience and resulted in higher engagement on social media given that the new-age audience, spend significant time on social platforms.

While we aim for high awareness through high-reach platforms like YouTube. Also, we also look at having a high impact by participating on key OTT platforms. Considering the consumer journey starts with key searches on Google and marketplace, we have optimised our discoverability efforts through SEO and SEM leading to higher ranking on the platforms and thereby higher traffic on our website.

120%
Growth in Website Sessions over last year

>50%
of our target audiences reached through marketing campaigns launched across all categories

Key highlights

- Implemented Brand Equity studies to fine-tune our marketing approaches
- Launched high-impact marketing campaigns, achieving substantial message recall
- Sustained investment in crucial product categories to boost market share and consumer engagement
- 45x increase in PR reach

Improving consumer experience at the Point of Sale (PoS)

While we optimise our A+ content on marketplace platforms, we are also aware of the fact that nearly 90% of our sales happen on offline channels where consumers can physically experience the product. Hence, we endeavour to elevate the brand experience with required assets at the physical stores.

Retail transformation

Collaborating with our channel partners, Crompton has upgraded the appearance of the stores to ensure a more consistent and positive brand experience for consumers.

Product availability

We ensure widespread availability of our products across store formats and geographies simplifying consumers' search and purchase process.

Customer service

Investment and training in customer service have equipped our representatives to deliver excellent post-sales service, fostering customer loyalty.

Approach towards customer complaints

We consider customer complaints with utmost importance and believe we need to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily. We are the best in terms of speed of response and quality of response.

At Crompton, we are committed to improving our response time to address consumer complaints effectively. We have established various outreach platforms, including a dedicated email address, a toll-free hotline, and recently introduced WhatsApp Chatbot. Our WhatsApp Chatbot, along with upgraded capabilities in our new call centres, enable comprehensive 360-degree complaint registration. Additionally, a dedicated technician mobile app has been rolled out to efficiently handle and resolve customer concerns, ensuring a streamlined and effective customer service experience.

94.9%
1 day TAT

95.4%
Happy Code

People

Attracting and retaining a diverse pool of talented and skilled people is fundamental to Crompton's success. Through consistent learning and development initiatives, we empower our workforce to enhance their skills, in alignment with the evolving demands of the dynamic sector we operate in.

Material issues	Key risks considered
• Occupational health and safety • Employee well-being • Talent development	• EHS • Culture • People

SDGs impacted

Human Capital
Intellectual Capital
Financial Capital

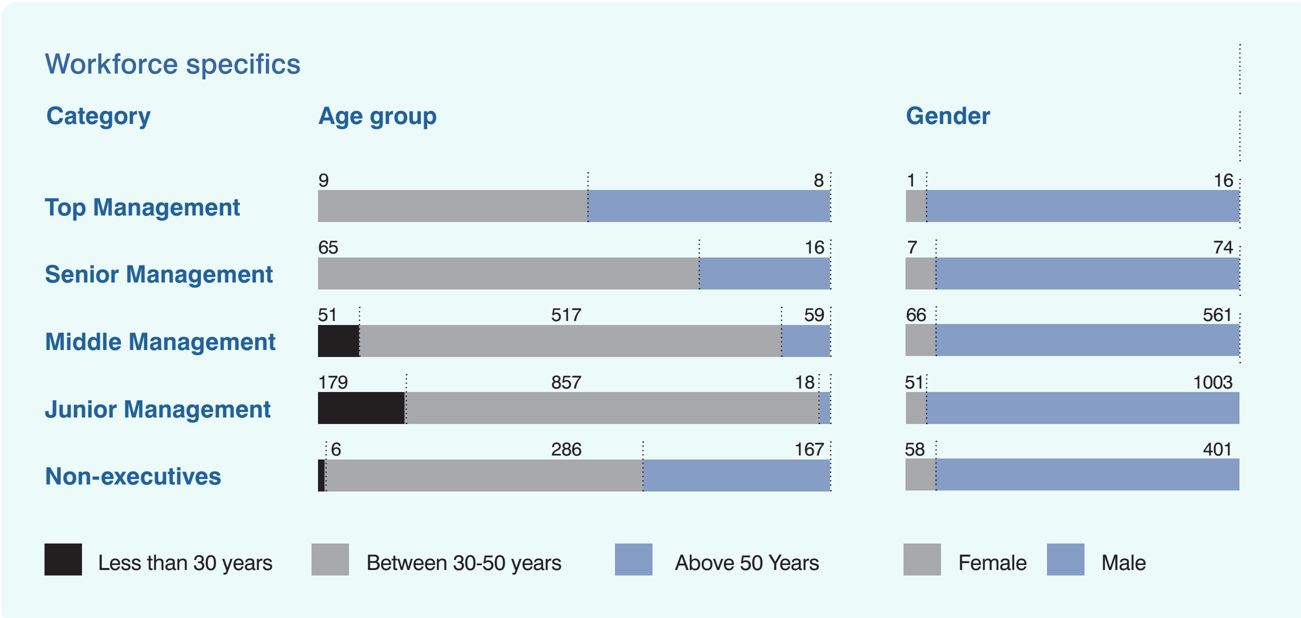
Key highlights

2,238
Permanent employees including permanent workers

35,661
Training manhours

ZERO
LTIFR

Our goal is to create a meritocratic organisation that empowers our employees to make the right business decisions, by providing a safe and motivating work environment that encourages learning and growth. This approach enables us to cultivate a next-generation organisation committed to fostering innovation, delivering business value, and driving thought leadership.



Mr. Prasanth Nair
Chief Human Resources Officer (CHRO)

"In Crompton, we remain steadfast in our commitment to "CREATE" out organisational values, striving consistently and constantly towards our Purpose of "Enriching life for generations with smart and responsible solutions". We deeply value and sincerely appreciate the dedicated efforts of our employees in building Crompton. We remain committed to creating a great place to work for all employees."

Quote by Function Head

Investing in continuous skills and development

To maintain competitive edge in a rapidly evolving business landscape, we need to focus on constant reinvention. At Crompton, we have always believed that learning is vital to drive innovation, productivity, and business impact. We guide our employees towards a prosperous future by fostering a culture of continuous learning and skill development. This includes opportunities for growth through micro, macro, and on-the-job learning initiatives.

Crompton Leadership Development Programme (CLDP)

CLDP is an extensive effort dedicated to fostering leadership potential and elevating strategic capabilities within our organisation. This comprehensive programme extends from August to December and consists of a range of initiatives designed to nurture senior executives into effective leaders, thereby promoting organisational excellence.

ContinuED Policy

Our commitment to nurturing a culture of continuous growth and innovation is embodied in our ContinuED Policy. This policy is designed to empower our employees to embark on a lifelong learning journey, encouraging the acquisition of new skills and staying updated with evolving industry trends. Inspired by the principles of design thinking - which emphasise understanding human needs, exploring technological feasibility, and ensuring business viability, we aim to inspire, ideate, and implement strategies that foster individual growth and organisational advancement.

Ruralisation

The Rural Capability Building Programme empowers our Rural Sales Managers through skill development and succession planning. It includes training on roles, responsibilities, call processes, and sub-stockist appointments. Senior managers undergo On-the-Job Training (OJT) and a Development Centre with personal interviews, business case studies, and group discussions. Outstanding performers receive special projects to enhance their skills further.

Future Leadership Development Programme (FLDP)

Tailored for our Regional Sales Managers and Branch Managers, the 5-month FLDP demonstrates our commitment to nurturing internal talent. Split into two batches, it begins with modules on "Entrepreneurial Thinking" and "Execution Excellence". The programme advances to a dynamic development centre module, culminating in personalised for Individual Development Plan for each participant. High-performing individuals are eligible for an enriching B-school immersion programme, focusing on Vision, Strategic Orientation, Customer Centricity and more.

Emerging Leadership Development Programme (ELDP)

ELDP, a simulation-based programme for first-line managers, focuses on cultivating high-performance teams. Participants engage in simulations tackling missions and challenges, and making strategic decisions for execution. The programme stresses critical thinking, reflection, situational evaluation, and the significance of departmental relationships, interdependence, role appreciation, and maximising ROI. Presented in a specific and engaging language, the session simplifies key methods for enhancing group or organisational performance.

Strengthening our health and safety performance

Safety of our employees and stakeholders is the foremost priority. It is at the core of facilitating enhanced workforce productivity, ultimately leading to enhanced operational efficiencies. Our approach to occupational health and safety centers around strategies to create a zero-harm work environment:

Proactive safety culture

Culture developed with the support of the company's safety management system which covers aspects like leadership and accountability, risk assessment, design, operational control, incident reporting, investigation and learning

Enhancing workplace safety

Workplace safety is enhanced by engagement at all levels through relevant subcommittees

100% compliance

Ensuring 100% compliance with applicable rules and regulations

Continual improvement

Achieved through the self-assessments of facilities like IS 14489, electrical safety, fire safety, machine level & ranking to identify gaps and take actions to ensure continual safety improvement

Empowering through training

Learning & sharing done across levels related to EHS empowering employees with the knowledge and skills required for a safer workplace

Cultivating safety awareness

Recognising and rewarding employee participation in safety campaigns, fostering a culture of safety awareness and responsibility

Fire safety awareness

Fire Safety Awareness campaign month is organised awareness training and live demo are conducted where all the employees participate.

2023-24 Safety dashboard

ZERO
Lost time injury frequency rate(LTIFR)

ZERO
High-consequence work-related injury

ZERO
Fatal

3
Total recordable incidents

27
First aid cases

606
Near misses

Creating inclusive workspaces

Our diversity, equity and inclusion approach focuses on hiring, developing, and retaining the best people. A diverse workforce, supported by an inclusive and caring environment that respects and nurtures people, is how we improve safety and business performance. Our recruitment and promotion system is based on the candidate's achievements, capabilities, and potential.

As an organisation, the creation of such an environment within Crompton, among our customers, and between our business partners and suppliers is imperative for us.

Pillars that support and promote our diversity and inclusion agenda

- Employee awareness
- Hiring Strategy
- Talent integration
- Supporting policies

6C Framework

Our commitment to fostering a vibrant workplace culture is embodied in our "**6C Framework**." Launched in Financial Year 2023-24, this framework is designed to transform our work environment into a dynamic space that promotes growth, encourages innovation, and supports personal and professional development. Centred around six core drivers – Care, Connect, Collaborate, Create, Conquer, and Celebrate – our 6C initiative aims to nurture bonds among employees, bridge distances, unite talents, ignite innovation, surpass limits, and celebrate achievements. This approach ensures a workplace that drives performance and organisational excellence while making Crompton a truly great place to work.

Employee engagement

Engaging with our people and giving them a platform to voice their feedback helps us create a supportive work environment. Through consistent communication, we encourage greater enterprise-wide collaboration, continuous learning and open and transparent dialogue. Our employee engagement programmes include various activities such as celebrations, sports events, talent shows, health and wellness initiatives, communication channels, employee surveys, wedding benefits, and rewards & recognition programmes. The initiative aims to boost productivity, improve teamwork, promote work-life balance, and enhance employee delight.

"SyncUp" – Our new intranet portal for Crompton employees

SyncUp is a distinctive platform created exclusively for our employees. The portal is designed to enhance communication in our remarkable Crompton family. SyncUp also serves as a dynamic community space where the achievements and connections of our people are featured.

Key features include:

- Quick access to Crompton's applications
- Stay updated with new initiatives and announcements
- Employee appreciation corner
- Mark special moments such as Birthdays, work anniversaries and welcoming new joiners

Employee engagement survey

We will be launching our Employee Engagement Survey to recognise the areas that need improvement and ensure that we continue to create a positive and engaging work environment.

Key objectives include

1. **Monitoring and assessing engagement levels:** Evaluate the current levels of employee engagement within the organisation.
2. **Identifying factors impacting engagement:** Pinpoint the factors that positively or negatively affect employee engagement.
3. **Recognising gaps and obstacles:** Identify any gaps or obstacles hindering optimal employee engagement.
4. **Providing a platform for expression:** Offer a platform for employees to express their thoughts, concerns, and ideas, ensuring their voices are heard.
5. **Benchmarking against industry:** Compare our employee engagement levels with industry to gauge our standing.
6. **Identifying improvement measures:** Highlight effective measures to enhance employee engagement based on the survey findings.
7. **Guiding organisational growth:** Use survey insights to guide the organisation towards continuous growth and success.

Human rights

Respect for human rights, ethically and environmentally sound business practices, fair and safe working conditions and employees' well-being are fundamental to our culture and identity. We explicitly identify human rights as a part of our policies, procedures, and ethics training to ensure ongoing awareness and prevent any future concerns regarding this matter.

Value Chain Partners

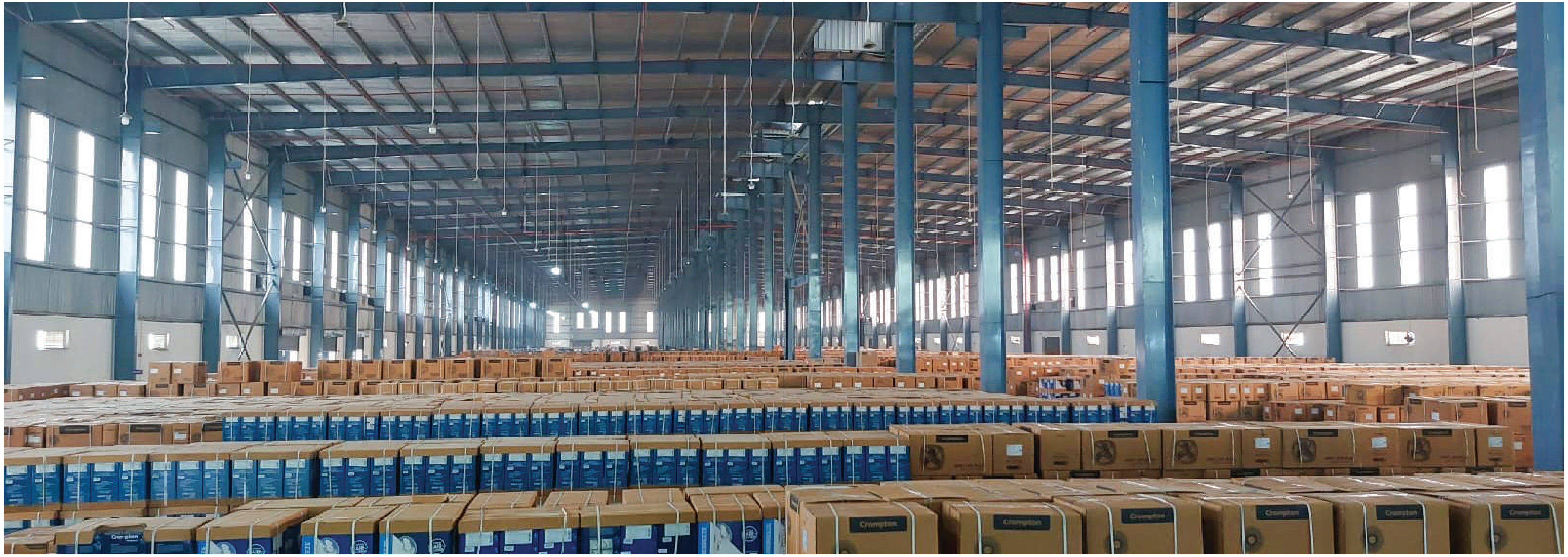
Our objective is to establish enduring relationships with all stakeholders, based on trust, integrity and transparency. The insights derived from these relationships are pivotal in creating sustainable value for everyone involved.

Material issues	Key risks considered
• Business ethics and general business principles	• Brand • Supply • Disruption • EHS • Culture • People

SDGs impacted

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Manufactured Capital
Intellectual Capital
Natural Capital



Our business is accelerated by partnering with a vast network of dealers and distributors who make up part of our trade network. Our collaboration with strategic vendors and partners helps enhance their product lines and technical capabilities. We engage with them consistently through various training and development activities, frequent visits to vendor plants, and seminars designed to reward and recognise their valuable contributions, assessed through scorecard assessments.

The ongoing monitoring of the Supplier Performance Index (SPI) and the Vendor Performance Index (VPI) has proven effective in enhancing vendor efficiency over time. This collaborative approach delivers mutual benefits, helping in the overall improvement of our products as well as the technical prowess of our partners.

Supply chain

At Crompton, our objective is to build a consumer-centric, agile and cost-conscious supply chain by embedding technology, and digitalisation and facilitating simplification of processes. We are integrating real-time market signals and customer requirements into all supply chain activities – right from procurement of raw materials, and production to delivery to our consumers, and after-sales service.

Through ethical procurement programmes and stringent selection criteria, we ensure our suppliers align with our commitment to long-term sustainability. This underscores the critical role they play in promoting ethical, environmentally conscious, and socially beneficial practices.

Strategic priorities

Develop a refine sourcing footprint

- With the combined forces of Crompton and Butterfly, refine the sourcing footprint to achieve the lowest total delivered cost while maintaining best-in-class product quality. This involves strategically optimising the locations and sources from which materials are procured to enhance efficiency and cost-effectiveness
- Cross Functional team (CFT) has been formed to identify and build strategic suppliers and vendors based on exhaustive selection criteria
  - Capability, quality, performance and on-time delivery
  - Compliance with legal, environmental, health and safety guidelines
  - Readiness to participate in sustainable supply chain management programme
  - Total landed cost competitiveness
  - Financial strength by continuously mapping their performance

Consolidation of vendor/ supplier base

- Foster long-term relationships with strategic vendors with multi-business unit manufacturing capabilities
- Implement a consolidation strategy through a distribution approach, streamlining the supply chain for increased efficiency and effectiveness

Simplification and digitalisation of the process

- Drive visibility and reduce manual interventions by simplifying and digitising procurement processes
- Utilise technology to enhance transparency, streamline workflows, and reduce the need for manual oversight, thereby improving overall operational efficiency

Communities

We recognise our responsibility to contribute to the well-being of the communities we serve, reaffirming our commitment to being a socially responsible organisation.

Material issues	Key risks considered
• Business ethics and general business principles	• Brand • Culture • People

SDGs impacted

1 No Poverty
2 Zero Hunger
3 Good Health and Well-Being
4 Quality Education
5 Gender Equality
6 Clean Water and Sanitation
7 Affordable and Clean Energy
8 Decent Work and Economic Growth
10 Reduced Inequalities
13 Climate Action
15 Life on Land
17 Partnerships for the Goals

Social and relationship Capital

Acting responsibly and giving back to society is integral to the way we do business. We understand the importance of becoming an active to bettering the lives of our communities. Furthermore, it is our ongoing commitment to share value where it has been created. Our Corporate Social Responsibility (CSR) program 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 has evolved over the years to focus on four key areas

Focus areas

- Water conservation
- Skill and entrepreneurship development
- Community care
- Employee engagement

Water conservation

Through the Jal Jeevan initiative, Crompton has actively advocated for rainwater harvesting, watershed development, groundwater replenishment, at the community level. We have also been educating people on general water usage and conservation practices. The initiatives are directed towards ensuring water security in targeted villages, strengthening drought resilience and enhancing the capacity of water bodies.

In partnership with local social impact organisations our water conservation initiatives in Financial Year 2023-24 have positively influenced more than 28,000 residents in Ahmednagar, Gujarat and Rajasthan. A total of 190 water conservation structures rejuvenated and 40,000+ lives touched These facilities will play a crucial role in facilitating access to water to villages for agricultural purposes as well as for drinking and livestock needs.

190
Water Conservation structures rejuvenated

40,000+
lives touched

588.7 TCM
of potential water storage created

1500 acres
of additional land under cultivation

10%
increase in farmers income

To instil a sense of ownership among villagers, enhance environmental management systems, and encourage vibrant local economies and social harmony, Crompton expanded its Jal Jeevan programme villages near the Ahmednagar manufacturing plant and Aspirational district in Rajastan. This positively impacted 40,000 villagers.

Additionally, the continuous availability of water opens up fresh avenues for farmers to improve their quality of life. It encourages more households to become involved in animal husbandry, leading to potential increases in milk production. This, in turn, encourages the establishment of new market connections and attracts dairy cooperatives to the village. The increased availability of groundwater also empowers farmers to enhance the frequency of irrigation, ultimately improving crop yields.

At Crompton, we value the involvement of women in our projects, encouraging them to take ownership of water structures. We host tailored seminars from self-help groups, equipping them with skills needed to maintain water structures and support farm-based livelihoods. This fosters inclusivity and sustainability in our projects.

The access to water sustains the expansion of varied agricultural practices, nurturing both crop diversification and resilience to climate variability. This enhances food security, increases rural incomes, and bolsters community economic prosperity.

Agadgaon village, Ahmednagar, Maharashtra

Water security training conducted in Abu Road, Rajasthan

Skill and entrepreneurship development

The goal of the skill and entrepreneurship development initiative is to create opportunities for underprivileged youth by imparting skills, providing placement assistance, fostering entrepreneurship development, and upskilling technicians from the informal sector to enhance employability and contribute to the nation's economy. These initiatives are structured in alignment with the objectives of the National Skill Development Mission (NSDM), contributing to the larger goal of India becoming a centre for a proficient and skilled workforce.

Nayi Disha

This project aims to empower the youth around our manufacturing units with employable skills. Our skill centres in Ahmednagar, Baddi, Goa and Vadodara, foster knowledge and confidence among youth through behavioural modification, knowledge enhancement, and skill development. This intensive 3 (Three) month training programme covers technical and soft skills, equipping India's youth with the necessary tools for success.

1,700+
youth trained

₹16 Crore
Income opportunities generated

Young women undergoing training in a laboratory setting.

Crompton has initiated an all-women skill development programme in collaboration with a local social impact organisation, to cultivate a highly skilled and professional female workforce in the Mechanical, Electrical, and Plumbing (MEP) sector. The programme includes a first-of-its-kind all-women MEP batch designed to encourage women to explore non-traditional job roles usually dominated by men.

Project Samrudhi

Project Samrudhi is designed to upskill the existing plumbing and electrician workforce through the Recognition of Prior Learning (RPL) platform. The project aims to recognise the informal learning of technicians, giving it the same validity as formal learning, and to increase their employment opportunities. In the current year, a total of 3,900 young individuals have undergone training by sector skill council.

Upskilling Technicians

Project Swabhiman

Project Swabhiman, Crompton's Entrepreneurship Development Programme, is intricately aligned with the Startup India initiative and has been created in partnership with a local social impact organisation. Its objective is to augment the entrepreneurial skills of youth with aspirations to launch small-scale businesses. Chosen entrepreneurs undergo a comprehensive 10-day mini-MBA training and receive returnable seed funding, accompanied by continuous handholding and mentoring support to effectively manage their ventures. In the current year, the Company has provided training and support to 90 budding entrepreneurs, empowering them to establish enterprises in the MEP sector.

60
Small scale Enterprises supported

Upskilling Technicians

Community care

As a socially responsible corporate entity, we actively support surrounding communities through various initiatives targeting education and the well-being of the local community.

As a part of Crompton's community care initiative, a milk bank has been established in Gorakhpur, Uttar Pradesh, to address the nutritional needs of infants and young children by providing them with safe and hygienic donor milk.

We have also collaborated with a unique tech platform that enables villagers to access Government welfare schemes. Through this initiative, 3,600 villagers residents of Ahmednagar and other areas in Maharashtra, particularly women, stand to benefit from government schemes.

Project Patang

Crompton's Project Patang, a school transformation initiative, is dedicated to upgrading the infrastructure of 19 goverment schools. The overarching objective is to significantly improve the learning outcomes for 1,200 students, with a targeted increase of 40% in proficiency levels in both mathematics and language.

1,076
Students benefitted

3,600
Villagers availed 7200 Government Scheme

Classroom training in Vadodara, Gujarat.

At Government Primary School, Manpura, a shed was built above the drinking water facility, ensuring protection and easy access for students to clean water. Following this, another shed was constructed over the mid-day meal kitchen, improving the safety and hygiene standards for the school's meal programme.

Under this school transformation initiative, five schools in Vadodara received five 55-inch Sony Smart TVs, each equipped with removable stands. These Smart TVs are highly beneficial for language learning subjects. This initiative aligns with the Government of India's Digital India initiative and is by the National Education Policy (NEP) 2020.

All Women electric batch

Project Umang

Crompton, in collaboration with a local social impact organisation, initiated Project Umang to assist female students facing financial barriers to education. This programme focuses on offering scholarships to female students from low-income families residing near Crompton's manufacturing units in Ahmednagar, Baddi, Goa, and Vadodara, aiming to improve their social and economic well-being. This initiative has benefitted 246 Girls students, encouraging them to pursue higher education and fulfil their aspirations.

Classroom training in maths and English conducted by teachers in a school in Baddi

246
Students availed scholarship

Employee engagement – Crompton Care

At Crompton, our employees are the driving force behind our endeavours. Their unwavering commitment and active participation in our CSR initiatives inspire us to do more. Employees actively contribute to our CSR engagement, showcasing a deep sense of corporate responsibility. We have implemented various initiatives to foster employee engagement and deepen our ties with the communities we serve.

Changemaker Grant

The Changemaker Grant stands as an initiative for our employees to contribute to society by empowering communities through the execution of social impact projects for causes that resonate with them. The core objective of this programme is to provide a platform for employees to channel their ideas, fostering impactful initiatives that address community needs. Through the Changemaker Grant, we actively involve employees and redefine CSR.

A total of 149 project applications were received, out of which 30 projects were shortlisted for voting to determine Crompton's next Changemakers. With an overwhelming response, 1,175 Crompton employees participated in the voting process. 10 Changemakers emerged as the top-voted projects. The selected ones will spearhead Social Impact Projects, with the support of implementation assistance and CSR grants, aiming to make a positive difference.

Crompton employees participated in huge numbers to vote for Change

Distribution of schoolbags to children by Crompton employees

Care for Community

On World Environment Day, Crompton involved more than 300 employees across diverse locations to contribute to our communities. In a dedicated effort, 400 school bags were distributed to children from low-income groups, complemented by the planting of trees across our manufacturing premises. This is a testament to Crompton's dedication to environmental sustainability and commitment to community welfare, cultivating a culture of social responsibility among its employees.

149
Applications received

30
Projects shortlisted

1,000+
Lives impacted

10
Change makers elected through employee votes

Environment

We actively make the right choices to reduce our environmental footprint. Our commitment to environmental sustainability promotes the health of our business, the quality of service we provide and the value created for our employees, communities, customers and investors.

Material issues	Key risks considered
• Energy efficiency • Raw materials and substances/ resource optimisation • Product responsibility and safety	• Product • EHS

SDGs impacted

Natural Capital
Financial Capital
Social and relationship Capital

Key highlights

17.60%
Reduction in emissions

***1762.83MT**
Waste recycled

***1.50%**
Water savings

30%
Reduction in Fans energy consumption

*Includes manufacturing facilities

At Crompton, prioritising environmental sustainability is of utmost importance to our business. Our sustainability strategy is intricately woven into the fabric of our core purpose, which revolves around "Enriching life for generations with smart and responsible solutions."

Key principles

- Ensuring product sustainability involves conducting a life cycle assessment spanning from inception to disposal.
- Addressing climate change is integral to our approach, encompassing the reduction of greenhouse gas emissions and the enhancement of product energy efficiency.
- Advocating for the utilisation of renewable energy sources and products is a key aspect of our strategy.
- Upholding responsible consumption of natural resources in the production of goods and services is a central tenet.
- The promotion of a circular economy is actively pursued to minimise the generation of waste.
- Emphasising water conservation and implementing rainwater harvesting practices are critical components of our sustainability efforts.
- Striving for compliance with regulatory requirements and aligning with the global sustainability reporting framework is a fundamental aspect of our approach.

Mr. Sanjeev Agarwal
Chief Technology Officer (CTO) & Head – ESG

"Sustainable design is our commitment to a greener future. By crafting appliances that conserve energy, utilise recycled materials, and stand the test of time, we empower consumers to make choices that benefit both their lives and the planet."

Quote by Function Head

Environmental sustainability initiatives across our product portfolio

Improve energy efficiency
Our ceiling fans now adhere to BEE star ratings, with an average of 27% reduction in energy consumption during the transition from conventional to BEE 1-star rated fans.

Energy waste/ loss reduction
A significant step in energy efficiency includes ensuring that 86% of our water heaters are certified with a 5-star Rating by the Bureau of Energy Efficiency, leading to an average 9% reduction in standing water heat loss.

Raw material weight optimisation
Through value engineering, we have successfully optimised the weight of raw materials by 10-12%, contributing to a more resource-efficient production process.

Recycled content packaging material
Embracing sustainable packaging, our products utilise recycled materials, minimising the environmental impact of packaging while promoting a circular economy.

Local sourcing of material
We prioritise local sourcing of materials, contributing to the reduction of carbon emissions associated with transportation and supporting local economies.

Renewable energy-based products
We are dedicated to developing and promoting products that harness renewable energy sources, contributing to a cleaner and more sustainable energy landscape.

Energy, water and waste management in manufacturing facilities
Our manufacturing facilities are equipped with comprehensive energy, water, and waste management systems, ensuring responsible resource consumption and minimising environmental impact.

Energy management

As a manufacturing enterprise, a substantial portion of our Company's carbon emissions arises from energy consumption. Therefore, enhancing energy efficiency is crucial. We have developed a performance-based energy management plan aimed at curbing energy consumption, incorporating renewable energy sources, and adopting energy-efficient practices.

In response to heightened customer awareness and the government's emphasis on energy regulation, our innovation is now centered on creating energy-efficient products. We have initiated various measures to enhance energy efficiency, reduce emissions, and optimise the utilisation of natural resources. Our focus is on developing energy-saving products that enable consumers to lead more sustainable lives.

At Crompton, we understand the significance of energy conservation through the adoption of clean technologies. Over the years, we have progressively elevated the proportion of renewable and clean energy in our overall energy mix. Our commitment to operational excellence spans all our manufacturing plants. By integrating renewable energy infrastructure, we not only reduce our carbon footprint but also lower our per-unit power costs.

9,211*KWH
Renewable energy generated

63%
Fan models certified under BEE star ratings

*Includes manufacturing facilities

We have implemented strategic initiatives to promote efficient energy use

Energy loss reduction
By optimising process set points and eliminating idle running of machines, such as load-unload pressure set point optimisation at compressors, we actively reduce energy losses in our operations.

Technology upgradation
We are committed to improving the efficiency of existing facilities and process equipment through technology upgrades. Examples include retrofitting with energy-efficient motors and installing Variable Frequency Drives (VFDs) to enhance overall energy efficiency.

Low-cost automation
Our approach to energy conservation involves the implementation of low-cost process automation. This includes the use of sensors to control lighting, ventilation, and air-conditioning operations, ensuring optimal energy usage while minimising waste.

Alternate energy sources
To further mitigate our environmental impact, we are actively involved in planning and utilising renewable energy sources. This strategic initiative aligns with our commitment to sustainability and aims to reduce our dependence on conventional energy sources with adverse environmental effects.

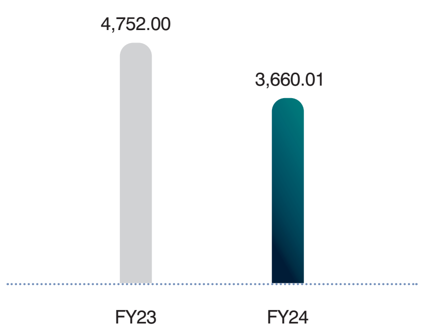
Reducing GHG emissions

We understand the potential consequences of climate change caused by the emission of Greenhouse Gases (GHGs). We are earnest in our attempt to reduce our carbon footprint at the operational level. Our carbon footprint is closely linked to energy consumption and the source of energy we depend on.

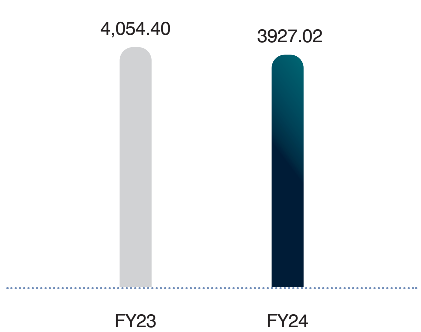
Therefore, we aim to reduce our emissions through a multifaceted strategy that includes green innovation, enhanced operational efficiency and waste reduction.

*GHG emissions

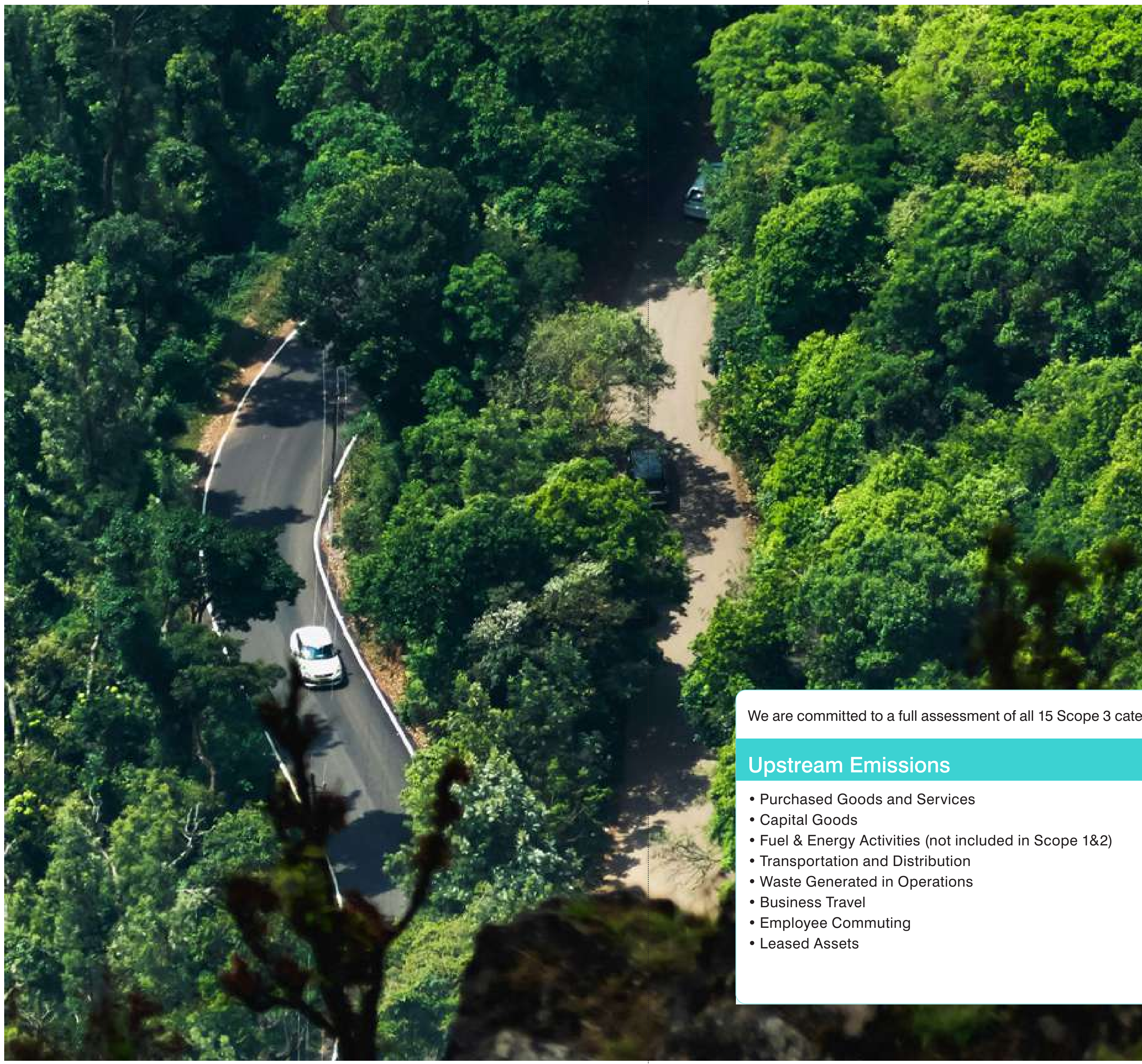
Scope 1 (M tCO_2e)



***Scope 2 (M tCO_2e)**



*Includes manufacturing facilities



Scope 3 emissions

Environmental sustainability is a critical business priority for us. Further to enhance our climate accountability, we plan to analyze Scope 3 emission in Financial Year 2024-25.

Primary focus is to analyze business value chain emission impacts, including upstream and downstream activities.

This comprehensive approach underscores our aim to:

- **Gain a Deeper Understanding:** Thoroughly assess the broader environmental footprint associated with our operations.
- **Identify Reduction Opportunities:** Pinpoint key areas within our value chain where targeted interventions can yield significant emissions reductions.
- **Drive Collaborative Action:** Engage with suppliers, partners, and customers to promote collective climate responsibility.

Guiding Framework: We adhere to the principles and guidance of the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This internationally recognised standard provides a robust methodology for calculating and disclosing Scope 3 emissions.

We are committed to a full assessment of all 15 Scope 3 categories as defined by the GHG Protocol. This includes:

Upstream Emissions	Downstream
• Purchased Goods and Services • Capital Goods • Fuel & Energy Activities (not included in Scope 1&2) • Transportation and Distribution • Waste Generated in Operations • Business Travel • Employee Commuting • Leased Assets	• Transportation and Distribution • Processing of Sold Products • Use of Sold Products • End-of-Life Treatment of Sold Products • Leased Assets • Franchises • Investments

Water management

Water is a necessary resource in the operation of our facilities and for our communities. It is therefore becoming increasingly important for us to be committed to responsible water stewardship for both current and future generations.

We are enhancing our water management practices in our operations while extending our community outreach efforts. Furthermore, all our units now operate under the zero liquid discharge system, ensuring responsible water usage across our operations.

*67,730KL
Water consumption

*33,950KL
Water recycled

*39,169KL
Water withdrawn

*1.50%
Water savings

*Includes manufacturing facilities

Reduce

Water consumption reduction: Implementation of low-flow fixtures and water-saving aerators has significantly reduced water consumption in our facilities.

Drip and sprinkler irrigation systems: Our commitment extends to water conservation in external spaces, where we have adopted drip and sprinkler irrigation systems for gardens and landscapes, minimising water usage while maintaining greenery.

Reuse

Reuse of STP-treated water: Treated water from Sewage Treatment Plants (STP) is efficiently reused in our facilities. Health faucets flush through plumbing modifications, ensuring that treated water serves a valuable purpose in the system.

Recharge

Rainwater harvesting: We actively promote rainwater harvesting through the installation of recharge wells. This sustainable practice not only conserves water resources but also contributes to the replenishment of groundwater.

Waste management

We make efforts to facilitate proper waste segregation and resource conservation at our facilities by minimising waste generation and maximising our positive influence.

We extend our evaluation beyond the design phase to analyse the environmental impact of our products throughout their entire life cycle, encompassing raw material selection to end-of-life considerations. Our product development involves a diverse range of raw materials, and our continuous efforts are directed towards enhancing material efficiency, adopting eco-friendly packaging, and promoting waste recycling. This commitment to increased material efficiency has led to a reduction in industrial waste, minimised raw material consumption, improved waste segregation, and lower greenhouse gas emissions.

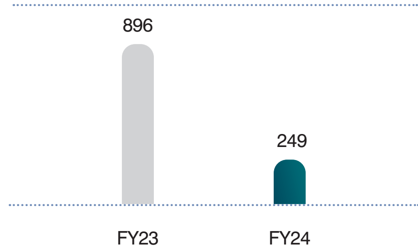
In line with our commitment to fostering a circular economy and enhancing waste management practices, we have directed our efforts towards the extensive utilisation of both recyclable and recycled materials in our manufacturing processes. We have also established a target to eliminate the use of Expanded Polystyrene (EPS) in the packaging of our specified range of water heater products. In addition, we are proactively planning to incorporate biodegradable packaging materials into our packaging. This step reflects our commitment to reducing the environmental footprint of our packaging materials and promoting the adoption of eco-friendly alternatives.

Extended Producer Responsibility

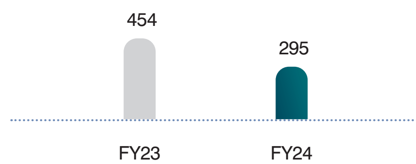
We are dedicated to adhering to Extended Producer Responsibility (EPR) principles, demonstrating a responsible stance towards environmental stewardship and sustainable waste management practices. EPR emphasises transferring responsibility to producers, incorporating incentives in product design. We have secured EPR Authorisation from the Central Pollution Control Board (CPCB) for managing plastic waste and e-waste. Successfully meeting CPCB targets, we have excelled in plastic waste collection, channelisation, and recycling of electrical and electronic equipment.

*Waste generated

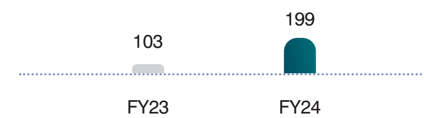
Plastic waste (Tonnes)



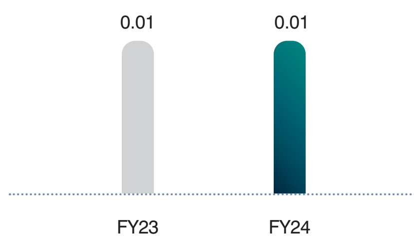
E-waste (Tonnes)



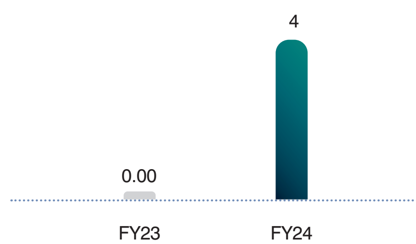
Hazardous waste (Tonnes)



Bio medical waste (Tonnes)



Battery waste (Tonnes)



*1. Numbers are based on the assumption that waste disposal is waste generated

*2. Includes manufacturing facilities

Governance

Our governance framework reflects our ethics, values, and commitment to professionalism, overseen by the Board to ensure sustainable wealth creation. We integrate global best practices into our growth strategy, prioritising transparency and accountability to safeguard stakeholder interests.

At Crompton, our approach to corporate governance is aligned with our core values and is designed to enhance our capacity for wealth creation and fulfil stakeholders' expectations. We prioritise fairness and transparency across all business functions, and we are committed to maintaining the highest standards of corporate governance.

In addition, we conduct thematic Board meetings to delve into areas crucial for organisational integrity and innovation, including Compliance, Enterprise Risk Management, Supply Chain, Manufacturing Excellence, Innovation, Digitisation, and Succession Planning. These focused discussions ensure that our governance practices are comprehensive and aligned with our strategic goals.

Core principles of governance

Trusteeship

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

Strategic oversight

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

Sustainability

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

Reinforcing a risk culture

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

Compliance with laws and regulations

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

Corporate social responsibility

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

Accountability

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

Stakeholder engagement

Crompton possesses a highly resilient stakeholder management framework that fosters productive communication and engagement with our diverse range of stakeholders.

A balanced governance structure

Board of Directors	1	Tasked with formulating and ensuring the execution of long-term business strategies, this role involves enhancing shareholder value and safeguarding the interests of all stakeholders.
Board Committees	2	Overseeing specialised operational areas and delivering expert recommendations to drive informed decision-making processes.
Management	3	Responsible for enacting policies and procedures that govern daily operations, ensuring the smooth and effective functioning of the organisation.

Internal control framework

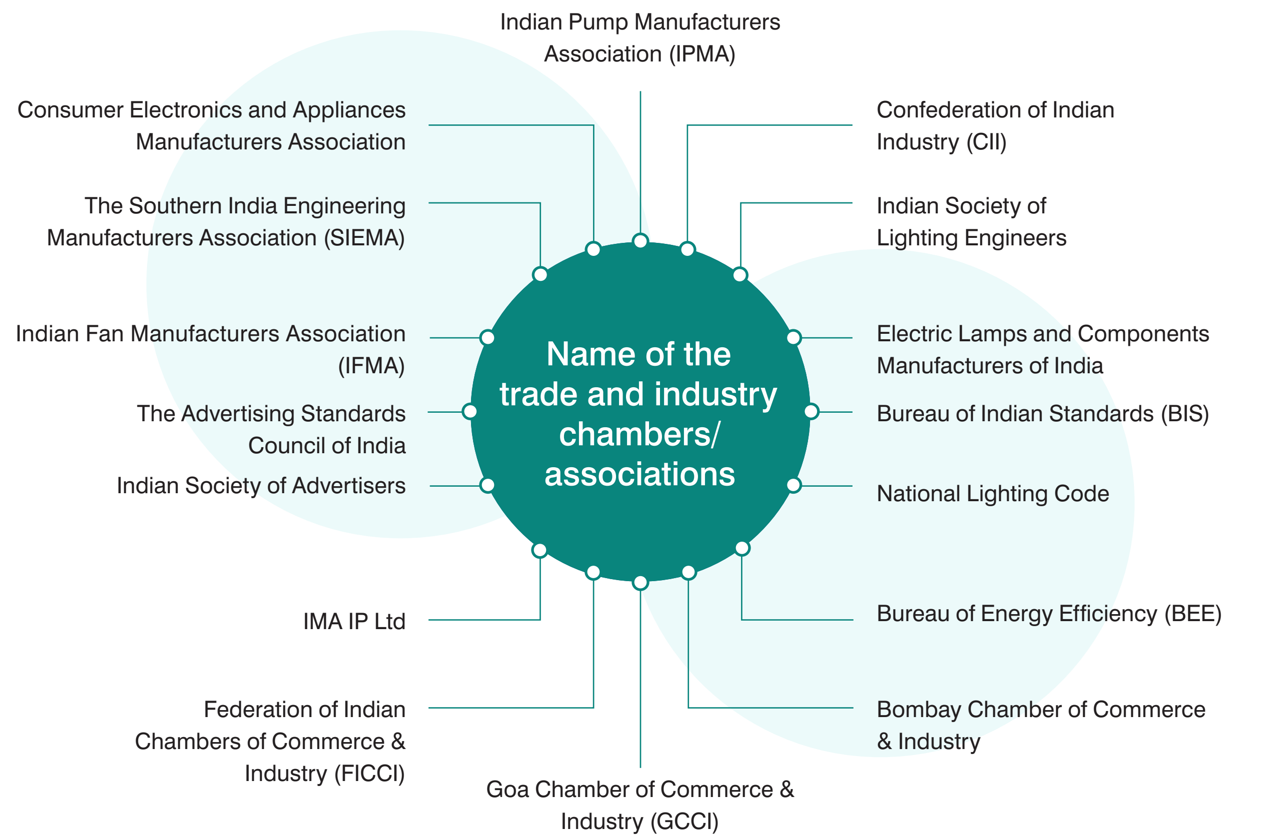
To protect our assets and uphold operational excellence, we have established a robust internal control system. This comprehensive framework includes controls across financial, operational, compliance, and information technology domains, coupled with risk management policies and systems. All transaction details are documented to maintain regulatory compliance. Our operations follow well-integrated risk management processes, which enable us to efficiently identify, evaluate, record, and monitor significant risks. This ensures compliance and strengthens our organisational resilience.

Ms. Rashmi Khandelwal
Company Secretary & Compliance Officer

"We have established a governance framework that emphasises efficiency, transparency, and accountability, thereby ensuring our corporate governance practices meet the highest global standards. Furthermore, we have integrated Environmental, Social, and Governance (ESG) considerations into the core of our strategy, underscoring our dedication to sustainable and responsible business conduct."

Quote by Company Secretary

Memberships and collaborations



Related party transactions

We uphold transparency and fairness in all interactions with related parties, strictly adhering to applicable laws. In handling such transactions, we involve only the Independent Directors who actively participate in both discussion and voting processes.

Strictures and penalties

During the review period, there were no strictures or penalties imposed on our Company, the Directors, or Key Management Personnel (KMP) by Stock Exchanges, the Securities and Exchange Board of India (SEBI), or any other regulatory authorities concerning capital markets.

Donations and political contributions

Committed to maintaining political neutrality, as outlined in our Code of Conduct, Crompton does not engage in political donations or campaigns. We uphold a policy of strict neutrality and discourage any political promotions by employees.

MD & CEO remuneration

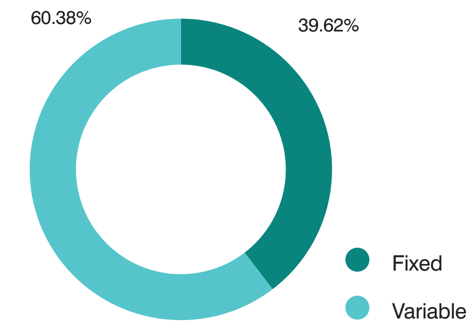
The remuneration for the Managing Director & Chief Executive Officer ("**MD & CEO**") comprises fixed and variable components. The variable pay, determined annually by the Nomination & Remuneration Committee (N&RC), is based on the achievement of individual Key Performance Indicators (KPIs) and the overall performance of the Company. The MD & CEO's current remuneration structure does not include a clawback provision or mandate stock ownership.

Stock options granted to the MD & CEO are regulated under the Company's Employee Stock Option Plans and Performance Share Plans that have been approved by shareholders. The N&RC administers these plans and determines eligibility and individual and company performance for the granting and vesting of options. Details regarding the grant, vesting, and exercised options can be found on page 236 in the Report on Corporate Governance.

Fixed and Variable pay

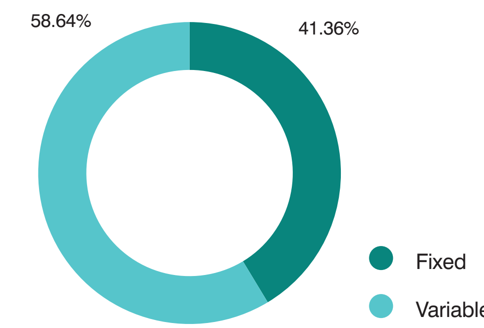
Mr. Promeet Ghosh

MD & CEO*



Mr. Shantanu Khosla

Non-Executive Vice Chairman#



*Non-Executive & Non-Independent Director till April 23, 2023, appointed as an Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028, his appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

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

Familiarisation programme for Directors

Your Company maintains a comprehensive induction and familiarisation programme for our Directors. The Directors are issued a detailed Letter of Appointment that outlines their appointment terms, duties, responsibilities, and obligations, Code of Conduct to regulate, monitor and report trading by Designated Persons for Prevention of Insider Trading and Code of Conduct applicable to all Directors and Senior Management Personnel. Additionally, to ensure they stay well-informed, they are regularly updated on business matters and new initiatives.

Regular presentations and updates on relevant statutory changes encompassing economic outlook; market trends; peer trends; changes in laws where Company is operating are made to the Directors at regular Board Meetings of the Company.

The MD & CEO along with senior leadership team make(s) presentation(s) on the performance & strategic initiatives of the Company.

34 Programmes | **403** Hours

Rights of shareholders

- To inspect statutory registers and documents, including minutes books of the general meetings, as permitted under the law; any other rights as specified in the statutory enactments from time to time
- To receive Dividends and other corporate benefits like rights, bonuses etc. once approved
- Protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and effective means of redress
- Adequate mechanism to address the grievances of the shareholders
- Exercise of ownership rights by all shareholders, including institutional investors
- Right to participate in and to be sufficiently informed of, decisions concerning fundamental corporate changes
- Opportunity to participate effectively and vote in general shareholder meetings
- Being informed of the rules, including voting procedures that govern general shareholder meetings
- Opportunity to ask questions to the board of directors at general meetings
- Effective shareholder participation in key corporate governance decisions such as the election of members of the Board of Directors

Succession planning

An essential component of our human resources strategy, succession planning is integrated into our annual talent review process, where individual development plans are crafted and discussed. During these reviews, we identify and prepare key talents for potential advancement to higher roles in the future. Read more on Page 106 of the Report on Corporate Governance.

Board architecture

Bolstered by seasoned leaders boasting varied backgrounds and skills, the Board furnishes the management with strategic direction. It maintains an ideal composition of Independent Directors, fostering accountability and openness. Each member of the Board brings extensive expertise in manufacturing, sales, marketing, sustainability, governance, finance, technology, cybersecurity, human resources, mergers & acquisitions, management, operations, enterprise risk management, and academia. Furthermore, the Board operates through various sub-committees, collaborating to translate decisions into tangible business outcomes.

Professional skills

- Metallurgical Engineering
- Mechanical Engineering
- Masters of Business Administration
- Electrical and Electronics
- Chartered Accountants
- Economics

Sector specific skills

- Finance
- Mergers and Acquisition
- Human Resource
- Telecommunications
- Banking
- Consumer Goods
- Healthcare

ZERO
Fatalities

4.93
Average tenure of Board

65.03
Median Director age

100%
Indian nationality

95.24%
Average attendance rate at Board meetings

4.04
Average tenure of Independent Director

77.78%
Independent Directors on the Board

22.22%
Women representation on the Board

Role of the Board

The Board plays a crucial role in driving our Company's enduring objectives forward. It's tasked with safeguarding the harmony between our business pursuits and our overarching vision and mission. Through the outlined process, we uphold strategic clarity and adaptability to changing landscapes. By doing so, the Board fosters strong corporate governance, ensuring the resilience and integrity of our operations.

Role of the Board

Voluntary dissemination of quarterly results to the shareholders

The Company has initiated voluntary dissemination of the quarterly results through e-mails to all the shareholders.

Feedback and course correction

The Board periodically monitors the alignment of our Company with its vision and mission. This oversight helps maintain strategic focus and ensures that the Company remains relevant and responsive to changing circumstances.

Transparency and accountability

Our Company's progress is showcased with transparency and the leadership is held accountable for the operations, thereby strengthening trust among its stakeholders.

Succession Planning

The Board plays a critical role in ensuring leadership continuity. This involves identifying and developing internal candidates with potential to fill key business leadership positions in the future.

Strategic Planning

The Board is often involved in the strategic planning process, ensuring that the strategic goals and initiatives are consistent with the organisation's purpose.

Social Development

The Board is deeply committed to social development, focusing on initiatives that benefit communities and contribute to societal well-being. This includes overseeing corporate social responsibility (CSR) programmes that address education, health, and community development.

Adaptation and evolution

The Board periodically reviews and rationalises the vision and mission in line with evolving changing market conditions, stakeholder expectations, and internal factors.

Appointing the Right Management

The Board is involved in the rigorous process of recruiting and appointing senior executives who align with Crompton's strategic goals and corporate culture. This ensures a leadership team capable of driving performance and innovation while adhering to the highest standards of corporate governance.

Setting expectations

The Board defines a strategic framework that guides the Company's decision-making, goal-setting, and overall direction. The Board identifies what the Company aspires to achieve and how it intends to get there.

Regular reporting

The MD & CEO and respective Business Heads provide periodic updates to the Board at their respective meetings, demonstrating how the Company's activities and performance are aligned with the vision and mission.

Risk assessment

The Board also assesses any risks or potential conflicts that could hinder alignment and takes appropriate actions to mitigate them. This also includes overseeing compliance with regulations, assessing strategic risks, and ensuring appropriate risk management practices are in place.

ESG

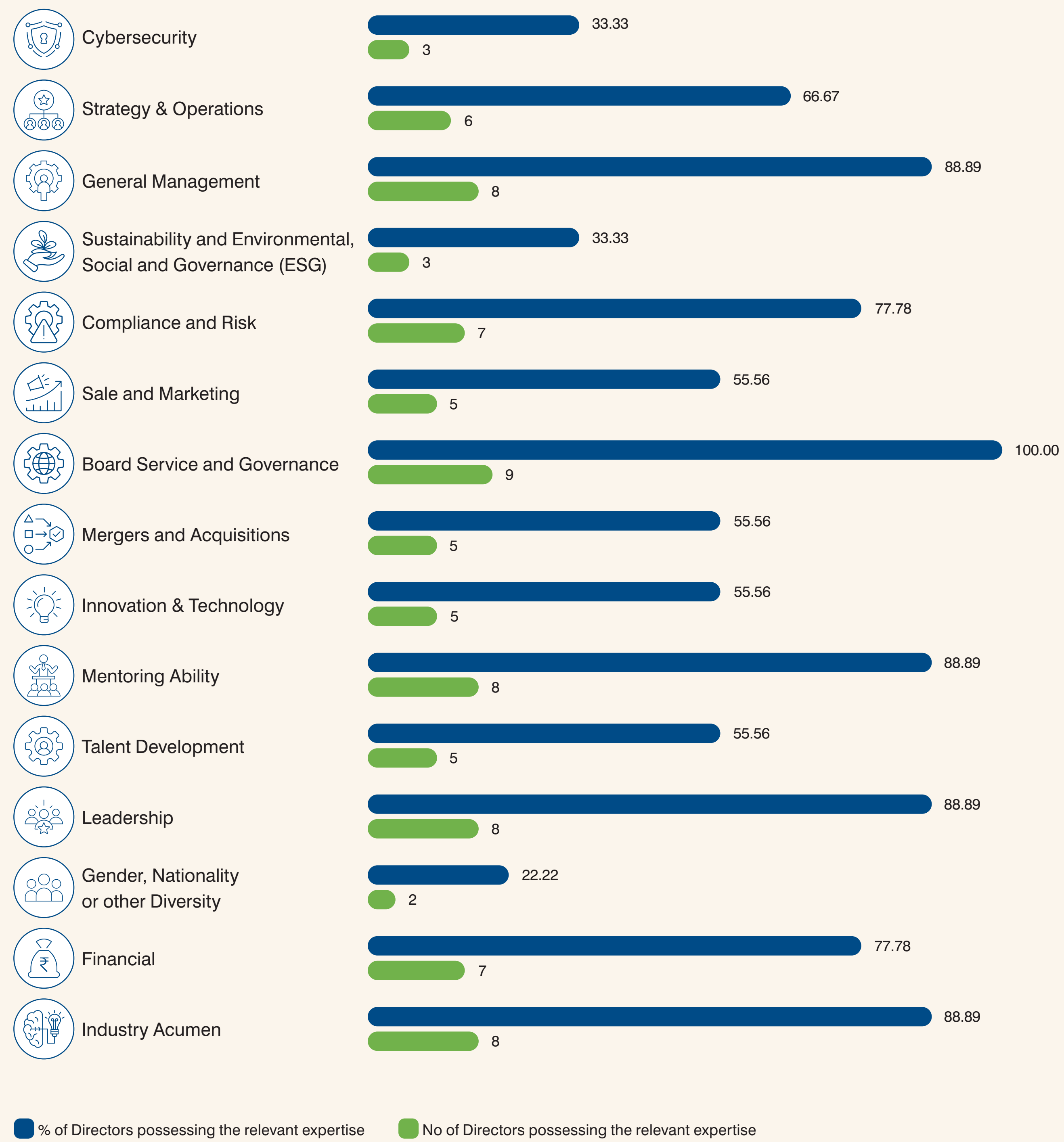
The Board oversees Crompton's commitment to ESG principles, ensuring that environmental stewardship, social responsibility, and ethical governance are embedded in all business operations.

Sustainability

Sustainability is a key focus area for the Board. They are responsible for ensuring that Crompton operates in an environmentally sustainable manner, reducing its carbon footprint and minimising environmental impact.

Diverse expertise

The Board is composed of individuals with extensive expertise and varied backgrounds, each contributing unique insights and innovative strategies. Their collective proficiency spans governance, technical issues, and both financial and strategic domains, ensuring well-rounded and effective oversight.



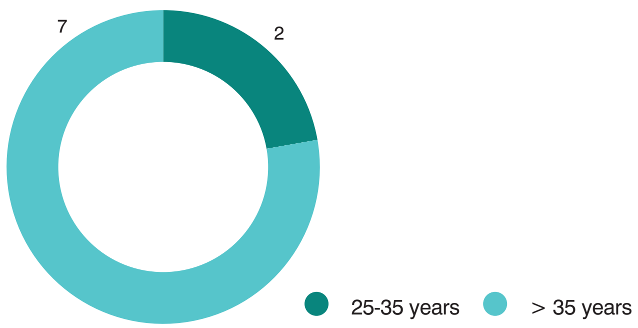
ESG ratings

AA (Leader)
MSCI rating

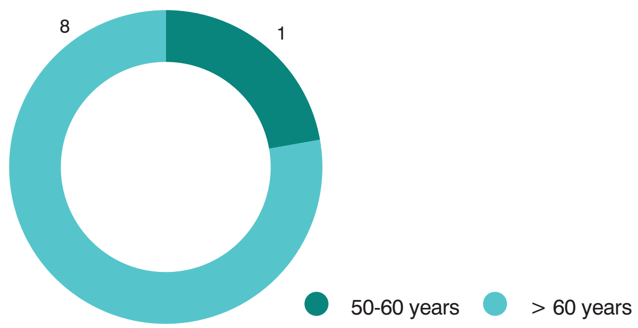
84
SES – Core ESG Score

48
DJSI score

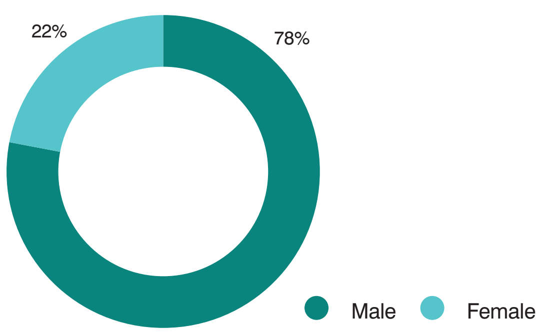
Industry Exposure



Board Age diversity

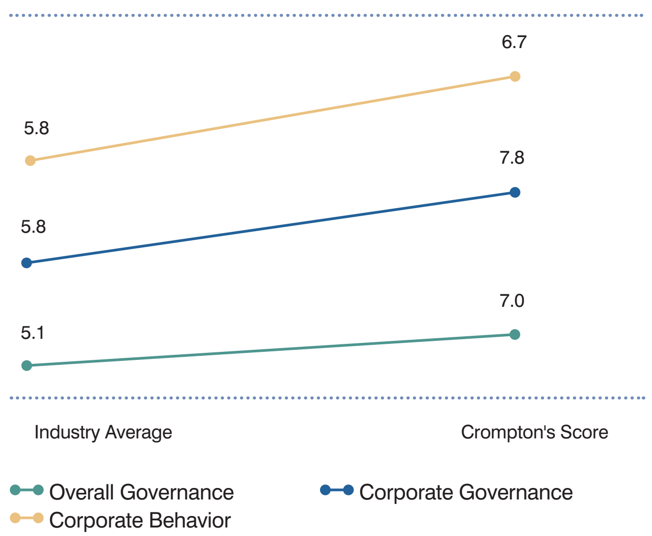


Board Gender Diversity



Crompton ranks among the highest in comparison to its global counterparts, indicating governance practices that are largely in line with investor interests.

Overview of the MSCI ESG Ratings assigned to the Company



Audit Committee

100% 3

Nomination and Remuneration Committee

100% 3

Stakeholders' Relationship Committee

50% 4

Corporate Social Responsibility Committee

50% 4

Risk Management Committee

100% 3

Independence

Members

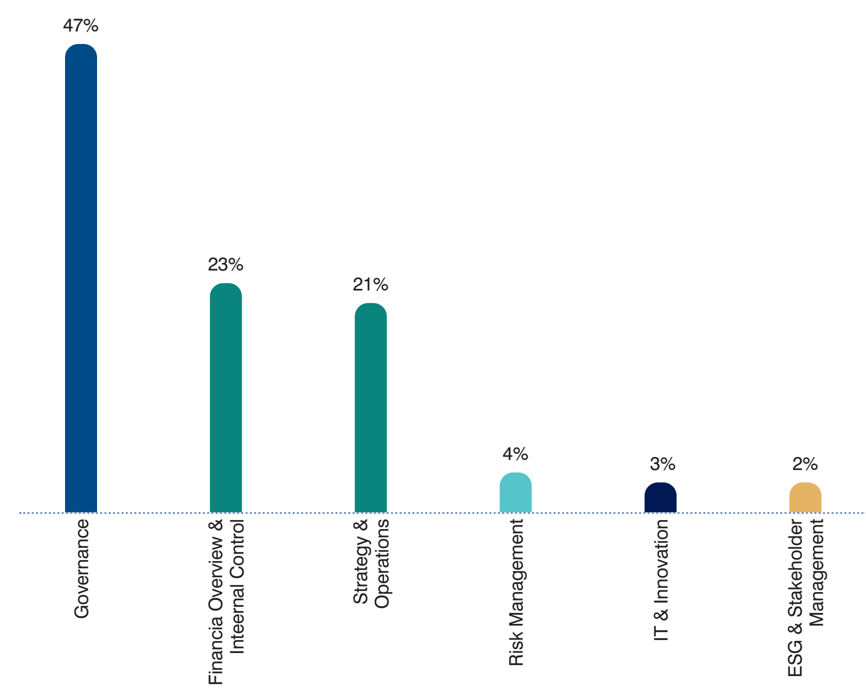
2nd

Integrated Annual Report

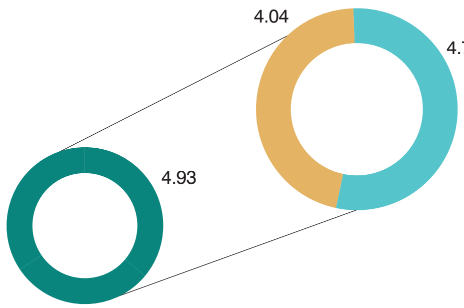
Crompton has been recognised under the 'NEXT LEADERS' category on the 'IFC-BSE-IiAS Indian Corporate Governance Scorecard', a study conducted by the Institutional Investor Advisory Services.

We were among the top five companies at the 23rd ICSI National Awards for Excellence in Corporate Governance, 2023.

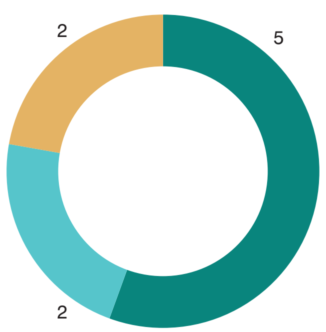
Insight into Board Room



Average tenure in years (category-wise)



Present tenure of Directors



Board evaluation

The process of Board Evaluation is conducted through structured questionnaires which includes various aspects of the Board's functioning such as adequacy of the Board composition diversity, and skill set of members, the appointment process, understanding of roles and responsibilities, circulation of board papers, quality of information provided, strategic oversight, risk evaluation, acquisitions guidance, individual board members' and contributions, execution of duties, governance performance for the Board as a whole, Committees of the Board and Individual Directors and has been undertaken digitally.

Further, Performance Evaluation Criteria for Directors including Independent Directors is detailed out under Board's Effectiveness section of the Board's Report which forms part of this Integrated Annual Report.

Board committees

Board Committees are established to address specific areas or activities as mandated by the applicable rules and regulations or as delegated by the Board, requiring detailed scrutiny. The scope, powers, responsibilities, and composition of these Committees are outlined in their terms of reference and in the Corporate Governance Section of this Integrated Annual Report. The Chairperson of each Committee provides the Board with a summary of the discussions held during meetings for review.

Further also, Throughout the year, the Board has consistently adopted all necessary recommendations from its Committees, as per mandate. The Company has the following Nine (9) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee;
2. Nomination and Remuneration Committee ("**N&RC**");
3. Corporate Social Responsibility Committee ("**CSR**");
4. Stakeholders' Relationship & Share Transfer Committee ("**SRC**");
5. Risk Management Committee ("**RMC**");
6. Environment Social and Governance Committee ("**ESG**");
7. Allotment Committee;
8. Strategic Investment Committee ("**SIC**");
9. Committee for Debentures

Mr. D. Sundaram*

Chairman & Independent Director

SRC AC N&RC RMC CSR

Appointed

August 26, 2015

Skills and expertise

Mr. Sundaram's expertise includes corporate finance, business performance, operations monitoring, governance, mergers & acquisitions, and talent management. His tenure at Hindustan Unilever Limited (HUL) began in 1975 as a management trainee, leading to roles such as Commercial Officer in Unilever, London, and later as CFO and Vice Chairman of HUL.

He is a two-time winner of the prestigious "CFO of the Year for FMCG Sector" award by CNBC TV18 (2006 and 2008). He was awarded as the 'Best Independent Director in 2019' by Asian Centre for Corporate Governance and Sustainability in December 2020.

Qualification

Mr. Sundaram holds a post-graduate degree in Management Studies, is a Fellow of the Institute of Cost Accountants, and has completed the Advanced Management Program at Harvard Business School.

Mr. Shantanu Khosla&

Non-Executive Vice Chairman

CSR SRC

Appointed

September 21, 2015

Skills and expertise

Mr. Shantanu Khosla is recognised for his strategic acumen, consumer focus, and thought leadership in building brand equity. Formerly the Managing Director and CEO of Procter & Gamble India, he expanded the business and drove innovation, enhancing P&G's global consumer goods standing.

He has received Distinguished Alumnus Awards from IIT Bombay and IIM Calcutta in 2012 and 2020 respectively.

Qualification

Mr. Khosla earned a bachelor's degree in mechanical engineering from IIT Bombay and an MBA from IIM Calcutta.

Mr. Promeet Ghosh#

MD & CEO

SRC CSR KMP

Appointed

August 16, 2016

Skills and expertise

Mr. Promeet Ghosh is an experienced investment banker with over two decades of expertise. He has also spent 18 years at DSP Merrill Lynch, where he played a pivotal role in building its M&A franchise. Additionally, he held the position of deputy head at Temasek India, where he significantly expanded the firm's investments in India. Even after transitioning from his full-time position, Mr. Ghosh remained an advisor to Temasek until March 2023 and harbors a fervent dedication towards sustainability transition.

Qualification

Mr. Ghosh holds a bachelor's degree in engineering (Electrical & Electronics) from the National Institute of Technology, Trichy, and an MBA from the Indian Institute of Management, Calcutta.

Mr. P. M. Murty

Non-Executive Independent Director

N&RC AC SRC RMC

Appointed

August 26, 2015

Skills and expertise

Mr. P.M Murty brings over 41 years of experience from Asian Paints Limited, serving in various senior roles including Managing Director from 2009 to 2012. He earned the "CEO of the Year" award by Business Standard for 2009-2010.

Qualification

Mr. Murty holds a Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta.

Ms. Smita Anand

Non-Executive Independent Director

N&RC CSR

Appointed

December 10, 2018

Skills and expertise

Ms. Smita Anand has over 30 years of experience in global management consulting and human resources. Her roles include serving as Managing Director at Leadership Consulting India, Asia head of Board/ CEO Succession Solutions at Korn Ferry, and President of Leadership and Lifelong Learning business. She also served as Regional Leader of Consulting businesses for the Asia Pacific region at AON-Hewitt in Shanghai from 2002 to 2011. Her early career included senior leadership roles at Ernst & Young and Head of Human Capital Services at PricewaterhouseCoopers.

Qualification

Ms. Anand completed her MBA in Human Resources from Allahabad University.

Mr. P. R. Ramesh

Non-Executive Independent Director

AC RMC

Appointed

May 21, 2021

Skills and expertise

Mr. P. R. Ramesh brings over 40 years of experience, he has served clients across various sectors including manufacturing, finance, technology, and more. He retired as Director from Deloitte & Touche Assurance & Enterprise Risk Services India on March 31, 2020 and was also a former member of Deloitte's Global and Asia Pacific Boards. Mr. Ramesh is a recognised speaker at events hosted by institutions like ICAI, RBI, and SEBI, and has been involved with various regulatory and industry bodies, including a past presidency at the Bombay Chamber of Commerce & Industry, he is also a Partner at Deloitte Haskins & Sells LLP.

Qualification

Mr. Ramesh holds a Commerce degree from Osmania University and is a Fellow Member of the Institute of Chartered Accountants of India (ICAI).

*Appointed as the Chairperson of the Board w.e.f. October 21, 2023, following the retirement of Mr. Hemant Nerurkar effective from the close of business hours on October 20, 2023, consequent to completion of his second term upon reaching the age of 75 (Seventy Five) years.

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

#Non-Executive & Non-Independent Director till April 23, 2023, appointed as an Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028, his appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

Committee details

(dark green)	Chairman
(yellow)	Member
AC	Audit Committee
N&RC	Nomination & Remuneration Committee
SRC	Stakeholders Relationship and Share Transfer Committee
RMC	Risk Management Committee
CSR	Corporate Social Responsibility Committee
KMP	Key Managerial Personnel

Ms. Hiroo Mirchandani

Non-Executive Independent Director

Appointed

January 28, 2022

Skills and expertise

Ms. Hiroo Mirchandani brings decade-long board experience of twelve boards in consumer goods, healthcare, financial services, telecom, and hospitality sectors. Her knowledge of corporate governance, P&L management, ESG, consumer insights and financial acumen adds to her presence on boards. She also taps into her thirty years of operational experience in P&L management,Sales & Marketing to provide counsel and strategic inputs to management. Ms. Mirchandani stays updated on the latest corporate governance practices through continuous learning. She recently completed an international ESG Certification Programme where she is now a trainer.

She facilitates cross-pollination of best practices from her experience as an independent director and a retail investor. Prior to her career on boards, Ms. Mirchandani held customer-facing leadership roles primarily in consumer goods and healthcare companies. She advanced from being Branch Manager at Asian Paints, Marketing Head at Dabur and Marketing Director at World Gold Council to Business Unit Director and Executive Committee member at Pfizer.

Qualification

Ms. Hiroo Mirchandani holds a bachelor's degree in commerce from Shri Ram College of Commerce and an MBA from the Faculty of Management Studies, Delhi University. She is also a Chevening Gurukul scholar from the London School of Economics.

Mr. Anil Chaudhry

Non-Executive Independent Director

Appointed

October 17, 2023

Skills and expertise

Mr. Anil Chaudhry is a seasoned leader with over four decades of experience in the energy, automation, and infrastructure sectors. He has championed sustainability, energy efficiency, and diversity initiatives throughout his career. As the Founding CEO & Managing Director of Schneider Electric India Pvt. Ltd (SEIPL), an entity formed through the merger of Schneider Electric India's Low Voltage and Industry Automation business with L&Ts Electrical and Automation business from 2020. Before this role, he was the Managing Director and Zone President of Schneider Electric, Greater India from 2013 to 2020, and previously served as Senior Vice President at the Global Sales Organisation in Paris.

He has extensive leadership experience spanning management, operations, sales, strategy, and business development across Europe and India and is a staunch advocate for energy-efficient and green technologies, he is also actively engaged in global projects focused on infrastructure development, sustainability, climate change, energy access, and skill development. Furthermore, he exhibits a strong dedication to promoting diversity and inclusion, consistently spearheading initiatives in this regard throughout his career.

Qualification

Mr. Chaudhry holds an engineering degree from Thapar Institute of Engineering and Technology, Patiala. He has also completed Executive Management Programs at Harvard Business School, Stanford Business School, and INSEAD.

Mr. Sanjiv Kakkar

Non-Executive Independent Director

Appointed

October 17, 2023

Skills and expertise

Mr. Sanjiv Kakkar is a veteran leader with a 38-year career at Unilever, retiring as Executive Vice President, leading operations across North Africa, Middle East, Russia, Ukraine, Turkey, and Central Asia. His leadership transformed this cluster into one of Unilever's fastest growing and most profitable regions. He started his career in sales and marketing in India, progressing to major leadership roles including Executive Director roles at Hindustan Unilever and regional leadership in Dubai and Russia. He has been recognised for his impactful leadership in challenging markets and was the founding Chairman of the Advertising Business Group in Dubai and a board member of the International Chamber of Commerce, Dubai.

Furthermore, the Ruler of Dubai nominated him as a Member, Board of Directors, for the International Chamber of Commerce, Dubai, he was also adjudged as the Forbes' Topmost Indian Business Leader in the Middle East.

Qualification

Mr. Sanjiv Kakkar is a BA (Hons) Economics gold medalist from Hindu College, Delhi University, and an MBA from the Indian Institute of Management, Ahmedabad, graduated in 1984.

Mr. Kaleeswaran Arunachalam

Group Chief Financial Officer (Group CFO) & Head of Strategy

KMP

Appointed

September 05, 2022

Skills and expertise

Mr. Kaleeswaran Arunachalam, with a career spanning over two decades, possesses extensive expertise in corporate finance, financial planning and analysis, business partnering, investor relations, fundraising, treasury management, strategic planning, audit, and risk management. In his most recent position as Global CFO of Eicher Motors Limited, Mr. Kaleeswaran played a pivotal role in establishing a platform for the next decade's journey of Royal Enfield. This involved creating a robust business and financial model, emphasising portfolio pricing programs, driving cost leadership, achieving significant penetration in retail finance, and bolstering digital marketplace presence. During his tenure at Eicher Motors, he successfully established a Center of Excellence for internal controls and a shared services platform for global accounting and reporting.

Qualification

Mr. Kaleeswaran is a Member of the Institute of Chartered Accountants of India (ICAI).

Ms. Rashmi Khandelwal

Company Secretary & Compliance Officer

KMP

Appointed

November 28, 2022

Skills and expertise

Ms. Rashmi Khandelwal is a seasoned secretarial and legal professional with over 15 years of experience. She has managed numerous secretarial tasks, provided comprehensive corporate advice, and represented cases before esteemed institutions such as RBI, NSE, BSE, SEBI, and MCA. Additionally, she has co-authored two books on the Companies Act of 2013 and actively participated in various private equity deals, acquisitions, and due diligence processes.

Qualification

Ms. Rashmi is a qualified Company Secretary and a rank holder, with a degree in B.A. Economics Honors, LLB, and a PGDBM in Finance.

KMP Key Managerial Personnel

Mr. Promeet Ghosh
MD & CEO

Mr. Kaleeswaran Arunachalam
Group Chief Financial Officer (Group CFO) & Head of Strategy

Mr. Rajat Chopra
Business Head – Home Electricals & Pumps

Mr. Nitesh Mathur
Business Head – Built-in Kitchen Appliances

Mr. Shaleen Nayak
Business Head – Lighting

Mr. Anand Kumar N.
Group Sales & Services Head (GSSH)

Mr. Sanjeev Agrawal
Chief Technology Officer (CTO) & Head – Innovation and ESG

Ms. Pragya Bijalwan
Head – Marketing

Mr. Pravin Saraf
Head – Manufacturing, Planning, & Logistics

Dr. Prasanth Nair
Chief Human Resources Officer (CHRO)

Mr. Vikram Sridharan
Chief Digital Officer (CDO)

Mr. Manoj Kumar
Chief Supply Chain Officer

Policies

To align our business with our Group's values and principles, we have defined a set of policies. We empower our employees to learn, comprehend, and apply improvement techniques to surpass industry-leading standards. For further information on our policies, please refer the following link: https://www.crompton.co.in/investors/corporate-governance/

Statutory policies

- Company's Code of Conduct
- Codes of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy on Materiality and Dealing with Related Party Transactions
- Materiality Policy
- Code of Conduct to regulate, monitor and report trading by designated persons
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Nomination and Remuneration Policy
- Prevention of Sexual Harassment Policy
- Risk Management Policy
- Stakeholders Relationship and Share Transfer Policy
- Vigil Mechanism and While Blower Policy
- Policy for Determining Material Subsidiary
- Prevention of Documents and Archival Policy
- Diversity & Inclusion (D&I) Policy

Non-statutory policies

- Investment Policy
- Policy on Foreign Exchange Risk Management
- Rules of Procedure
- Environmental, Health & Safety (EHS) Policy

A Culture of Integrity

Crompton adheres to essential principles in its operations and risk management, focusing on ethical business conduct, anti-corruption, and the protection of insider information and human rights. We actively work towards building a supportive culture that encourages our employees to express their concerns and contribute to maintaining a responsible and transparent work environment. To address fraud, we have established a comprehensive policy framework, beginning with the Code of Conduct, the Whistleblower Policy, and the Fraud Prevention Policy. Regular awareness sessions are conducted, and individuals are encouraged to report any suspected fraud through the whistle-blower mechanism.

Your Company has also constituted Internal Complaints Committee ("ICC") to consider and resolve all the sexual harassment complaints. Further, your Company has taken proactive measures to promote awareness and compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, including conducting e-learning sessions on POSH for all regular and new employees. Additionally, awareness programmes have been organised throughout the year to sensitise employees on POSH for upholding the dignity of their female colleagues in the workplace, reaching all employees across various locations. Moreover, a Toll-Free Number has been provided to facilitate the telephonic registration of any POSH complaints, further enhancing accessibility and support for employees.

EHS policy

Our Board has established a Corporate Environment, Health, and Safety (EHS) policy, which incorporates Environmental, Social, and Governance (ESG) factors into our daily operations. It also focuses on investing in the workforce, promoting a diverse and inclusive workplace, supporting the communities in which we operate, and implementing sustainable practices for both consumers and our internal operations.

Supplier selection process

The process for onboarding new suppliers at our Company is thorough, involving evaluations of potential suppliers' capabilities, quality, timeliness, and overall performance. They are assessed based on their adherence to legal standards, and environmental, health, and safety regulations, as well as their involvement in sustainable supply chain management initiatives. Furthermore, cost competitiveness and financial stability are considered to ensure that the suppliers meet our procurement standards.

Code of Conduct

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

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

Whistleblower policy

Crompton is dedicated to fostering openness, transparency, and encouraging the reporting of improvements without the fear of retaliation. We actively work towards cultivating a culture that upholds high ethical standards and maintains fair and safe working conditions for all employees, ensuring a positive and responsible work environment.

Crompton's Whistleblower Policy supports employees who report violations, ensuring a confidential and fair reporting process. The policy outlines procedures for tracking complaints, conducting investigations, and imposing disciplinary measures. It protects complainants from retaliation and maintains confidentiality during the reporting process. The policy also extends to vendors, encouraging them to report any incidents.

Any reported violation is thoroughly investigated, and appropriate actions are taken per the policy. To promote awareness of the Whistleblower Policy, we have initiated Company-wide training sessions for all our employees along with e-training modules for new hires during their induction. Additionally, we have set up an e-mail ID and a toll-free number for employees to register complaints.

The Company has initiated providing of in-person training on the Code of Conduct and POSH at branch offices, factory premises, and regional offices.

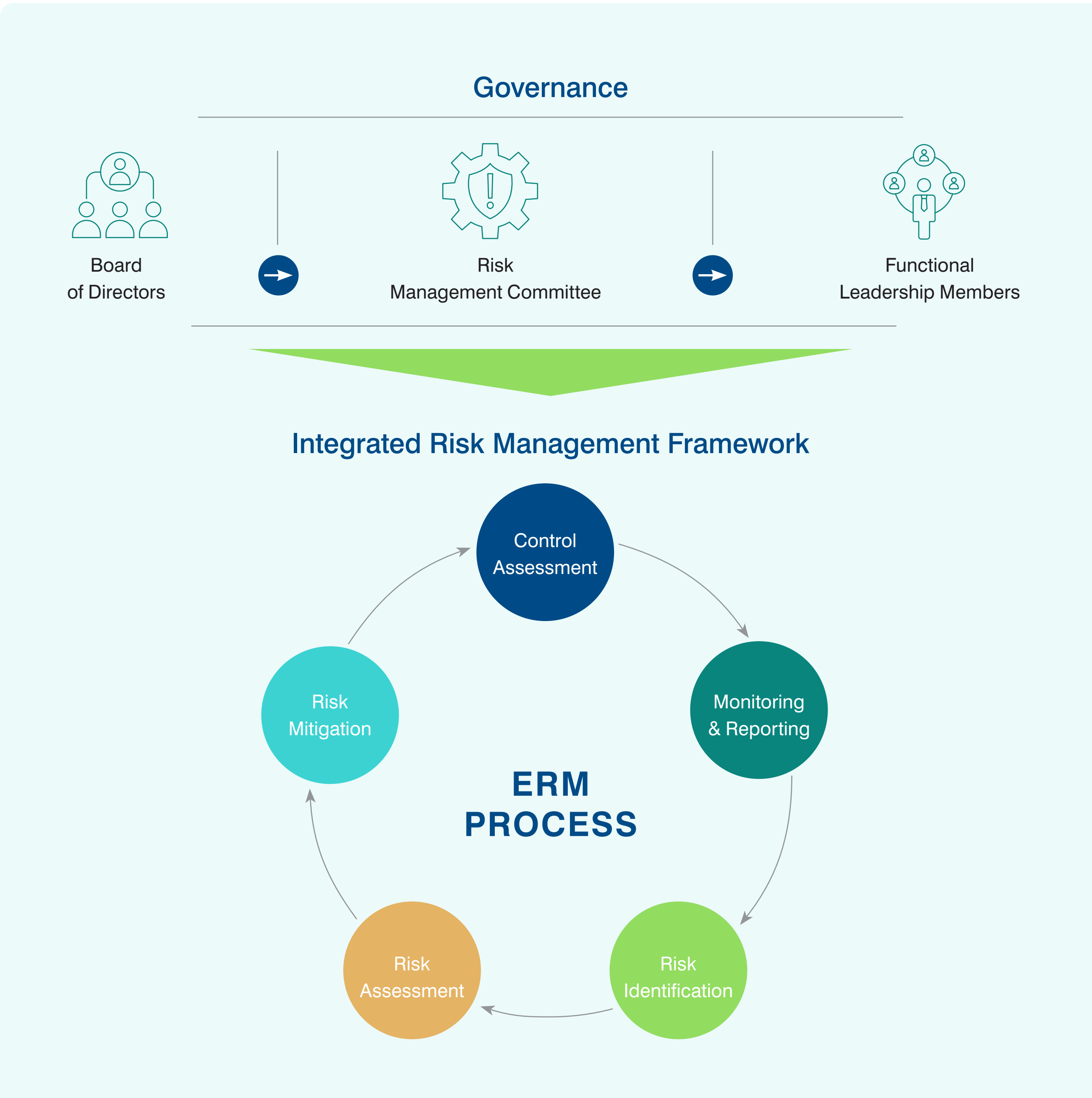
Risk management

At Crompton, we continuously foster risk management to identify and address potential threats and opportunities that may impact our commitments.

Risk management is integral to our growth and realising our long-term goals. We constantly identify our risks and opportunities to ensure that our business strategy is aligned to the internal and external environment. We have put in place a strong risk-management structure that enables meticulous examination of business activities for identification, evaluation and mitigation of potential internal or external risks.

Enterprise risk management framework

Crompton's Enterprise risk management (ERM) framework addresses our business needs while remaining simple and pragmatic. Our Enterprise Risk Management Committee, chaired by an Independent Director, reviews identified risks bi-annually and guides the ERM head, who collaborates closely with business and functional teams to identify, monitor and execute agreed-upon risk responses. Meanwhile, the Risk Council comprising of senior functional leadership, reviews the major risks identified by the business and the status of mitigation actions, systematically. Moreover, the Board RMC oversees our Risk Management Policy, framework and process, as well as the risk management structure and risk mitigation system. The Audit Committee ensures additional oversight on financial risks and the effectiveness of process controls.



Risk	Mitigation measures and progress	Capitals impacted
Product risk		
Energy efficiency (regulatory BEE norms)	We are committed to staying ahead of regulatory changes, ensuring that our product design and compliance are ahead of industry standards. To achieve this, we have established a dedicated team responsible for representing Crompton in all leading standard and regulatory bodies. Furthermore, we want to maintain active and influential participation in industry bodies, continuing our leadership and excellence in the sector.	
Quality	Our organisation is focused on improving product performance and reducing the cost of poor quality. We have implemented a structured KPI review through a quality scorecard and introduced systems such as Continuous Quality Management System (CQMS), Daily Work Management (DWM), Stop to Fix protocol, and a Zero Tolerance policy to ensure stringent quality control and operational excellence.	
Sustainability	Our organisation has taken significant steps towards sustainability, beginning with an enterprise-level gap assessment to pinpoint areas for enhancement. In our commitment to sustainability, we now embed sustainability-related KPIs into every stage of new product development. Additionally, our improved ranking in the Dow Jones Sustainability Index (DJSI) reflects positive progress compared to previous assessments.	
Innovation	In our pursuit of innovation, we have engaged deeply with consumers through immersions to gather valuable feedback. This input steers our focus towards pioneering smart technologies and new products that enhance energy efficiency, health, hygiene, comfort, and convenience. Supporting these advancements, we have implemented a robust New Product Development process equipped with an automated Product Data Management (PDM) workflow. This system allows us to precisely define and track key performance indicators (KPIs) related to revenue, margins, and learning outcomes, ensuring our innovation aligns seamlessly with our strategic goals.	

Risk	Mitigation measures and progress	Capitals impacted
Brand risk		
Consumer feedback	Our organisation has partnered with a third-party agency to enhance our social media feedback management, ensuring customer interactions are handled with professionalism and efficiency. To further refine this process, we are establishing Service Level Agreements (SLAs) that will set clear expectations for internal communications and define specific response times for addressing customer inquiries and concerns. This systematic approach is designed to optimise our social media engagement, boost customer satisfaction, and uphold a positive brand image across all social platforms.	
Service quality	Our organisation maintains a broad, PAN India network of authorised service centres to promptly address customer complaints and improve service quality. We equip our service teams with comprehensive training to enhance their effectiveness in resolving consumer issues. To measure consumer satisfaction, we employ a 'happy code index' that tracks and assesses service quality. Additionally, we are expanding our service coverage into remote areas to ensure efficient resolution of complaints, regardless of geographical challenges.	
Counterfeit product	Our approach to protecting our brand against counterfeit products involves proactive monitoring through market intelligence and statutory methods, such as reviewing trademark journals to identify potential counterfeit activities. Upon detecting such issues, we act swiftly in line with Crompton's IP Policy, initiating appropriate legal actions to combat the distribution and sale of counterfeit goods. This ensures the protection of our brand integrity and the quality of products that our customers receive.	

Risk	Mitigation measures and progress	Capitals impacted
Supply risk		
Import risk	We are enhancing our supply chain resilience by diversifying sourcing, expanding domestic production, and broadening our vendor networks. Our strategy includes developing supply plans that incorporate both domestic and multiple international alternatives to ensure consistent product availability.	
Production disruption and single-source dependency	Our strategy emphasises consolidating our vendor and supplier base to enhance production flexibility and supply chain resilience. We regularly identify and develop alternate vendors and suppliers for key SKUs and components as part of our comprehensive supply risk management approach.	
Volatile commodity cost	Our organisation actively pursues a continuous programme of cost-saving and technical innovation initiatives at all levels to mitigate the impact of volatile commodity prices. Additionally, we are forming long-term strategic agreements with commodity suppliers to stabilise costs and ensure a reliable supply. This strategy is designed to maintain operational efficiency and financial stability in the face of market fluctuations.	
Disruption risk		
Competition	Our strategy to stay competitive involves continuously monitoring market trends and technological advancements to respond swiftly and effectively. We also emphasise cost-efficient product development through enhanced R&D and production processes, enabling us to offer competitively priced products. This dual approach ensures we adapt quickly to market changes and maintain affordability in our offerings.	
Distribution and alternate channel	Our distribution strategy is evolving to enhance rural market penetration through the development of alternative channels. We are implementing an omni-channel approach to ensure uniform pricing across all sales platforms. Additionally, to strengthen our digital presence, we have formed partnerships with various e-commerce platforms, boosting our online visibility and capabilities.	
Market share and brand investment	Our organisation continues to maintain strong market share across all segments, with success in our digital campaign initiatives. These campaigns, which complement our traditional mass media efforts, are effectively enhancing brand visibility and engagement. Crompton remains the market leader in the fans category, underlining our strategic prowess in both traditional and digital marketing arenas.	

Risk	Mitigation measures and progress	Capitals impacted
EHS risk		
Safety and compliance	Our organisation is firmly committed to safety and compliance, strictly adhering to statutory and regulatory requirements, including electronic waste management under the Extended Producer Responsibility (EPR) policy. We prioritise Environmental, Health, and Safety (EHS) policy compliance within our operations and at our vendor locations - monitored through regular internal audits. Furthermore, we actively keep our compliance with various laws up to date by incorporating regular legal updates. This thorough approach enables us to maintain high standards of safety, environmental stewardship, and legal compliance across all aspects of our operations.	
Culture risk		
Diversity engagement	Our organisation has implemented a comprehensive Diversity and Inclusion (D&I) policy with a strong emphasis on gender diversity, driven by a council including senior leadership to ensure commitment and impact. Our efforts include crafting gender-neutral job descriptions, supporting frameworks for expecting parents, and maintaining gender-neutral harassment prevention policies. Additionally, we ensure equity across pay, benefits, promotions, and succession planning, fostering an inclusive and supportive workplace for all employees.	
People risk		
Attrition management	We have launched several initiatives aimed at retaining key talents and reducing turnover rates. These programmes focus on managing work-related stress, fostering leadership, and promoting well-being in the workplace. We prioritise work-life balance, strive to create a fun work environment, and continuously enhance our rewards and recognition framework to effectively motivate and acknowledge our employees. Additionally, we invest in various training programmes designed for talent management to facilitate upskilling and reskilling, ensuring our workforce remains adaptable and well-equipped for future challenges.	
Adequacy of succession planning	Our organisation has implemented a succession planning framework that actively identifies and evaluates both internal and external talent. This involves benchmarking capabilities and facilitating the creation of detailed succession profiles. Additionally, our Diversity and Inclusion (D&I) agenda is integrated into the succession planning process to ensure a comprehensive and inclusive approach to talent development.	

Risk	Mitigation measures and progress	Capitals impacted
Information Technology Risk		
Emerging data privacy laws	Our organisation is diligently working to comply with the Digital Personal Data Protection Act 2023. We are integrating a Data Privacy Process into all new projects to embed data protection from the outset. Additionally, we have established roles for a Consent Manager and a Data Protection Officer (DPO), both equipped with specialised training to effectively manage data privacy breaches and consent modifications. This commitment is underscored by the completion of our Gap Assessment, marking a milestone in achieving full compliance and strengthening our data protection measures.	
Data and cyber security	Our organisation has strategically located our Data Centre and Disaster Recovery (DR) sites to mitigate risks effectively. We have strengthened our security posture by completing a Data Protection Assessment and implementing Mobile Device Management and AzureAD Premium for secure, conditional access to Microsoft apps. Annually, we conduct a Disaster Recovery drill for SAP to test and ensure the resilience of our systems. Both Active Directory and SAP are hosted in our Data Centre equipped with DR capabilities, securing operational continuity. Additionally, we maintain a rigorous access management system complemented by a thorough User Access Review. To further enhance security awareness among our staff, we conduct multiple user awareness sessions, including simulated phishing campaigns, reinforcing our defences against potential cyber threats.	

Awards

We proudly showcase the recognition our team's dedication and innovation have earned over the past year. These accolades reflect unmatched excellence in a competitive industry and highlight our contributions to energy-efficient solutions and customer satisfaction.

National Energy conservation Award-Ministry of Power for most Energy Efficient Appliance of the Year award by President of India.

Awarded India Design Mark for Blossom Smart and Roverr Smart.

Greentech Safety Award 2023 - Ahmednagar - Pump Plant.

Received Best Managed Companies- Deloitte India-2023 award for second consecutive time.

Environment excellence for fan division, Goa – Bethora Greentech Environment Award.

Greentech Safety Award 2023 - Baddi Fan Plant, Ahmednagar Pump Plant.

Safe-tech Award 2023 for best employee participation in safety awareness – Baddi Lighting.

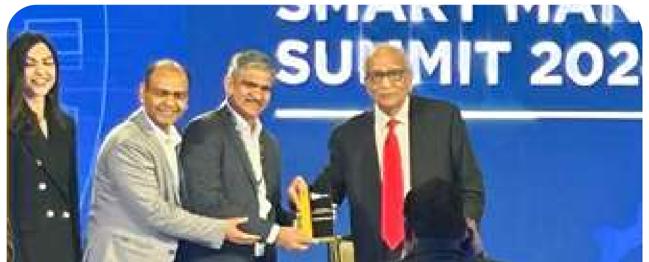
National Safety Award 2023 – 11th Global Safety Summit.

Leadership Award for Mr. Amit Srivastava – Plant Head.

Gold Award won by Baddi Lighting division.

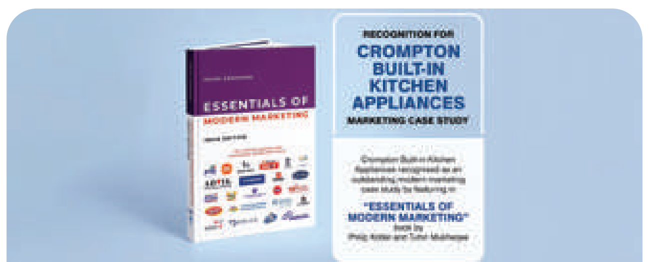
Leadership Award for Mr. Vishwanatha R – Plant Head.

Built-in Kitchen Appliances Business Model featured as case study in "Essentials of Modern Marketing - India Edition by Philip Kotler and T Mukerjee



Received Smart Manufacturing in Consumer durable at CNBC-TV18 Zetwerk Smart Manufacturing Summit 2024.

Crompton Built-in Kitchen Appliances Business Case awarded as "Customer Retail Journey Innovation" at the Retail, Distribution & E-Commerce Summit & Awards 2024.



Large Kitchen Appliance Business Case featured in the India Edition of "Essentials of Modern Marketing" by Philip Kotler & T. Mukherjee.

Gold Award won by the Baddi Fan division.

Safety Mentor Award won by Mr. Vineet Sharma.

Bimlesh Kumar recognised as India Emerging HSE Leader in India HSE Conclave & Awards 2023.

Chosen as the "Most Preferred Workplace 2024-25" by Marksmen daily in association with India Today.

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

International Award
from British Safety Council.

Statutory Reports and Financial Statements

Statutory Reports

Financial Statements

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economic overview

1.1 Global economy

The global economy in FY 2023-24 displayed exemplary resilience, with the United States of America (USA) leading the charge towards recovery and emerging markets exhibiting robustness. Inflation, which had been a lingering concern, receded more swiftly than anticipated, dropping to 6.9% due to smoother supply chains and stringent monetary controls. This trajectory is expected to maintain its course, with global inflation forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025.

Strengthening labour markets provided a foundation for equilibrium as improved job conditions buoyed consumer confidence and caused an uptick in spending. This surge in consumption has revived various sectors, with a ripple effect on industries linked to consumer spending. The real household spending in India is expected to grow by 6.7% in 2024.
(Source: BMI Research).

This optimistic phase was moderated by some economic pressures, including high borrowing costs and rising government debt in advanced and emerging markets. Despite this, the manufacturing and services sectors found solid footing, powered by consumer and government expenditure in developed nations. Emerging markets have held a neutral fiscal position, while liquidity and debt service challenges have continued to test low-income countries.

1.1.1 Outlook

The International Monetary Fund **("IMF")** forecasts a steady global growth of 3.1% in 2024, with a marginal increase to 3.2% in 2025. While advanced economies may see fluctuations in growth, there is much optimism about the eurozone recovery and sustained progress in the USA. The IMF sees a soft landing for the USA econnomy, with an estimated growth rate of 2.1%, an upward revision of 0.6% as compared to earlier projections.

Geopolitical tensions continue to loom, threatening economic stability in certain regions and potentially reverberating across borders. Furthermore, adverse weather conditions are increasingly impacting food supply chains, exacerbating the challenge of managing inflationary pressures. Many nations have tightened monetary policies in response, further influencing demand dynamics across consumer and business sectors. After three years of extreme volatility, commodity prices are set to broadly stabilise in 2024. However, soaring shipping costs and supply chain disruptions are among the risks to watch.

That said, emerging markets and developing economies show promising consistency in growth rates for the forthcoming period. China and India, Asia's two growth engines, are slated to continue their upward climb, with India maintaining a strong performance at 6.5% for both years. In this global setting, certain sectors, especially those sensitive to discretionary consumer spending, such as lifestyle and technology goods, may experience indirect positive impacts.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced.

Source: World Economic Outlook Update, January 2024

1.2 Indian economy

India is experiencing a K-shaped recovery, where entities with robust financial standings, including well-established corporations and affluent households, are witnessing a stronger rebound. Conversely, smaller enterprises and less wealthy families are likely caught in a detrimental cycle of poverty and debt, a situation exacerbated by the pandemic's economic impacts.

The National Statistical Office **("NSO's")** Second Advance Estimates signal an impressive growth trajectory for India, with real GDP expected to increase to 7.6% in Financial Year 2023-24. The GDP growth rate surpassed expectations to rise to a six-quarter high of 8.4% in Q3 Financial Year 2023-24. Robust growth in manufacturing and a surge in investment put India in an advantageous position.

The government's response to global economic shifts included strengthening domestic production and enhancing infrastructure. India's strategic push to become a manufacturing hub began to pay dividends, with global businesses drawn to the nation's growing telecom and mobile assembly industries. Simultaneously, the infrastructure sector in India witnessed growth, given the country's ambition for swift development and urbanisation trends.

Financial Year 2023-24 also saw a softening of inflation rates, descending to a four-month low of 4.87% in Q3. This acted as a reflection of the RBI's adeptness in curbing inflation and fostering growth. Supported by fiscal incentives, a revitalised private sector, and increased infrastructure investment, the stage for continued economic acceleration was set.

1.2.1 Outlook

The Indian economy has demonstrated vitality, with forecasts affirming its status as one of the world's most rapidly expanding economies. The Indian economy will experience an annual expansion rate of 6-7% between 2024 and 2026. The private sector will be instrumental in driving this growth, empowered by a slew of government policies and incentives.

Companies now anticipate workforce expansions by 5% or more, alongside planned increases in product and service pricing, reflecting renewed confidence in the market's potential. This upward trend has resulted from India's enhanced manufacturing competitiveness, favourable demographics, and an encouraging policy environment, including attractive production-linked incentives and a liberal Foreign Direct Investment (FDI) stance.

While inflation is projected to remain somewhat above the target range in Financial Year 2023-24 and Financial Year 2024-25, the RBI is expected to take a careful approach. The apex bank's reserves and a balanced external account position may afford it the latitude to consider rate reductions in the latter half of Financial Year 2024-25, providing a stimulus for further economic activity.

The government has announced an 11% increase in capital infrastructure. Capital expenditure outlay is now pegged at ₹ 11.11 Lakh Crore for the next fiscal.

Source: Interim Budget Financial Year 2024-25

2. Industry overview

Electrical Consumer Durables industry

The Electrical Consumer Durables **("ECD")** industry in India experienced an uplift in FY 2023-24 given the positive consumer sentiment led by surging demand for premium products. This momentum is projected to carry forward into 2024, with the industry poised for an anticipated growth of 7-9%.

The growth trajectory is underpinned by rural electrification, an expanding real estate sector, increased per capita electricity consumption, and supportive government policies, including capital outlay and initiatives like Production Linked Incentive **("PLI")** and Remission of Duties and Taxes on Exported Products (RoDTEP).

The push for energy efficiency through the Bureau of Indian Standards **("BIS")** and Bureau of Energy Efficiency **("BEE")** star ratings, the shift towards solar lights and pumps, and the consumer-driven demand for product upgrades and replacements are set to drive the industry. In alignment with regulatory requirements, the adoption of Extended Producer Responsibility **("EPR")** principles further fortifies the commitment to sustainable growth, ensuring responsible production and consumption patterns across the industry.

Moreover, there is a shift towards smart and connected homes, powered by the integration of Internet of Things (IoT). The trend is expected to escalate with the advent of Web 3.0, making smart home connectivity even more accessible. Voice assistant features, in particular, are becoming a standard expectation as the new generation of consumers demands the latest technology at competitive prices.

Additionally, the consumer journey is evolving into an omni-channel experience where customers often first explore products online before making the final purchase in-store. This hybrid shopping behaviour underscores the importance of seamless integration between digital platforms and physical retail spaces, catering to the modern consumer's preference for informed purchasing decisions.

Fans

Fans remain a staple in households and offices, marking high market penetration and essentiality across demographics, especially in India. Positioned as a primary necessity, fans rank just after bicycles in terms of demand in rural India, highlighting their significance in everyday life.

The industry is characterised by a wide range of products including ceiling, table, pedestal, wall, exhaust, and specialised fans like cooling or fresher fans. The Indian Electric Fan Market is on a trajectory of growth, projected to surpass revenues of ₹ 16,000 Crore by Financial Year 2027-28, with growth expected at 7-8%. This growth is driven by the diversification into niche categories such as premium, energy-efficient, and decorative fans.

The rise of the fan industry is further supported by increased distribution channels and replacement-driven demand. The popularity of premium fans is escalating, spurred by rising consumer purchasing power and a shift towards quality and aesthetics in consumer preferences. The fans market is distinguished by its successful premiumisation strategy, achieving growth at twice the rate of the overall category.

The construction of new homes, replacement needs within existing households, higher installation rates of fans per household, and the effective implementation of energy efficiency standards are anticipated to drive the demand for fans in India.

₹ 11,000 Crore

Fans market size in India as of 2023

Pumps

The pumps industry is crucial to sectors such as agriculture, water management, oil and gas, residential requirements and manufacturing, due to its essential function in fluid transportation. The global pumps market size was estimated at $ 57.7 Billion in 2023 and is anticipated to grow at a CAGR of 4.2% from 2024 to 2030.

In India, the pumps sector has been supported by an increasing demand for agriculture and municipal water management, as well as the expanding industrial and construction sectors. The India pumps market size reached ₹ 7,500 Crore in 2023. Looking forward, IMARC Group expects the water pump market in India to exhibit a CAGR of 4.5% between 2024 and 2032. At the same time, the solar pump market in India is anticipating robust growth between 2025-2029 at a CAGR of 28%.

Government initiatives, like the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM KUSUM), aimed at enhancing farm irrigation, and schemes for promoting solar pumping systems, are expected to drive growth in the eco-friendly and energy-efficient pumps segment.

₹ 7,500 Crore

Pumps market size in India, as of 2023

Built-in Kitchen Appliances

The built-in kitchen appliances industry is characterised by premium products such as integrated microwaves, ovens, chimneys, and dishwashers. These appliances are designed to blend with kitchen cabinetry, offering a sleek and modern aesthetic that appeals to contemporary homeowners. The global built-in kitchen appliances market size was estimated at $ 13.8 Billion in 2022 and is expected to grow at a CAGR of 7.6% from 2023 to 2030. At the same time, the Indian large kitchen appliances market is valued at ₹ 2,900 Crore.

This growth is driven by increasing consumer preference for modular kitchens and the trend towards home renovation and customisation that emphasises efficient space utilisation and aesthetic appeal. The demand for built-in appliances is particularly strong in urban areas, where space constraints make compact and integrated solutions more attractive.

In markets such as India, the built-in kitchen appliances sector is witnessing rapid growth. Consumers are increasingly investing in high-quality built-in appliances that offer convenience and enhance the overall cooking experience, supported by rising awareness of the latest kitchen technologies.

Large Domestic Appliances

The Large Domestic Appliances **("LDA")** industry has been witnessing robust growth driven by technological advancements, consumer demand for energy efficiency, and the digital transformation of retail. The global market for air coolers is projected to reach $ 2.5 Billion by 2025, growing at a CAGR of 10.8% between 2019 and 2025, while the Indian air cooler market stands at ₹ 3,050 Crore. The global water heater market size was estimated at $ 29.26 Billion in 2023 and is anticipated to grow at a CAGR of 4.7% from 2024 to 2030, fuelled by innovations in heating technologies and a shift towards sustainable energy solutions. The Indian water heater market size stands at ₹ 4,600 Crore. At the same time, the value of the electric heaters market globally had observed a significant increase over the years rising to over $ 10 Billion in 2023.

In India, the diversity of climate and rapid urbanisation have catalysed demand across the large domestic appliances sector. Air coolers are rising in popularity due to their cost-effectiveness, reduced noise, and inverter compatibility. Furthermore, their sustainability advantage over air conditioners, using water for natural cooling and minimising greenhouse gas emissions, aligns with the increasing preference for eco-friendly and energy-efficient appliances.

Similarly, the water heater market is experiencing growth, with a clear trend towards environmentally friendly and intelligent heating solutions. In line with these trends, the room heater market is also on the rise, driven by the need for affordable and efficient heating solutions in colder regions, reflecting consumers' growing preference for comfort and energy efficiency in home heating options.

Small Domestic Appliances

In 2023, the Indian Small Domestic Appliances **("SDA")** industry was valued at ₹ 3,900 Crore, showcasing the sector's presence in the consumer goods market. Looking ahead, the industry is on a trajectory of substantial growth, with forecasts predicting the market size to reach ₹ 7,800 Crore by the year 2032. This expansion reflects a CAGR of 8.17% from 2024 to 2032.

The industry is integral to the modern Indian kitchen – catering to the needs of both residential and commercial settings – and encompasses a wide array of products, including food

processors, mixers, toasters, and sandwich makers. The demand for these appliances is spurred by the growing awareness among consumers about the importance of quality, durability, and the utility of incorporating advanced technology into daily cooking practices. The market is further buoyed by the increasing popularity of premium and connected kitchen gadgets, such as smart frying pans, precision cookers, and digital scales.

The trend towards easy-to-use devices resonates strongly with the country's increasingly busy lifestyle, driving demand for appliances that offer convenience and time-saving benefits. The proliferation of online distribution channels has made these appliances more accessible, encouraging consumers to embrace modern kitchen technologies.

₹ 3,900 Crore

Small domestic appliances market size in India, as of 2023

Lighting

The lighting industry in India is undergoing major advancements in technology and increasing awareness of energy efficiency. There has been a rapid adoption of LED technology, which offers superior energy efficiency, longer lifespan, and better light quality compared to traditional lighting solutions. LEDs have become the dominant product segment due to their widespread application in residential, commercial, and industrial settings.

The Indian lighting industry, valued at ₹ 16,900 Crore in 2023, is projected to experience moderated growth, reflecting the impact of value erosion in the LED lighting segment. This takes into account the market saturation leading to more conservative growth estimates. The major players in the market are focusing on innovation, product diversification, and smart lighting solutions to meet the needs of consumers and capitalise on the growing demand for sustainable lighting options.

The shift towards smart and connected lighting systems, integrated with IoT, is another trend shaping the future of the industry. These systems offer enhanced functionality, remote control, and customisation, further driving market expansion.

₹ 16,900 Crore

Lighting market size in India, as of 2023

3. Key growth drivers

Consumer trends

Today's consumers are solution-oriented and lifestyle-focused, seeking more than just functionality in the products they purchase. They desire goods that meet their immediate needs while aligning with their aspirations, uniqueness, aesthetic appeal, and enhancement of their overall well-being. This shift towards aspirational and demanding consumer behaviour is reshaping product development and marketing strategies, compelling companies to innovate and tailor their offerings to meet these evolving preferences.

Home sector

The home sector is experiencing an increase in consumer spending, driven by a growing emphasis on home enhancements, the adoption of smart home technologies, and connected devices. Furthermore, the incorporation of Internet of Things (IoT) into residential environments, coupled with the rising trend towards compact, fully connected homes, is also driving expansion in this domain. Such technological integration changes how homes are designed, equipped, and experienced, aligning with modern lifestyles that value connectivity and smart living solutions.

India Smart Home Market is expected to expand at a growth rate of 10.36% during the forecast period 2023-2029.

Brand strength

The strength of a brand lies in its ability to convey trustworthiness, dependability, and a history of excellence. These attributes are fundamental in guiding consumer choices, with individuals gravitating towards brands that have established a reputation for reliability and superior quality over time.

Sustainability

With an increasing focus on Environmental, Social, and Governance **("ESG")** criteria, companies are integrating sustainable practices into their operations and product lines. Consumers are more conscious of their ecological footprint, seeking out products that are environment-friendly and socially responsible, pushing companies to prioritise sustainability in their business models.

As of 2023, the PM Kusum Scheme has been instrumental in setting up 140 MW of solar power plants and installing 2.73 Lakh standalone solar pumps, demonstrating a step towards achieving solar power capacity addition of 34.8 GW by March 31, 2026. The scheme, with a total central financial support of ₹ 34,422 Crore, targets the decentralisation of solar power and the solarisation of agricultural pumps, both standalone and grid-connected.

Innovation

The capacity to innovate and pioneer novel solutions provides companies with a distinct competitive advantage. By developing unique products that bring new value to the market and effectively address consumer challenges, businesses set themselves apart. This focus on innovation includes anticipating future demands, thereby securing a leadership position in the ever-evolving marketplace.

Omni channel presence

As consumer shopping behaviours evolve, the prominence of e-commerce, direct-to-consumer (D2C) models, and alternative retail channels is increasingly evident. To effectively reach and engage with a broader audience, companies must establish a strong presence across a diverse array of platforms. This entails a blend of traditional and digital retail approaches, complemented by a deliberate shift towards direct-to-consumer channels. Embracing D2C maximises market reach while fostering a direct connection with consumers, allowing for more personalised marketing and sales experience.

India's e-retail market is anticipated to reach growth levels of 23-25%, reaching over ₹ 16,000 Crore by 2028.

Consumer centricity

In the digital era, a deep consumer engagement is crucial for understanding and meeting consumer expectations. Leveraging digital channels to gather insights into consumer preferences and behaviours enables companies to tailor their marketing efforts and product offerings, ensuring relevance and resonance in a competitive marketplace.

4. Company overview

With a rich history of 85+ years, Crompton Greaves Consumer Electricals Limited **("Crompton")** is a leading name in India's consumer electricals sector. The organisation operates across core business segments: The organisation operates in ECD and Lighting segment, offering products under the "Crompton" brand in India and abroad.

In June 2023, Crompton embarked on the Crompton 2.0 journey, targeting enhanced performance across segments. Our initiatives in the ECD segment have demonstrated remarkable results, enabling our company to consistently outperform in a competitive market. Strategic investments in advertising, innovation, and talent development have been key to Crompton's recent revenue growth.

We are guided by our purpose of "Enriching life for generations with smart and responsible solutions." Moreover, we encourage individuals to imbibe and inculcate the values of being Caring, Responsible, Entrepreneurial, Accountable, Team player, and Ethical. Together, our purpose and values enable us to deliver on our growth strategy.

3,130
Unique Distributors, including Butterfly

2,69,794
Retailers, including Butterfly

1,066
Service centres, including Butterfly

Crompton 2.0

With our Crompton 2.0 growth strategy, our goal is to deliver sustained growth in the long-term. This enables us to adapt and evolve our work and leadership culture to respond to contemporary industry trends, while strengthening our market position. The tenets of Crompton 2.0 include:

- Enabled and empowered organisation
- Consumer need-led innovation
- Premiumisation of portfolio
- Supply chain excellence
- Go-to-Market excellence
- Digital enablement

Butterfly Gandhimathi Appliances Limited

Butterfly Gandhimathi Appliances Limited (**"Butterfly"**) is one of India's premier domestic kitchen appliance manufacturers known for innovation and quality. Butterfly leads the market, particularly in Southern India, with its extensive range of products including LPG stoves, pressure cookers, mixer grinders, and wet grinders.

Crompton's 75% stake acquisition in Butterfly represents a strategic move to strengthen our position in the kitchen appliance sector. Leveraging Butterfly's market leadership in innovation and quality in southern India, Crompton gains access to advanced manufacturing, R&D capabilities, and a wide distribution network.

Standalone Financial Performance

Ratios	2023-24	2022-23
Debtors Turnover Ratio	11.23	10.98
Inventory Turnover Ratio (on Cost of goods sold)	6.70	7.10
Interest Coverage Ratio	10.77	7.41
Current Ratio	1.52	1.59
Debt Equity Ratio	0.19	0.32
Operating Profit Margin	10.78%	11.56%
Net Profit Margin	7.23%	8.08%
Return on Net Worth (RoNW)* *	15.43%	17.96%

*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

Particulars	2023-24		2022-23	
	(₹ in Crore)	% to Revenue from Operations	(₹ in Crore)	% to Revenue from Operations
Revenue from Operations	**7,312.81**	**100.00%**	**6,869.61**	**100.00%**
Material Costs	5,000.31	68.38%	4,680.35	68.13%
Employee Benefit Expenses	589.87	8.07%	540.80	7.87%
Finance Cost	79.19	1.08%	109.18	1.59%
Depreciation & Amortisation Expenses	128.82	1.76%	115.92	1.69%
Advertisement & Sales Promotion	297.19	4.06%	206.48	3.01%
Other Expenses	711.75	9.93%	671.51	9.78%
Total Expenses	**6,807.13**	**93.08%**	**6,324.24**	**92.07%**
Other Income	67.39	0.92%	66.78	0.97
Exceptional items	-	0.00%	-	0.00%
Profit Before Tax	**573.07**	**7.84%**	**612.15**	**8.90%**
Tax Expense	131.29	1.80%	135.75	1.98%
Profit After Tax	**441.78**	**6.04%**	**476.40**	**6.92%**

5. Manufacturing

We place a strong emphasis on adopting efficient manufacturing practices that integrate advanced technology and lower operational costs. Embracing lean manufacturing principles, our Company has streamlined production processes across the product lifecycle -- aimed at heightened efficiency in all manufacturing operations. The pursuit of this efficiency is evident in the Company's strategic capital investments and operational efforts, designed to maximise resource utilisation.

With the acquisition of Butterfly, we have broadened manufacturing capabilities, adding to our production sites. A key initiative in enhancing the cost-effectiveness of our operations is Project Unnati. Furthermore, our Company has launched Project UDAAN, aiming to elevate manufacturing excellence across Crompton's -- as well as its vendors' and suppliers' facilities.

Read more on page 36

5
Manufacturing locations
(Including Butterfly)

6. Innovation centre

We recognise the importance of innovation for sustained growth and adaptability in a milieu of changing consumer preferences. In pursuit of this, Crompton has a state-of-the-art Innovation & Experience Centre in Vikhroli, Mumbai. This facility, complete with a modern design studio, is equipped with the latest technology (ies) and softwares.

Our Company employs a structured approach to developing and introducing new products, setting them apart from competitors with superior consumer functionalities, experiences, and performance metrics. We are committed to continuous system development, enhancing operational efficiencies and fostering innovation in product design and functionality.

Dedicated New Product Development (NPD) teams for each business unit, operate on a forward-looking 12 to 18 months roadmap, ensuring that Crompton's offerings remain innovative. Our Company utilises a stage-gate process to enhance collaboration among stakeholders and increase the likelihood of success for NPD initiatives.

Furthermore, Crompton engages in open innovation initiatives both internally and externally. Collaborations with academic institutions, startups, and the central R&D department are instrumental in developing scalable solutions that resonate with upcoming consumer trends and demands.

Read more on page 40

₹ 76.14 Crore*
R&D investment

191*
Number of new product launches

₹ 750+ Crore*
Revenue from new product launches

* Consolidated numbers

7. Marketing

Our Company has increased investment in digital marketing initiatives, enhancing visibility and engagement across various digital platforms to spotlight latest product offerings. We have witnessed a phenomenal 120% surge in website sessions. This highlights Crompton's successful digital strategy and the ability to captivate and retain consumer interest online.

In addition to these accomplishments, we have taken decisive steps to recalibrate our investment behind the brand to align more closely with the industry-standard range of 3-5% of sales. This adjustment ensures that we maintain a strong market presence while enhancing our ability to connect with our audience. This has been further evidenced by our leading position in social media engagement and premier ranking in Google search results.

The fusion of our reinforced digital marketing efforts, corrected brand investment strategy, and our continued industry leadership in consumer engagement highlights Crompton's strategic approach to marketing and customer interaction, solidifying our market leadership and brand resonance with consumers.

Read more on page 66

8. Sustainability

Crompton is committed to implementing sustainable and green practices throughout the operations. Our Company rigorously complies with all regulatory requirements including EPR mandates, BIS and BEE norms, ensuring high standards of product sustainability, safety, and energy efficiency.

We focus on automation to streamline processes, ensuring efficiency and minimal environmental impact. We also opt for eco-conscious packaging solutions, utilising biodegradable materials instead of traditional thermocol and asbestos. Our water conservation efforts have led to zero wastewater discharge at all manufacturing sites, exemplifying our holistic approach to preserving natural resources.

Read more on page 94

9. Supply Chain

Crompton boasts a robust distribution infrastructure, featuring 22 (Twenty Two) warehouses and 6 (Six) central hubs strategically located across India to strengthen the supply chain. Our Company is well placed to leverage opportunities in South India to enhance distribution efficiency and lay the groundwork for growth.

Crompton employs a rigorous process for integrating new suppliers, including a detailed assessment protocol. This evaluation process scrutinises potential partners for their operational capabilities, product quality, punctuality, and adherence to legal and environmental standards. Additionally, it considers their commitment to engaging with Crompton's initiatives aimed at promoting sustainability within the supply chain.

Read more on page 54

10. Quality

Crompton maintains superior quality standards in every aspect of the business operations. To achieve this, our Company has instituted a variety of programmes aimed at boosting operational efficiency and a culture of excellence. Among these are the adoption of the 5S system for workplace organisation, the establishment of Quality Circles for employee engagement, the implementation of Daily Work Management for process efficiency, the utilisation of the Glass Wall strategy for transparency in performance metrics, and the deployment of Structured Problem-Solving to facilitate collaborative issue resolution.

These initiatives actively involve employees in improvement processes, enhance the efficiency of daily tasks, provide clear visibility into operational performance, and encourage teamwork in tackling intricate problems.

Read more on page 39

11. People

At Crompton, we are dedicated to building a workforce of high-performing, empowered individuals who deeply resonate with our organisational values and demonstrate exemplary behaviour. Our focus on professional development and recognition helps foster an inclusive environment where employees can thrive and advance their careers. As part of our **'Crompton 2.0'** vision, we restructured our leadership to enhance dynamism and empowerment within the organisation.

This year's key initiatives included launching a specialised learning platform, implementing AI-driven tools to address employee concerns effectively, and enhancing engagement through regular surveys. We also established an ESG Committee and a Diversity & Inclusion (D&I) Council, with a comprehensive policy to support these areas.

Looking ahead to Financial Year 2024-25, we will focus on improving talent acquisition and retention, developing our 'Crompton Young Leader Acceleration' programme for trainees, and revamping our Performance Management System (PMS) to better align with our values. These steps are part of our commitment to making Crompton a place where employees are valued and essential to our success.

Read more on page 72

12. Opportunities

The consumer durable industry has benefitted from the rapid evolution of technology, changing consumer demographics and preferences. These are the areas of opportunity that are shaping the future of this sector:

Technological advancements

The pace of technological innovation offers fertile ground for the industry to launch cutting-edge products. From smart appliances that offer convenience to connected devices that enhance home automation, there is a growing market of tech-savvy consumers eager for the latest advancements. This trend sets the stage for future growth by continually pushing the boundaries of what is possible.

Growing middle-class population

The expansion of the middle class, particularly in emerging economies, presents a golden opportunity for the consumer durable sector. As disposable incomes rise, a larger segment of the population now finds itself in a position to invest in durable goods, broadening the customer base and driving demand across a range of product categories.

Rising consumer preference for health and hygiene

Today's consumers are inclined towards offerings that are distinguished by their unique designs, advanced features, and superior user experiences. Additionally, there is a growing preference for products that emphasise health and hygiene, reflecting a broader awareness and demand for wellness-oriented solutions. Catering to these trends enables companies to tap into a niche yet profitable market segment, leveraging the dual appeal of luxury and wellness to meet the sophisticated needs of modern consumers.

Sustainability and Green Initiatives

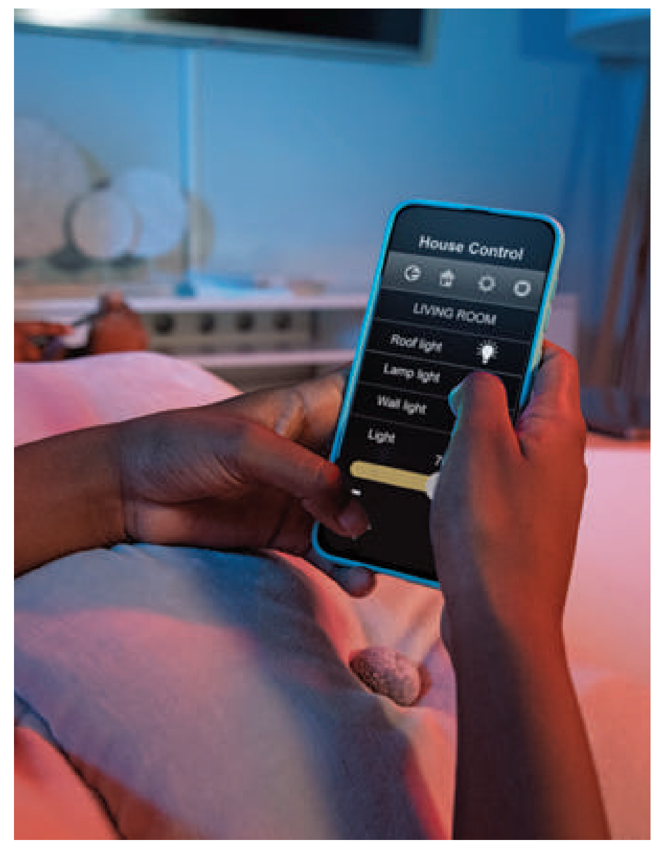
With an increasing global focus on sustainability, there is a marked shift towards products that are environmentally friendly and energy efficient. This trend presents an opportunity for companies to differentiate themselves by offering products that align with broader environmental goals and corporate social responsibility initiatives.

E-commerce growth

The rise of online shopping has revolutionised the retail landscape, offering a growth opportunity for the consumer durable industry. By leveraging e-commerce platforms, companies can extend their reach, provide greater convenience to customers, and tap into new markets with ease.

Smart-home trends

The advent of smart homes has created a new frontier for consumer durables, particularly with the integration of Internet of Things (IoT). Products that can connect with other smart devices and contribute to a holistic smart home ecosystem are in high demand, offering a lucrative niche for companies ready to innovate in this space.



13. Risk management

We are dedicated to protecting the interests of our stakeholders through a robust risk management framework designed to identify, assess, and mitigate business risks effectively. At the heart of Crompton's approach to risk management and governance lies a solid internal financial control infrastructure. This risk management framework prioritises prompt and efficient risk identification and mitigation - employing both top-down and bottom-up approaches and remains adaptable to meet the needs of the business environment.

The overarching objective of the Enterprise Risk Management (ERM) process is 2 (Two) fold: to minimise potential negative outcomes and to capitalise on market opportunities. This dual focus aims to drive continuous growth and maintain Crompton's competitive edge within the industry, ensuring long-term success and resilience.

Read more on page 121

14. 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 our Company to make assumptions and are subject to inherent risks and uncertainties.

There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Crompton's Integrated Annual Report for the Financial Year 2023-24.

BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Company's Integrated Annual Report on the business and operations of your Company **("the Company" or "Crompton"),** along with the audited Financial Statements **(Standalone & Consolidated)** for the Financial Year ended March 31, 2024.

1. STATE OF THE AFFAIRS OF THE COMPANY

The performance of the businesses are detailed out in the Management Discussion and Analysis Report **("MDA")** which forms part of this Integrated Annual Report.

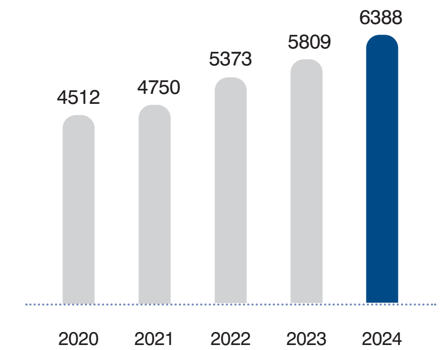
2. FINANCIAL PERFORMANCE

The highlights of the Financial Statements (Standalone & Consolidated) are as under:

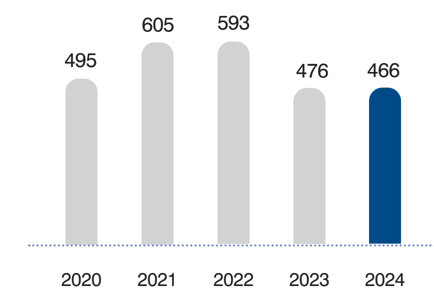
(₹ in Crore)

Particulars	Consolidated		Standalone	
	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2022-23
Revenue from Operations	7,312.81	6,869.61	6,388.38	5,809.31
Other Income	67.39	66.78	60.34	74.41
Total Income	**7,380.20**	**6,936.39**	**6,448.72**	**5,883.72**
Profit before Tax	**573.07**	**612.15**	**611.04**	**594.31**
Tax Expenses	131.29	135.75	144.59	118.75
Profit for the year	**441.78**	**476.40**	**466.45**	**475.56**
Attributable to owners of the Company	439.92	463.21	466.45	475.56
Non-controlling Interest	1.86	13.19	--	--
Other Comprehensive Income (OCI)	(0.30)	(2.34)	0.55	(1.31)
Total Comprehensive Income	**441.48**	**474.06**	**467.00**	**474.25**
Owners of the Company	439.83	461.04	467.00	474.25
Non-controlling Interest	1.65	13.02	--	--
Opening Balance in retained earnings	**2181.73**	**1964.50**	**2361.15**	**1,967.19**
Amount available for appropriations	2624.57	2,340.14	2380.52	2,519.57
Appropriations				
Final Dividend Paid for 2022-23	(191.90)	--	(191.90)	--
Interim Dividend Paid for 2021-22	--	(158.41)	--	(158.41)
Closing balance in retained earnings	**2432.67**	**2,181.73**	**2638.62**	**2,361.15**

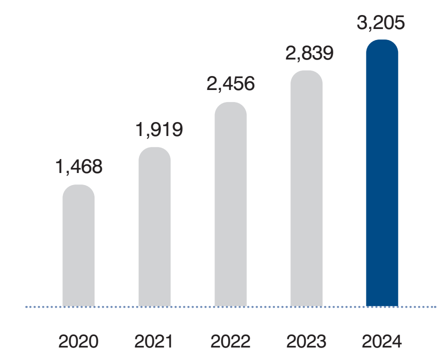
Sales
(₹ in Crore)



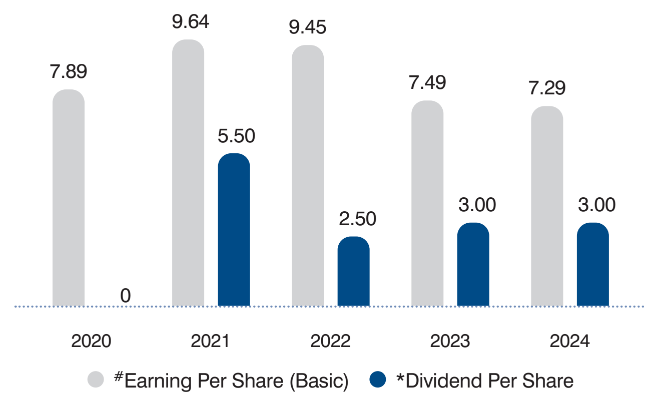
Earnings
(₹ in Crore)



Members Funds
(₹ in Crore)



EPS# (Basic) DPS*
(in ₹)



Note: All the above figures are on standalone basis

3. OVERVIEW/ OPERATIONS OF GROUP'S FINANCIAL PERFORMANCE

- Consolidated income, comprising Revenue from Operations and Other Income, for the year was ₹ 7,380.20 Crore, 6.40% higher compared to ₹ 6,936.39 Crore in Financial Year 2022-23.
- Total Consolidated Revenue from Operations for the year increased to ₹ 7,312.81 Crore *vis-à-vis* ₹ 6,869.61 Crore in Financial Year 2022-23.
- Consolidated Profit before Tax for the year was ₹ 573.07 Crore *vis-à-vis* ₹ 612.15 Crore in Financial Year 2022-23.
- Consolidated Profit after Tax for the year was ₹ 441.78 Crore compared to ₹ 476.40 Crore in Financial Year 2022-23.
- During the year under review, your Company's export business experienced growth. This growth underscores your Company's commitment to reach new customers and deliver high-quality products to the global mark.
- No material changes or commitments have occurred between the end of the Financial Year and the date of this Report, which affect the Financial Statements.

4. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 3 (Rupees Three Only) (150%) per equity share of face value of ₹ 2 (Rupees Two Only) each on the share capital amounting to ₹ 192.93 Crore, working out to be payout ratio of 41.14%, for the Financial Year ended March 31, 2024.

The dividend, subject to the approval of the Members at the Annual General Meeting **("AGM")** to be held on **Friday, July 26, 2024,** will be paid within a period of 30 (Thirty) days from the date of AGM to the Members whose names appear in the Register of Members, as on the Record Date, i.e. **Wednesday, July 10, 2024**.

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

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **("the SEBI Listing Regulations")**, the Company has formulated a Dividend Distribution Policy. The policy is enclosed as **Annexure 1** to this Report. It is also available on the Company's website and can be accessed at https://reports.crompton.co.in/shopify/public/files/aaeGlqQcuR_Dividend-Distribution-Policy-1.pdf

5. TRANSFER TO RESERVES

Your Directors do not propose to transfer of any amount to the General Reserve.

6. DEBENTURE REDEMPTION RESERVE

Pursuant to Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, the Company is not required to maintain Debenture Redemption Reserve **("DRR")**.

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

7. MDA

In terms of the provisions of Regulation 34 read with Schedule V(B) of the SEBI Listing Regulations report on MDA forms an integral part of this Integrated Annual Report and gives an update, *inter alia*, on the following matters:

- Economic Overview
- Industry Overview
- Key Growth Drivers
- Company Overview
- Manufacturing
- Research and Development
- Marketing
- Sustainability
- Supply Chain
- Quality
- People
- Opportunities
- Risk Management

8. SHARE CAPITAL

8.1 Paid-up capital:

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

Sl. No.	Name of the ESOP Scheme	No. of Shares
1	Crompton Performance Share Plan - 1 - 2016 (PSP 1 2016)	44,10,033
2	Crompton Performance Share Plan - 2 - 2016 (PSP 2 2016)	23,27,297
3	Crompton Employee Stock Option Scheme - 2016 (ESOP 2016)	2,59,930
4	Crompton Employee Stock Option (ESOP 2019)	-
	Total	**69,97,260**

Accordingly, the total paid-up share capital of the Company as on March 31, 2024, stood at ₹ 128.62 Crore divided into 64,31,06,979 equity shares of ₹ 2.00 (Rupees Two Only) each.

Further, during the year under review your Company has granted 25,55,000 equity shares under ESOP 2019 scheme.

8.2 Authorised Capital

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

Your Company has neither issued any shares with differential rights as to dividends, voting or otherwise nor issued any sweat equity shares during the year under review.

9. FINANCIAL LIQUIDITY

Consolidated cash and cash equivalent as on March 31, 2024, stood at ₹ 172.06 Crore (Rupees One Hundred Seventy Two Crore and Six Lakh Only) *vis-à-vis* ₹ 76.84 Crore (Rupees Seventy Six Crore and Eighty Four Lakh Only) in the previous year. The Company's working capital management is robust and involves a well organised process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

10. CREDIT RATING

The Company has received credit ratings from CRISIL Ratings Limited, and India Ratings and Research Private Limited (collectively referred to as **"Agencies"**). There has been no revision in credit ratings during the year. The ratings given by these agencies as on the date of the report are as follows:

Instrument	Rating Agency	Rating	Outlook
Non-convertible Debentures **("NCDs")**	CRISIL	AA+	Stable
Long-Term	India Ratings & Research	AA+	Stable
Short-Term	India Ratings & Research	A1+	Stable

The ratings reflects your Company's diversified business risk profile, established brand, leading position in multiple consumer durable segments and strong growth prospects, driven by focus on brand building and consumer sentiments.

11. PUBLIC DEPOSITS

During the year under review, the Company has neither accepted nor renewed deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 **(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 Chapter V of the Act is not applicable.

The requisite return for the Financial Year 2022-23 with respect to amount(s) not considered as deposits has been filed. The Company does not have any unclaimed deposits as on the date of this report.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of investments made and guarantee provided by the Company under Section 186 of the Act, Regulation 34(3) and Schedule V of the SEBI Listing Regulations forms part of this Integrated Annual Report in the Notes to the standalone financial statements for the Financial Year ended March 31, 2024.

Further, your Company has not given any loan or provided any security which are covered under the provisions of Section 186 of the Act during the year under review.

13. INTERNAL CONTROL SYSTEMS

13.1 Internal Controls and its adequacy

Your Company prioritises reinforcing financial and operational controls to enhance transparency, accountability and efficiency in its processes. Your Company adheres to an internal control framework that includes key process coverage that impacts the reliability of financial reporting such as periodic control testing to assure design and operational effectiveness, and implementation of remedial measures and regular monitoring by Senior Management and the Audit Committee of the Board. Internal audits are conducted periodically, and any design deficiencies or operational inefficiencies are reported and improvement measures are recommended. The adequacy of controls are reviewed by the Audit Committee of the Board and specific processes are assessed for improvement in systems and outcomes periodically. The adequacy of the internal control systems and procedures forms part of MD & CEO Certificate in the Certification Section of this Integrated Annual Report.

Your Company has initiated awareness sessions on the Company's Code of Conduct, Prevention of Sexual Harassment **("POSH")** and whistleblowing rights by conducting Company-wide trainings for all its employees. Additionally, e-learning modules have also been developed to keep employees informed of these policies. This not only ensures compliance and a well-regulated environment but also helps us achieve our organisational objectives.

Process controls with evolving SAP solutions

Your Company is actively enhancing IT in key processes, embedding major controls in SAP for accuracy. Third-party validation is initiated to ensure system configuration effectiveness, while periodic reviews are conducted to control authorisation to SAP through function-based user access supported by the Governance Risk and Controls module. Evolving SAP solutions are utilised for process controls, with continued monitoring facilitated by automations and exception management.

Standardising processes for better decision-making

To ensure data and IT system security, your Company has implemented a Single Sign-On **("SSO")** feature for authorised access to the systems and applications.

Your Company is standardising processes across key functions such as Innovation, Design, Procurement and Quality for superior decision-making. Additionally, shared services for Accounts Payable process have been implemented to drive process improvement and facilitate better decision-making, with potential for expansion to other operational areas.

13.2 Internal Controls over Financial Reporting

The Company's internal financial controls commensurates with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has put in place robust policies and procedures, which *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention & detection of frauds & errors.

14. VIGIL MECHANISM/ WHISTLE BLOWER POLICY ("WB Policy")

Over the years, your Company has built a reputation for conducting business with integrity, maintaining a zero-tolerance policy towards unethical behaviour, thereby fostering a positive work environment and enhancing credibility among stakeholders.

Your Company has formulated a WB Policy which provides adequate safeguards against victimisation of Director(s)/ Employee(s) and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. 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. The Audit Committee oversees the functioning of this policy and no personnel have been denied access to the Audit Committee of the Board.

Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct. The Policy also provides a mechanism to encourage and protect genuine whistleblowing amongst the Vendors.

Any incident that is reported is investigated and suitable action is taken in line with the WB Policy. The WB Policy of your Company is available on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/hxamy77St7_Vigil-Mechanism-and-WB-Policy_19-May_updated.pdf The WB policy of the Company was last amended on May 19, 2023.

Your Company has also initiated awareness sessions on WB Policy for all regular employees across regions and plants along with an e-training module for both regular and new employees. Your Company has also provided an e-mail ID and a toll free number to its employees and vendors for registering any WB complaint.

17 (Seventeen) Whistle-Blower complaints were received during the Financial Year 2023-24 and suitable action has been taken in accordance with the WB policy.

15. SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURE COMPANIES

15.1 Subsidiaries

Your Company has 4 (Four) Subsidiaries, the details of which are as follows:

1. Pinnacles Lighting Project Private Limited (CIN: U74999MH2018PTC318891)

   A wholly-owned subsidiary incorporated on December 31, 2018, to execute, design, manufacture, test, supply, O&M of LED Street Lights & Poles and other related works for the implementation of Greenfield Street Lighting Project for 19 (Nineteen) 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 March 31, 2024, was ₹ 1.98 Crore (including ₹ 0.96 Crore as Other Income). Profit after Tax was ₹ 0.65 Crore as compared to a profit of ₹ 0.50 Crore in the previous year.

2. Nexustar Lighting Project Private Limited (CIN: U74999MH2019PTC318955)

   A wholly-owned subsidiary incorporated on January 02, 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 (Thirty Six) **("ULBs")** in Odisha. This contract received from the Government of Odisha, Housing & Urban Development Department is on PPP basis.

   Total Revenue for the Financial Year ended March 31, 2024, was ₹ 2.24 Crore (including ₹ 1.28 Crore as Other income) and Profit after Tax was ₹ 1.00 Crore as compared to ₹ 0.55 Crore in the previous year.

3. Crompton CSR Foundation (CIN: U85300MH2019NPL324784) (CSR Unique Identification No: CSR00001086)

   A wholly-owned subsidiary incorporated under Section 8 of the Act (being a Company limited by guarantee not having share capital) on May 01, 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 Indian Accounting Standards **(the "Ind AS")** 110.

4. Butterfly Gandhimathi Appliances Limited (CIN: L28931TN1986PLC012728)

   It was incorporated on February 24, 1986, to carry on the business as Importers, Exporters, Manufacturers and Dealers of household and industrial vessels and utensils from all type of metals, plastics, ebonite, in particular all household appliances, lighting Products and all types of consumer electrical goods.

   Total Revenue for the Financial Year ended March 31, 2024, ended was ₹ 936.14 Crore (including ₹ 4.86 Crore as Other Income) and Profit after Tax was ₹ 7.39 Crore as compared to a profit of ₹ 51.67 Crore in the previous year.

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

15.2 Joint Ventures ("JVs")/ Associate Companies

The Company does not have any JVs or Associate Companies during the year or at any time after the closure of the year and till the date of this Integrated Annual Report.

16. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in compliance with the Ind AS notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The said Consolidated Financial Statements forms part of this Integrated Annual Report.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries in Form AOC-1 is attached herewith as **Annexure 2**. The separate audited financial statements in respect of each of the subsidiary companies are open for inspection and are also available on the website of Company and can be accessed at https://www.crompton.co.in/pages/financial-reports#SubsidiariesFinancials

The Company shall provide free of cost a copy of the Financial Statements of its Subsidiary Companies to the Members upon their request.

17. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Company actively strives to adopt global best practices to ensure the effective functioning of the Board. It emphasises the importance of having a truly diverse Board whose collective wisdom and strength can be leveraged to create greater stakeholder value, protect their interests, and uphold better corporate governance standards. Your Company's Board comprises eminent professionals with proven competence and integrity. They bring in vast experience and expertise, strategic guidance and strong leadership qualities.

17.1 Directorate

a. Appointments/ Re-appointments and Retirement by rotation

   The appointment and remuneration of Directors are governed by the Policy devised by the Nomination and Remuneration Committee **("N&RC")** of your Company. The details of Nomination and Remuneration Policy is mentioned in the Report on Corporate Governance which forms part of this Section of this Integrated Annual Report. The N&RC policy is also available on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/Fj46RqOSbO_Nomination%20and%20Remuneration%20Policy.pdf

Further, there were following changes in the directorate during the year under review:

- **Appointment of Mr. Anil Chaudhry (DIN:03213517) and Mr. Sanjiv Kakkar (DIN:00591027) as Non- Executive Independent Directors**

  During the year under review, the Board of Directors of the Company at its meeting held on October 17, 2023, basis the recommendation of the N&RC of the Board and based on the evaluation of the balance of skills, knowledge, experience and expertise considered and approved the appointment of Mr. Anil Chaudhry (DIN:03213517) and Mr. Sanjiv Kakkar (**DIN:00591027**) as Additional Director (Non-Executive, Independent) for a period of 5 (Five consecutive years commencing from October 17, 2023, to October 16, 2028, who are not liable to retire by rotation.

  The resolutions pertaining to the above appointments were duly approved by the Members of the Company, on December 19, 2023, by means of Postal Ballot, exclusively through remote e-Voting details of which have been provided in the Report on Corporate Governance which forms part of this Integrated Annual Report.

- **Appointment of Mr. Promeet Ghosh as an Executive Director and as MD & CEO**

  Mr. Promeet Ghosh (DIN:03213517) was appointed as an Executive Director on the Board w.e.f. April 24, 2023, and assumed charge as the MD & CEO of the Company w.e.f. May 01, 2023, uptil April 30, 2028. The said appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

- **Re-appointment of Ms. Smita Anand (DIN:00059228) as a Non-Executive, Independent Director**

  The Board of Directors basis the recommendation of the N&RC of the Board and considering the positive outcome of performance evaluation and significant contributions made by Ms. Smita Anand (DIN:00059228) during her initial term as an Independent Director, re-appointed her for a second consecutive term of 5 (Five) years w.e.f. December 10, 2023. The said re-appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

- **Retirement by rotation and subsequent re-appointment**

  In terms of Section 152 of the Act, Mr. Shantanu Khosla being liable to retire by rotation, was re-appointed by the Members at the AGM held on July 22, 2023.

  In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Shantanu Khosla (DIN:00059877) is liable to retire by rotation at the forthcoming AGM and being eligible offers himself for re-appointment. The Board recommends re-appointment of Mr. Shantanu Khosla for the consideration of the Members of the Company at the forthcoming AGM. The relevant details including profile of Mr. Shantanu Khosla is included separately in the Notice of AGM and Report on Corporate Governance, forming part of this Integrated Annual Report.

- **Change in designation of Mr. Shantanu Khosla and Mr. D Sundaram**

  During the year under review, Mr. Shantanu Khosla, relinquished his position as the Company's Managing Director w.e.f. April 30, 2023, and was subsequently elevated to the position of Executive Vice Chairman w.e.f. May 01, 2023, till April 30, 2024, and thereafter he assumed the position of Non-Executive Vice Chairman w.e.f. May 01, 2024, till December 31, 2025.

  Mr. D Sundaram, Non-Executive Independent Director was appointed as the Chairman of the Board w.e.f. October 21, 2023.

b. Retirement & Cessation

Mr. Mathew Job, Executive Director and Chief Executive Officer, had resigned from the position of Executive Director w.e.f. April 24, 2023, and as the Chief Executive Officer w.e.f. close of business hours on April 30, 2023, to pursue other career interests. Mr. Mathew Job confirmed that there was no other material reason other than those provided herein above. The Board recognised and expressed their gratitude for the exceptional leadership and contributions made by Mr. Job during his tenure as the Executive Director & Chief Executive Officer of the Company.

Mr. H M Nerurkar was appointed as a Non-Executive, Independent Director and Chairman of the Board for the first term of 5 (Five) consecutive years, w.e.f. January 25, 2016, to January 24, 2021, and further, was re-appointed for the second term w.e.f. January 25, 2021, to October 20, 2023, considering his attainment of age of 75 (Seventy-Five) years. Pursuant to completion of his tenure, Mr. Nerurkar retired w.e.f. October 20, 2023. The Board placed on record its appreciation for the contribution made by Mr. Nerurkar during his tenure as Chairman and Non-Executive, Independent Director of the Company.

17.2 Key Managerial Personnel ("KMPs")

In accordance with the provisions of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force the following are the KMPs of the Company:

1. Mr. Promeet Ghosh, Executive Director w.e.f. April 24, 2023, and MD & CEO w.e.f. May 01, 2023;
2. Mr. Kaleeswaran Arunachalam, Chief Financial Officer; and
3. Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer.

During the year under review, Mr. Shantanu Khosla, has relinquished his position as the Company's Managing Director w.e.f. April 30, 2023, Mr. Mathew Job has resigned from the position of Executive Director w.e.f. April 24, 2023, and also resigned as the Company's CEO w.e.f. April 30, 2023, and Mr. Promeet Ghosh was appointed as the Executive Director w.e.f. April 24, 2023, and as the MD & CEO w.e.f. May 01, 2023.

17.3 Independent Directors

All the Independent Directors of your Company have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. The Board is of the opinion that the Independent Directors of the Company including those appointed during the year possess requisite qualifications, expertise and experience in the varied fields and holds highest standards of integrity. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company and can be accessed at: https://reports.crompton.co.in/shopify/public/files/yFnc3ag3DW_Letter-of-Appointment-of-Independent-Director-1.pdf

All the Independent Directors of the Company have registered themselves with Indian Institute of Corporate Affairs, Manesar **("IICA")** for the inclusion of their names in the data bank maintained by IICA. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, since all the Independent Directors have served on the Board of listed companies for a period of not less than 3 (Three) years at the time of inclusion of their names in the database, they are exempted from undertaking the online proficiency self-assessment test conducted by the Institute.

Mr. D Sundaram, Mr. P M Murty, Mr. P R Ramesh, Mr. Anil Chaudhry, Mr. Sajiv Kakkar, Ms. Smita Anand and Ms. Hiroo Mirchandani serve as the Independent Directors on the Board of the Company. Further, the details of the membership of committees and the qualifications and expertise of all the Directors are covered in the Report on Corporate Governance which forms part of this Integrated Annual Report.

17.4 Non-Independent Directors

As on March 31, 2024, Mr. Promeet Ghosh and Mr. Shantanu Khosla were the Non-Independent Directors.

The Board of Directors of the Company on April 24, 2023, based on the recommendation of N&RC, appointed Mr. Promeet Ghosh as an Executive Director w.e.f. April 24, 2023. He was appointed as the MD & CEO w.e.f. May 01, 2023, till April 30, 2028. The same was approved by the Members of the Company at the AGM held on July 22, 2023. Additionally, Mr. Shantanu Khosla was elevated as the Executive Vice Chairman of the Board for 1 (One) year w.e.f. May 01, 2023, till April 30, 2024. He then assumed the position Non-Executive Vice Chairman, w.e.f. May 01, 2024, till December 31, 2025.

17.5 Board Effectiveness

(a) Familiarisation Programme for Independent Directors

34 Programmes 403 hours

Over the years, the Company has developed a robust familiarisation process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act and other related regulations. This process *inter alia* includes providing an overview of the industry, the Company's business model, the risks and opportunities, the new products, innovation, sustainability measures, digitisation measures etc.

Your Company has in place an structured induction and familiarisation programme for its Directors.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct to regulate, monitor and report trading by Designated Persons for Prevention of Insider Trading and Code of Conduct applicable to all Directors and Senior Management Personnel **("SMP")**. They are also updated on all business related issues and new initiatives. Regular presentations and updates on relevant statutory changes encompassing economic outlook, market trends, peer trends, changes in laws where Company is operating are made to the Directors at regular Board Meetings of the Company.

The MD & CEO along with senior leadership team make(s) presentation(s) on the performance & strategic initiatives of the Company. Brief details of the familiarisation Programme are uploaded on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/2x9Om5cMWS_Familiarization%20Programme%20for%20FY%2023-24.pdf

(b) Formal Board Performance Annual Evaluation

In terms of requirements of the Act read with the Rules issued thereunder and the SEBI Listing Regulations, the Board carried out the annual performance evaluation of the Board of Directors as a whole, Committees of the Board and Individual Directors. Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and effectiveness. Criteria for Board evaluation is duly approved by N&RC based on the guidance note issued by the SEBI. Performance evaluation is facilitated by the Chairman of the Board who is supported by the Chairman of N&RC.

The process of Board Evaluation is conducted through structured questionnaires which includes various aspects of the Board's functioning such as adequacy of the Board composition diversity, skill set of members, the appointment process, understanding of roles and responsibilities, circulation of board papers, quality of information provided, strategic oversight, risk evaluation, acquisitions guidance, individual Board Members' and contributions, execution of duties, governance performance for the Board as a whole, Committees of the Board and Individual Directors and has been undertaken digitally.

The performance indicators for the Committees *inter alia* includes composition of the Committee, understanding the terms of reference, adherence to the charters, the effectiveness of discussions at the Committee Meetings, the information provided to the Committee to discharge its duties/ obligations and performance of the Committee, support provided to the Board *vis-à-vis* its responsibilities.

The performance of individual Director(s) 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, understanding of relevant areas, and responsibility towards stakeholders. All the Directors were subject to self-evaluation and peer evaluation.

The performance of the Independent Directors was evaluated taking into account the above factors as well as independent decision-making and non-conflict of interest. Further, the evaluation process was based on the affirmation received from the Independent Directors that they meet the independence criteria as required under the Act and the SEBI Listing Regulations.

In addition to the questionnaires, detailed one-on-one in-sighting was carried out by the Chairperson of the N&RC with individual Board Members. A quantitative analysis and Board Effectiveness brief including insightful feedback and trends was shared by the Chairperson of the N&RC to all the Board Members. Thereafter, the following process was followed to assimilate and process the feedback:

- A separate meeting of Independent Directors, Performance of Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors;
- The entire Board discussed the findings of the evaluation with the Independent Directors and also evaluated the performance of the Individual Directors including the MD & CEO, the Board as a whole and all Committees of the Board; and
- As an outcome of the above process, individual feedback was shared with each Director.

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

The Board's overall assessment indicated that it was operating cohesively, including its various Committees. These Committees were performing effectively, regularly reporting to the Board on their activities and progress during the reporting period. The Board also noted that the actions identified in previous questionnaire-based evaluations had been implemented.

During the Financial Year 2023-24, the Company actioned the feedback from the Board evaluation process conducted in a the even year. The Board noted the key improvement areas emerging from this exercise including but not limited to improving the talent management, process with specific focus on strengthening top talent pipeline, improving the attrition rate, business strategy and annual plan etc.

The Board of Directors has expressed its satisfaction with the evaluation process.

17.6 Remuneration policy and criteria for selection of candidates for appointment as Directors, KMPs and SMPs

The Company has in place a policy for remuneration of Directors, KMPs and SMPs as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board.

The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and commission), KMPs and SMPs. The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the N&RC and the Board of Directors while selecting candidates. The policy on remuneration of Directors, KMPs and SMPs can be accessed at https://reports.crompton.co.in/shopify/public/files/Fj46RqOSbO_Nomination%20and%20Remuneration%20Policy.pdf

17.7 Executive Director(s) Remuneration

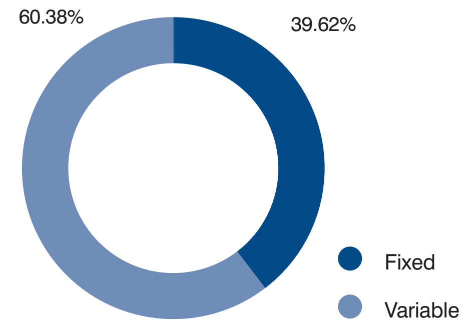
The Board on the recommendation of N&RC appointed Mr. Promeet Ghosh, as the MD & CEO w.e.f. May 01, 2023, which was subsequently approved by the Members of the Company in its AGM held on July 22, 2023.

The remuneration to MD & CEO includes the fixed pay and the variable pay. The variable pay of MD & CEO is paid annually which is determined by the N&RC after factoring in the individual performance, i.e. KPIs achieved and the Company's performance. There is no clawback provision in the remuneration paid to the MD & CEO of the Company.

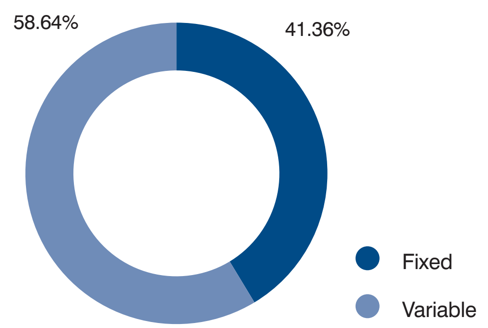
In terms of applicable laws, there is no mandatory stock ownerships requirement for MD & CEO. Stock Options granted to MD & CEO are governed by various Employee Stock Option Plans & Performance Share Plans of the Company as approved by Members from time to time. N&RC is responsible for administrating the stock incentives and performance incentives plans of the Company and determines the eligibility of all the employees including MD & CEO of the Company. The vesting of options for the MD & CEO is based solely on the Company's performance, with no consideration given to individual performance.

For details of grant, vesting and exercised options please refer to Report on Corporate Governance which forms part of this Integrated Annual Report. The bifurcation of fixed pay and variable pay for MD & CEO and Executive Director as on March 31, 2024, is as under:

Fixed and Variable pay – Mr. Promeet Ghosh (MD & CEO)*



Fixed and Variable pay – Mr. Shantanu Khosla (Executive Director)#



*Non-Executive & Non-Independent Director till April 23, 2023, appointed as an Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028, his appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

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

18. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

18.1 Board Meetings

In the normal course of business the meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters, digitalisation, governance and other businesses.

The schedule of the Board/ Committee Meetings to be held in the forthcoming Financial Year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time. This expedited process allows for timely decision-making in response to urgent business needs.

Your Board of Directors met 7 (Seven) times during the Financial Year 2023-24. The details of the meetings and the attendance of the Directors are mentioned in the Report on Corporate Governance which forms part of this Integrated Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI Listing Regulations.

18.2 Board Committees

The Board has established several Committees as a matter of good corporate governance practices and as per the requirements of the Act and the SEBI Listing Regulations. The Company has the following 9 (Nine) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Corporate Social Responsibility Committee;
4. Stakeholders' Relationship & Share Transfer Committee;
5. Risk Management Committee;
6. Environment Social and Governance Committee;
7. Allotment Committee for allotment of shares arising out of Stock Options;
8. Strategic Investment Committee;
9. Committee for Debentures;

The composition, terms of reference, number of meetings held and business transacted by the Committees are mentioned in the Report on Corporate Governance which forms part of this Integrated Annual Report.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013, and the SEBI Listing Regulations, separate meetings of the Independent Directors of the Company was held on August 11, 2023, and November 03, 2023, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

During the year under review, and based on the recommendations of the N&RC, the Board re-constituted Board Committees at its meeting held on April 24, 2023 and October 17, 2023.

The details and composition of the mandatory Committees of the Board are as follows:

18.18.1 AUDIT COMMITTEE

The Audit Committee comprises of 3 (Three) Members, all the Members of the Committee are Independent Directors. The Committee is chaired by Mr. P R Ramesh (Non-Executive, Independent Director). The other Members of the Committee are Mr. P M Murty (Non-Executive, Independent Director) and Mr. D Sundaram (Non-Executive, Independent Director). Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Mr. H M Nerurkar ceased to be a Committee Member w.e.f. October 20, 2023, pursuant to his retirement as a Director of the Company. Additionally, Mr. D Sundaram ceased to be the Chairman of the Committee w.e.f. October 20, 2023, and Mr. Ramesh was appointed as the Chairman of the Committee w.e.f. October 21, 2023.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

18.18.2 NOMINATION & REMUNERATION COMMITTEE ("N&RC")

As on the date of this report, the N&RC comprises of 3 (Three) Members. The Committee is chaired by Mr. P M Murty (Non-Executive, Independent Director). The other Members of the Committee are Mr. D Sundaram (Non-Executive, Independent Director) and Ms. Smita Anand (Non-Executive, Independent Director). Details of the role and responsibilities of the N&RC, the particulars of meetings held and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Pursuant to the appointment of Mr. Promeet Ghosh as Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, he ceased to be the member of N&RC w.e.f. May 1, 2023.

Mr. H M Nerurkar ceased to be a Committee Member w.e.f. October 20, 2023, pursuant to his retirement as an Director of the Company.

N&RC is responsible for *inter alia*, recommendation and approval of appointment and remuneration of the Directors, KMPs and SMPs. The Committee also acts as the Compensation Committee for the purpose of administration of the several Employee Stock Option Plans and Performance Share-Based plans, as amended from time to time. N&RC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairperson of the Board, the Board as a whole and its Committees. It also frequently evaluates the working and effectiveness of the Board and manages the succession planning for Board Members, KMPs and SMPs.

During the year under review, all the recommendations made by the N&RC were accepted by the Board.

18.18.3 CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

The CSR Committee comprises of 4 (Four) Members, out of which 2 (Two) are Non-Executive, Independent Directors. The Committee is chaired by Mr. Shantanu Khosla (Non-Executive Vice-Chairman). The other Members of the Committee are Mr. D Sundaram (Non-Executive, Independent Director), Ms. Smita Anand (Non-Executive, Independent Director) and Mr. Promeet Ghosh (MD & CEO). Details of the role and responsibilities of the CSR Committee, the particulars of meetings held and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Mr. H M Nerurkar ceased to be a Committee Member w.e.f. October 20, 2023, pursuant to his retirement as a Director of the Company.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company has set up a CSR Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Integrated Annual Report as **Annexure 3**. The CSR Policy as recommended by the CSR Committee and as approved by the Board is available on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/U6kk0A8Uoy_Corporate-Social-Responsibility-Policy-1.pdf

18.18.4 STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE ("SRC")

As on the date of this report the SRC comprises of 4 (Four) Members, out of which 2 (Two) are Non-Executive, Independent Directors. The Committee is chaired by Mr. D Sundaram (Non-Executive, Independent Director). The other Members of the Committee are Mr. P M Murty (Non-Executive, Independent Director) Mr. Shantanu Khosla (Non-Executive Vice Chairman) and Mr. Promeet Ghosh (MD & CEO). Details of the role and responsibilities of the SRC, the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Integrated Annual Report. During the year under review, all the recommendations made by the SRC were accepted by the Board.

Mr. Promeet Ghosh was appointed as the Member of the Committee w.e.f. May 1, 2023.

Mr. H M Nerurkar ceased to be the Chairman of the Committee and Member w.e.f. October 20, 2023, pursuant to his retirement as a Director of the Company. Mr. D Sundaram was appointed as the Chairman of the Committee and Mr. P. M. Murty was appointed as the Member of the Committee w.e.f. October 21, 2023.

SRC is responsible for *inter alia* various aspects of interest of the stakeholders, monitoring the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises, resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends and issue of duplicate certificates, etc.

18.18.5 RISK MANAGEMENT COMMITTEE ("RMC")

The RMC comprises of 3 (Three) Members, all the Members of the Committee are Non-Executive, Independent Directors. The Committee is chaired by Mr. P R Ramesh (Non-Executive, Independent Director). The other Members of the Committee are Mr. P M Murty (Non- Executive, Independent Director), and Mr. D Sundaram, (Non-Executive, Independent Director). Details of the role and responsibilities of the RMC, the particulars of meetings held and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of this Integrated Annual Report. During the year under review, all the recommendations made by the RMC were accepted by the Board.

Mr. H M Nerurkar ceased to be a Committee Member w.e.f. October 20, 2023, pursuant to his retirement as a Director of the Company. Additionally, Mr. D Sundaram ceased to be the Chairman of the Committee and Mr. P R Ramesh was appointed as the Chairman of the Committee w.e.f. October 21, 2023.

RMC assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management and mitigation framework of the Company. The main objective of the RMC is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.

19. RISK MANAGEMENT FRAMEWORK

The Board of Directors of the Company has the RMC to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

The Risk Management Framework is reviewed periodically by the RMC and the Board is informed about the risk assessment and minimisation procedures to ensure that executive management controls the risk by means of a properly designed framework, which includes discussing the Management submissions on risks, prioritising key risks and approving action plans to mitigate such risks. In addition to that Company's Board of Directors 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 detailed discussion on risk management forms part of the Management Discussion and Analysis, which forms part of this Integrated Annual Report.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In accordance with the requirements of the Act and the SEBI Listing Regulations, your Company has framed an Policy on Related-Party Transactions **("RPT")** which is uploaded on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/UA9MvX4Yb5_Policy-on-Materiality-of-and-dealing-with-Related-Party-Transactions.pdf

All RPTs are placed before the Audit Committee for review and approval and recommendation to the Board for its approval, wherever required. Prior omnibus approval of the Audit Committee and the Board is obtained for the all the transactions which are foreseen, repetitive in nature. A statement giving details of all RPTs is placed before the Audit Committee for their noting every quarter.

The Board of Directors of your Company have approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the RPT Policy on related party transactions. All members of the Audit Committee are Independent Directors.

There were no material significant transactions with related parties in terms of the SEBI Listing Regulations requiring approval of the Members during the year under review. The details pertaining to transactions which were not at arm's length basis is given in Form AOC-2, along with the all the RPTs entered during the year as a good corporate governance practice attached as **Annexure 4** which forms part of this Integrated Annual Report.

None of the Directors and the KMPs have any pecuniary relationships or transactions *vis-à-vis* the Company. The Directors draw attention of the Members to Note No. 32 of the standalone financial statements setting out the disclosure on RPTs for the Financial Year 2023-24.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the reports on RPTs with the Stock Exchanges within statutory timelines.

21. TRANSFER OF EQUITY SHARES UNPAID/ UNCLAIMED DIVIDEND TO THE IEPF

Pursuant to the applicable provisions of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **("IEPF Rules")** read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of 7 (Seven) years from the due date is required to be transferred by the Company to the Investor Education and Protection Fund **("IEPF")**, constituted by the Central Government.

Further, according to the IEPF Rules, all the shares in respect of which any dividend has not been claimed by the Members for 7 (Seven) consecutive years or more shall also be transferred by the Company to the designated Demat Account of the IEPF Authority **("IEPF Account")** within a period of 30 (Thirty) days of such shares becoming due to be transferred to the IEPF Account.

The Company will transfer for the first time unclaimed dividend declared for the Financial Year 2016-17, along with corresponding shares on which dividends are unclaimed for 7 (Seven) consecutive years as per the requirements of the IEPF Rules. Accordingly, the Company shall give a Newspaper Advertisement to the Members of the Company to claim their unclaimed dividend/ shares underlying in Company's unpaid dividend account.

Members whose shares/ dividend are transferred to IEPF as stated above, can still claim the shares/ dividend from the IEPF Authority by submitting an application in Web Form No. IEPF-5 available on www.iepf.gov.in The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such Demat account shall not be transferred or dealt with in any manner whatsoever except for the purpose of transferring the shares back to the claimant as and when he approaches the Authority. All benefits except rights issue accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc., shall also be credited to such Demat account. Any further dividend received on such shares shall be credited to the IEPF Fund.

Members are requested to claim the shares/ dividend, which have remained unclaimed/ unpaid, by sending a written request to the Company at crompton.investorrelations@crompton.co.in or to the Company's Registrar and Transfer Agent, KFin Technologies Limited at einward.ris@kfintech.com or at their address at KFin Technologies Limited at Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032. Members can find the details of Nodal officer appointed by the Company under the provisions of IEPF at https://www.crompton.co.in/pages/investors-relations#ConInvestors

In terms of Regulation 43A of the SEBI Listing Regulations, the Company has adopted a Dividend Distribution Policy and the same is available on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/aaeGlqQcuR_Dividend-Distribution-Policy-1.pdf

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

23. RISK ARISING OUT OF LITIGATION, CLAIMS AND UNCERTAIN TAX POSITIONS

The Company is exposed to a variety of different laws, regulations, positions and interpretations thereof which encompasses direct taxation and legal matters. In the normal course of business, provisions and contingencies may arise due to uncertain tax positions and legal matters.

Based on the nature of matters, the management applies significant judgement when considering evaluation of risk, including how much to provide for the potential exposure of each of the matters. These estimates could change substantially over time as new facts emerge as each matter progresses, hence these are reviewed regularly. For matters where expert opinion is required, the Company involves the best legal counsel. Reference is drawn to the **"Key audit matters"** by the auditors in their reports on the above matters.

24. AUDITORS

a) Statutory Auditors

M/s. M S K A & Associates, Chartered Accountants (ICAI Firm Registration Number 105047W) were appointed as Statutory Auditors of the Company by the Members at the Extra-Ordinary General Meeting held on August 27, 2021, to hold office as Statutory Auditors for a term of 5 (Five) consecutive years, i.e. till the conclusion of 12th AGM of the Company to be held for the Financial Year 2025-26.

The Board of Directors at their meeting held on May 16, 2024, basis the recommendation of the Audit Committee approved the remuneration of M/s. M S K A & Associates ₹ 1,16,00,000 (Rupees One Crore and Sixteen Lakh Only) for the Financial Year 2024-25.

Established in 1978, M S K A & Associates is an Indian partnership firm registered with the Institute of Chartered Accountants of India **("ICAI")** and the US Public Company Accountancy Oversight Board **("PCAOB")** having offices across 12 (Twelve) cities in India at Mumbai, Gurugram, Chandigarh, Kolkata, Ahmedabad, Chennai, Goa, Pune, Bengaluru, Kochi, Hyderabad and Coimbatore. The audit firm has a valid peer review certificate.

The Firm primarily provides audit and assurance services, tax and advisory services, to its clients. The Firm's Audit and Assurance practice has significant experience across various industries, markets and geographies.

The Auditor's Report on the financial statements of the Company for the Financial Year ended March 31, 2024, forms part of this Integrated Annual Report. The said report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualifications, reservations or adverse remarks. Auditors' Report is self explanatory and therefore, does not require further comments and explanation. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

The Auditors attends the AGM of the Company.

b) Cost Auditors

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to maintain cost records as specified by the Central Government. Accordingly, the Company has maintained cost accounts and records in the prescribed manner. The records maintained by the Company under Section 148 of the Act are required to be audited by a Cost Accountant.

The Board of Directors of the Company at their meeting held on May 16, 2024, 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 2024-25. The Company has received a certificate from M/s. Ashwin Solanki & Associates, confirming their consent and that they are not disqualified from being appointed as the Cost Auditors of the Company. A remuneration of ₹ 6,00,000 (Rupees Six Lakh Only) 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 Financial Year 2024-25 will be placed at the ensuing AGM.

M/s. Ashwin Solanki & Associates, have confirmed that the cost records for the Financial Year ended March 31, 2023, are free from any disqualifications as specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act. They have further confirmed their independent status.

c) Secretarial Auditors & Secretarial Audit Report

The Board at its meeting held on May 19, 2023, appointed Parikh & Associates, Company Secretaries as Secretarial Auditors of the Company to conduct the Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report in Form MR-3 is annexed herewith as **Annexure 5** to this Integrated Annual Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based on the recommendation of the Audit Committee, the Board of Directors in their meeting held on May 16, 2024, approved the appointment of Parikh & Associates, Practicing Company Secretaries (ICSI Unique Code P1988MH009800) as the Secretarial Auditors to conduct audit of the secretarial records of the Company for the Financial Year 2024-25 at a remuneration of ₹ 2,00,000 (Rupees Two Lakh Only).

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations read with SEBI Circulars issued in this regard, the Company has undertaken an audit for the Financial Year 2023-24 for all applicable compliances as per SEBI Regulations and circulars/ guidelines issued thereunder.

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 Regulations, do not apply to such subsidiaries.

d) Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Board, at its meeting held on May 19, 2023, based on the recommendation of the Audit Committee, approved the appointment of M/s. Grant Thornton Bharat LLP (Identity number AAA-7677) to conduct the internal audit of your Company for the Financial Year 2023-24.

The Board of Directors at their meeting held on May 16, 2024, has re-appointed M/s. Grant Thornton Bharat LLP as the Internal Auditors of your Company for the Financial Year 2024-25 to review various operations of the Company at remuneration of ₹ 68,95,000 (Rupees Sixty Eight Lakh and Ninety Five Thousand Only).

25. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year of the Company to which the financial statements related to and date of this report. There is no change in the nature of business of the Company.

26. AWARDS AND RECOGNITIONS

The detailed Section on awards & recognitions forms part of this Integrated Annual Report.

27. ENHANCING STAKEHOLDER VALUE

We constantly endeavour to fulfill the expectations of our investors through responsible business decisions and governance. Integrity and transparency are top priorities in our relationship with our investors. Your Company is committed to creating and returning value to Members. Accordingly, the Company is dedicated to achieving high levels of operating performance, cost competitiveness, and striving for excellence in all areas of operations. We are privileged to share a strong relationship with investors based on a deep understanding of their expectations and our commitment to creating value for them.

The Company firmly believes that its success in the marketplace and good reputation are amongst the primary determinants of shareholder value. Its close relationship with customers and a deep understanding of their challenges and expectations drive the development of new products and services. Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. Your Company continues to develop this strength by institutionalising sound commercial processes and building world-class commercial capabilities across its marketing and sales teams. The Company uses an innovative approach in the development of its products and services, as well as execution of growth opportunities. Your Company is also committed to creating value for all its stakeholders by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of the triple bottom line.

28. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to all requirements of corporate governance in letter and spirit. All the Committees of the Board of Directors meet at regular intervals as required in terms of Listing Regulations. The Board of Directors has taken the necessary steps to ensure compliance with statutory requirements. The Directors, KMP, and SMPs of the Company have complied with the approved Code of Conduct for Board of Directors and Senior Management Personnel. A declaration to this effect, according to Schedule V of the SEBI Listing Regulations, signed by the MD & CEO of the Company, forms part of this Integrated Annual Report.

The Board of Directors re-affirm their continued commitment to good corporate governance practices.

During the year under review, the Company complied with the provisions relating to corporate governance as provided under the SEBI Listing Regulations. Pursuant to Regulation 34 read with Schedule V of the SEBI Listing Regulations, a separate report on Corporate Governance is annexed to this report. Further, following certificate(s)/ declaration(s) forms an integral part of this Corporate Governance Report:

a) A declaration signed by Mr. Promeet Ghosh, MD & CEO, stating that the Members of Board of Directors and SMPs have affirmed compliance with the Company's Code of Business Conduct and Ethics;

b) A compliance certificate from the Company's Secretarial Auditors confirming compliance with the conditions of Corporate Governance;

c) A certificate of Non-Disqualification of Directors from the Secretarial Auditor of the Company; and

d) A certificate of the MD & CEO and CFO of the Company, *inter alia*, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee.

Your Company believes that effective leadership, robust policies, processes and systems and a rich legacy of values form the hallmark of our best corporate governance framework. The Board, in conjunction with the management, sets values of your Company and drives the Company's business with these principles. These ethics and values are reflected in your Company's culture, business practices, disclosure policies and relationship with its stakeholders. These ethics and values are practiced by the Company, which is at par with best international standards and good corporate conduct.

29. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT ("BRSR")

Your Company strongly believes that resilient and inclusive growth is only possible on strong pillars of environmental and social responsibility balanced with good governance and communicating its ESG performance in a transparent manner and in line with global standards to our stakeholders. The report is a testimony to our continuous efforts towards embracing and implementing balanced approach to ESG parameters in our business operations and forms part of this Integrated Annual Report.

The BRSR Crore is a sub-set of BRSR, consisting of a set of Key Performance Indicators **("KPIs")**/ metrics under 9 (Nine) ESG attributes/ principles of the National Guidelines on Responsible Business Conduct **("NGRBC")** notified by the Ministry of Corporate Affairs, Government of India. Further, the Company has conducted limited assurance for the BRSR non-core indicators and reasonable assurance for BRSR Core for the Financial Year 2023-24.

We have also provided the requisite mapping of information and principles between the Sustainability disclosures and the BRSR as prescribed by SEBI. The same shall also available on the website of the Company at https://www.crompton.co.in/pages/financial-reports#AnnualReports Further, the financial sections of BRSR are presented in line with the requirements of the Act read with the rules made thereunder, the Ind AS, the SEBI Listing Regulations and the requisite Secretarial Standards issued by the Institute of Company Secretaries of India. The non-financial section (Sustainability and Corporate Social Responsibility) is presented in conformance to the Global Reporting Initiative **("GRI")** Standard's Core Performance Indicators, the UN Sustainable Development Goals **("SDGs")** and other sector relevant international sustainability disclosure guidelines.

The Company has engaged services of BDO India LLP to provide reasonable assurance for BRSR core indicators and limited assurance for BRSR non-core indicators and non-financial disclosures in the Integrated Annual Report. BDO India LLP conducted the assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statement issued by the International Auditing and Standards Board.

The initiatives as indicated in the report aims to reduce its environmental impact, balance profitability with sustainability, and implement a more transparent, efficient, and effective corporate governance framework.

30. PARTICULARS OF EMPLOYEES

There are 21 (Twenty One) employees who were in receipt of remuneration of not less than ₹ 1,02,00,000 (Rupees One Crore and Two Lakh Only) if employed for the full year and 9 (Nine) employees who were in receipt of remuneration of not less than ₹ 8,50,000 (Rupees Eight Lakh and Fifty Thousand Only) per month if employed for part of the year. Disclosures concerning the remuneration and other details as required in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 **("Rules")** is provided in **Annexure 6** to this Report. Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

Further, details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules of the Act is available for inspection at the Registered Office of your Company during working hours. As per second proviso to Section 136(1) of the Act and second proviso of Rule 5 of the Rules the Integrated Annual Report and has been sent to the Members excluding the aforesaid exhibit. Any Member interested in obtaining copy of such information may write to the Company Secretary & Compliance Officer at crompton.inverstorrelations@crompton.co.in

31. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors, the Secretarial Auditor, the Cost Auditors nor the Internal Auditors have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

32. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial Year ended March 31, 2024 is available on the website of the Company at https://www.crompton.co.in/pages/financial-reports#AnnualReports

33. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2, "**Meetings of the Board of Directors**" and "**General Meetings**", respectively issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

34. STATUTORY DISCLOSURES

a. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format in **Annexure 7** to this Integrated Annual Report.

b. Research and Development ("R&D")

Your Company is dedicated to achieving excellence by prioritising R&D as a cornerstone of innovation. We cultivate a culture of creativity ingrained within our people and processes. Our in-house R&D team is committed to pioneering sustainable product innovations driven by cutting-edge technology, ensuring efficiency across the entire product lifecycle, from design and development to manufacturing processes.

The Company's in-house R&D team strives for best technology- based sustainable product innovations, with efficient product lifecycle, including design, development and manufacturing process.

Crompton has "**Innovation & Experience Centre**" in Mumbai serving as the hub for all R&D innovation teams. This center fosters fungibility and creativity within its Design Studio and encourages experimentation within its labs, which are equipped with ultra-modern infrastructure. In line with its commitment of creating consumer delight, the Company has launched a diverse range of products across various segments. These products are designed to showcase excellence both in terms of technology and aesthetics:

(A) Fans

Highspeed Toro: A sleek and stylish fan that effortlessly enhances any space with its modern design and multiple color options. Equipped with Anti-Dust technology, it attracts 50% less dust than traditional fans for easy maintenance. With wider blades and an airflow capacity of 220 cubic meters per minute, it ensures a refreshing breeze. Plus, its Active Power technology and 1-Star rating prioritise energy efficiency without compromising performance

Highspeed Rapidus: Elevate your space with its sleek and modern design that seamlessly blends into contemporary interiors. Inspired by the elegance of emerald cuts, this fan adds a touch of opulence to any room while maintaining a clean and uncluttered aesthetic. Equipped with Anti-Dust technology, it keeps maintenance hassle-free by attracting 50% less dust than standard fans. Its wider blades ensure superior airflow, delivering a refreshing breeze of 220 cubic meters per minute. Plus, with Active Power technology and a 1-Star rating, it maximises energy efficiency without sacrificing performance. Experience sophistication and functionality with the Highspeed Rapidus.

Luxian Infinia: A harmonious blend of elegance and functionality, this fan adds timeless sophistication to any space. With ActivPower Technology, it delivers powerful performance at 220CMM airflow and 370 RPM. Perfect for antique themes, it elevates the style of any room, offering a classic, timeless look.

Energion Hyperjet: An entry level BLDC remote control ceiling fan which was launched for the tech savvy online consumers is sold primarily through the ecommerce channel and has gained is placed in the top 10 ceiling fans on ecommerce platforms. It is driven by Crompton's ActivBLDC technology and uses a boost mode at 35W which delivers a powerful 220 CMM air delivery.

Energion Groove Regmote is a testament to our commitment to technological prowess and ultimate comfort. Unlike any other ceiling fan in the market, this revolutionary fan can be seamlessly controlled using both a remote control and a traditional regulator simultaneously. This novel technology is built on our best BLDC ceiling fan – Energion Groove which is an epitome of performance (220 CMM Air Delivery & 350 RPM) and minimal aesthetics. This model comes in extensive array of Colors, including 3 in Anti Rust, 5 in Anti Dust and 2 in Wooden has context menu.

(B) Pumps

- **Mini Brand Architecture:** Launched DURA series in Mini category with durable features like Anti Jam Insert, Anti Rust Coating & ADDS Adapter.
  - Successfully developed & launched a new category of Solar Pumps.
  - Received order from HAREDA for 1388nos. of Pumps, worth ₹ 65.66 Crore, Contribution from Solar Pumps for ₹ 32.7 Crore.
  - Received MEDA LOA for 2000 Nos of Pumps Worth ₹ 50.15 Crore
  - Received MSEDCL LOA for 250 number of Pumps Worth ₹ 6 Crore
  - Qualifications achieved in RHDS & MPUVN PM Kusum Tender for Rajasthan & Madhya Pradesh, respectively.
- Successfully developed & launched Full AL Series in Surefill Plus category. Revenue generated ₹ 100 Crore.
- Successfully developed & launched STP/ CCP series in India (Indigenisation) thus de-risking the import supplies and quality issues. Generated revenue of ₹ 8.59 Crore.
- Successfully deployed Brand Architecture in High Suction Pumps series (Aquagold, SWJ, CMB, DMB, Flomax) with consumer insights like Faster tank filling time and Durability. Revenue generated-₹10.31 Crore.
- Launched V3 Submersible (AP Series) with Dura Features & aesthetical offering to consumer. Well accepted in market. Total revenue generated ₹ 9.17 Crore.
- Launched 4VO revamped series with improved durability & BEE star labelling. Very good response from market, Total Revenue generated ₹ 28.72 Crore.
- New product launched in Agri category based on identified product gaps and new product requirements:
  - **650CS Eco Series:** to ensure a competitive offering to consumers with durability and reliability offerings, total revenue ₹ 0.36 Crore
  - **MBQ22(1PH)-14 SLV:** to ensure penetration in to regional or territorial low voltage requirements. total revenue ₹ 1.12 Crore
  - **MBM12(1PH)Z-SE:** Ensure product gap filling for east region has ensured revenue of ₹ 0.22 Crore
  - **MBN22-I:** for Competitive offerings shifting the SKU from inhouse to Sourcing mode to ensure effective penetration in central India territory.
- Ensured 10 (Ten) Product demos into Bihar & Lucknow branches for MBG segments to ensure confidence in product and new offering. This has ensured total revenue of MBG 60.92 Crore INR with 29% Growth over last year.
- Special Focus on product training & additional offering in control panels & Agri Starters to ensure incremental pump+ Panel ratio which has increased from 75% to 82% and helped in reduction of PPR of V4 Submersibles.

Other Highlights:

- State-of-the-art Test lab has been commissioned at Innovation center, Vikhroli for facilitating comprehensive pumps testing from June 2024, onwards;
- Received BIS certification for 33 number of Pumps and BEE certification completed for 22 number of Pumps as on March 31, 2024;
- This is the fifth consecutive year that Crompton Pumps has been voted and awarded as **"Superbrands";**
- Received 23rd Greentech Safety Award 2023 (Winner in Safety Excellence Category); and
- Received 23rd Greentech Safety Award 2023 (Winner in Environmental Excellence Category).

(C) Appliances

- 34 (Thirty Four) SKU's launched in Financial Year.
- **Storage Water Heater:** 12 SKU's. 6L range extension in plastic round (Versa series) & Square plastic (Solarium Care Series). 35L & 50L range extension in Arno Neo series. A new range of round plastic series in Hydrajet with 5-star rating available in 10L, 15L & 25L. Metal round series in Acenza, available in 15L & 25L. To strengthen the horizontal range, launched plastic round horizontal series-Versa in 3-star rating.
- Instant water heater: 6 SKU's. Entered tankless geyser range with 2 models- Rapidjet Royale & Rapidjet Pro, available in 5.5kW. Launched 2 new models in 5L for trade in Solarium neo and Rapidjet. 2 new region-specific models of 3L were launched.
- Air Coolers: 13 SKU's. Launched industrial coolers in 95L and 135L. Strengthened the desert series with innovative extensions with more convenience features. Optimus comfort (65 & 100L) lowest noise in industry. Ozone Royal (55L, 75L & 88L) with humidity control and auto drain. Surebreeze series in personal, tower and desert segment launched to strengthen our offering. Supremus series launched in desert segment. 95L and Supremus 70L were portfolio gaps in capacity. In personal coolers 2 (Two) new models in 30L & 45L were launched in Surebreeze PAC series. In tower coolers, 24L & 34L models launched in surebreeze TAC series.
- In room heaters, the Company has launched Insta Genial-PTC heater (Positive Temperature Coefficient) based room heater. They do not reduce the oxygen content of the room thus prevent suffocation & skin dryness and are slightly expensive.
- In Immersion Rods, launched a new series in 1kW and 1.5kW.

Kitchen Appliances

- **Mixer Grinder & Iron Category:** Mixer Grinder has been revamped with launch of 11 new models in various segment to strengthen portfolio and 4 new model in steam iron category.
- **Small Kitchen Appliances:** Strengthen SKA segment with the launch of 6 new model to strengthen induction and kettles categories.

State of art Validation lab has been developed to test our products.

All these products are meticulously designed with enhanced aesthetics and packaging.

(D) Lighting

B2C

- Your Company has introduced many new products which are based on consumer insight and feedback. Consumer lighting space has evolved in last few years from only functionality to Décor and style. Connected products are also making entry in consumer homes with technology getting more affordable for masses.
- Your Company launched an innovative range of Trio ceiling light/ Batten and Lamp anchored on creating ambient lighting with direct and indirect lighting.
- Capitalising on increasing movement of consumers from functionality to décor & style, your Company has launched a range of decorative battens and outdoor garden and gate lamps.
- Your Company has expanded its presence to lighting-adjacent categories like Extension Boards and Torches.
- To win in an increasingly competitive market, your Company has launched a range of 20W Laser Ray Smile economy battens and fighter models in the lamps category.

B2B

- Extension to the road and flood light luminaire range was introduced with upgraded specifications to cater to different applications.
- With the infrastructure boom, the extension to highway street light with improved optics to cater to wider highways and expressways were introduced which help in reducing total cost to customer.

- As an extension to infrastructure application, new range of high wattage flood lights with higher performance were introduced to cater to railway yards, airports and sports application.
- To cater to SOHO office requirement your Company introduced, industry first, high performance aesthetic CRCA down lights.

35. MERGERS AND ACQUISITIONS

The Board of Directors of the Company at their meeting held on March 25, 2023, considered and approved the Scheme of Amalgamation **("Scheme")** of the Butterfly Gandhimathi Appliances Limited **("Transferor Company or Butterfly")** with the Company **("Transferee Company")** and their respective Members and creditors under Sections 230 to 232 and other applicable provisions of the Act read with rules made thereunder. The Scheme was filed with BSE Ltd. and the National Stock Exchange Limited of India Limited **("Stock Exchanges")** on April 07, 2023, and subsequently, it was approved by the stock exchanges on July 21, 2023, and July 24, 2023, respectively.

Further, the Transferor Company had filed the Application with the Hon'ble National Company Law Tribunal, Chennai Bench **("NCLT")** on August 20, 2023, and pursuant to the order issued by NCLT on September 12, 2023, the Transferor Company had convened an Extra-Ordinary General Meeting for the Equity Members, Secured Creditors and Unsecured Creditors of the Company on October 28, 2023. However, the approval of majority of the public Members of the Company was not received in favour of the Scheme and accordingly, the Scheme was not acted upon.

This does not have any impact on the Company's growth strategy and both entities continued to operate as separate entities and work towards fulfilling their mutual strengths while growing in the kitchen appliances category thereby creating value for all the stakeholders.

36. NON-CONVERTIBLE DEBENTURES

During the year under review, your Company has redeemed Non-Convertible Debentures **("NCDs")** amounting of ₹ 325 Crore (Rupees Three Hundred and Twenty Five Crore Only) on January 12, 2024.

Presently, total outstanding NCDs of ₹ 600 Crore (Rupees Six Hundred Crore Only) are listed on the debt segment of the National Stock Exchange of India Limited and of which ₹ 300 Crore (Rupees Three Hundred Crore Only) are due for redemption in July, 2024.

Catalyst Trusteeship Limited is the Debenture Trustee for the Debenture holders. The details of the Debenture Trustee is available on the website of the Company and can be accessed at https://www.crompton.co.in/pages/investors-relations#DebentureTrustee and is also provided in the Report on Corporate Governance which forms a part of this Integrated Annual Report.

37. EMPLOYEE STOCK OPTION PLAN ("ESOP")

Stock options have long been proven to be an effective tool for organisations to incentivise employees for accelerating profitable growth and wealth creation while also working as a performance reward and attract and retain high potential and critical employees in a competitive talent environment.

The Company has framed various Employees Stock Option Scheme **("ESOP Schemes")** in accordance with the SEBI (Share-Based Employee Benefits) Regulations, 2014, read with Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021 **("the SBEB & SE")** as a measure to reward and motivate employees and attract & retain talent.

Presently your Company has following ESOP Schemes:

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

There has been no material change in any of the subsisting ESOP Schemes.

The disclosure relating to ESOPs required to be made under the provisions of the Act, and the rules made thereunder and the SBEB & SE Regulations is provided in **Annexure 8** which forms part of this Integrated Annual Report.

No employee has been issued stock options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. The issuance of equity shares pursuant to exercise of stock options does not affect the profit and loss account of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

38. EMPLOYEE ENGAGEMENT

Your Company's employee engagement initiatives build trust, enthusiasm and a sense of belonging to the organisation. For further details on employee engagement, please refer to Page No. 72 of this Integrated Annual Report. Continuous employee feedback is also gathered with the AI enabled employee listening tool **"Amber".** The leadership continues to act on the feedback given by the employees in various forums. The strong employee engagement initiatives are continued through multi-layer communication, engagement, and recognition programmes.

38.1 Inclusion & Welfare

Your Company has always been conscious to promote all round employee welfare. Environment, Health and Safety **("EHS")** guidelines are deployed to promote workplace health and safety and create a healthy environment. Regularly, the policies are benchmarked with market standards and are upgraded as and when necessary. Some of the practices, programmes, policies, and welfare measures that were put in place to demonstrate care and empathy towards employees are listed below:

Your Company has well defined policies around **"Diversity & Inclusion":**

1. **Capability Building and Employee Wellness related programmes:** Your Company has initiated a new capability-development programme for its employees called **"EDGE"**. An organisational-level programme, EDGE has been devised as part of the Company's long-term learning and development **("L&D")** strategy. Edge has been designed to enhance the capabilities of the people at Crompton to give an edge to the Company in the competitive Indian market. The courses designed as part of EDGE include upskilling people in functional and behavioural skills. Your Company is following a mixed strategy of virtual, digital and face-to-face learning. Your Company has been making efforts to use gamified solutions, certifications, recognitions and small prises to encourage employees to take part in learning initiatives.

   Your Company has also arranged an online medical facility for all the employees and their families through Doc Online, one of the renowned companies in this field, so that employees can get their health concerns addressed virtually.

2. **Employee & Family Connect:** Your Company always believes that success of employees is in major part dependent on the support system provided by the family Members at home and made it a point to engage family Members in events through online talent shows and singing competitions. Your Company believes that our employees are much more than their accomplishments at work and therefore we take every opportunity to celebrate employees and teammates whether its Quarterly Rewards and Recognition programme or as simple as sending out personalised birthday cards. To add value and build the manager-employee relationships, we've crafted key initiatives like Chai pe Charcha and Dil Se that has boosted real-time conversations that make a difference and enable to bond better. Programmes like HR connect allow new joinees to feel more comfortable, put their role into perspective and feel part of the business, which encourages positive contribution to the overall Company goals and vision. The festive fervour is back, with us celebrating festivals in physical mode after the lackluster years of festive exchanging greetings virtually. Every nook and corner of our offices have been decorated along with theme-based employee engagement activities. To add to the joviality of the festive time, personalised greetings on Diwali were sent to employees and their family Members, letting them know they are important! Family get-together, Annual Functions and Sports events are conducted.

38.2 Building Talent

Your Company continues to be committed to developing internal leaders and a talent pipeline. The same was further strengthened through the launch of structured training architecture EDGE. The talent assessment process of the organisation for recruitment and internal talents also continued to be strengthened through the implementation of data- driven tools including Hogan, Korn Ferry and Development Centre by DDI. Eligible employees underwent 360 feedback on Crompton Behaviours to build greater awareness.

38.3 Employee and Leadership Development

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

a) **Manufacturing Excellence Programme –** All employees in the manufacturing team have been enrolled for the programme which covers the concepts of quality management basics like continuous and lean management, value stream mapping, LEAN tools etc. The objective of the programme is to build capability on operational excellence.

b) **Functional Capability for Innovation team –** This year the focus was on building functional capability in the innovation process deployment through trainings on PDM, NPD etc. and building core competence through programmes like GD&T, ALTIUM etc.

c) **Procurement Value Enhancement Programme –** The objective of the programme was to identify the procurement levers of value enhancement to the business and learn how to apply these levers through practical examples. The programme also helped understand how to strategise supplier collaboration through segmentation, relationship management practices, performance and compliance governance to co-create value and improve customer service. Another focus area for the procurement team this year was to develop and hone negotiation skills which was done through practical case studies and role-plays.

38.4 Sales Capability Development

a) **Taking Ownership for One's Development –** Career development workshop for employees to sensitise them on the importance of life-long learning and how they need to take charge of their own development were conducted. The employees also realised that they continuously need to up-skill/ reskill themselves if they need to stay relevant in the job market.

b) **Digitalising HR Practices –** Your Company has SAP Success Factors, which is a cloud-based Human Capital Management **("HCM")** solution that can help automate and streamline HR processes. Success Factors is mainly used to manage employee data, Performance Management, Onboarding. This year, your Company has used AI-powered recruitment platform that uses machine learning algorithms to match job candidates with open positions. The platform can help HR teams save time by automatically screening resumes and identifying top candidates based on their skills and experience. Your Company continues to use a pulse survey platform that allows us to gather feedback from employees on a regular basis. The platform uses AI to analyse employee feedback and provide insights to HR teams, such as identifying areas for improvement or trends in employee sentiment. Best in class learning management platform allows us to provide learning and development opportunities to employees by giving them access to a variety of courses and learning resources, including online courses, books, videos, and articles. The platform also provides analytics and insights to help HR teams track employee learning and development progress.

39. ENVIRONMENT, HEALTH & SAFETY ("EHS")

The Health, Safety, and Environmental Management System at Crompton epitomise our unwavering dedication to safeguarding the environment, fostering a conducive working atmosphere, and ensuring the well-being and safety of all individuals, including employees, contractors, and visitors. Through meticulous planning, rigorous implementation, and continuous monitoring, we uphold stringent standards to mitigate environmental impact, promote sustainability, and comply with regulatory requirements. Our commitment extends beyond mere compliance; it encompasses a culture of proactive risk management, hazard identification, and safety awareness training to cultivate a workplace where everyone feels valued, supported, and empowered to prioritise health, safety, and environmental stewardship. By prioritising these core values, we not only protect our personnel but also contribute to the greater community and demonstrate our responsibility as a conscientious corporate citizen.

Crompton EHS strategies are aimed at achieving the greenest and safest operations across all Manufacturing units by optimising the usage of natural resources and providing a safe and healthy workplace. Safety remains a top priority for the Crompton, and we are committed to providing a safe and productive environment for our workforce, maintaining the best health and safety measures across all our manufacturing and office locations. We prioritise enhancing our workforce's skills levels through various learning & development programmes throughout the year, ensuring continuous improvement, and at the time of induction, providing basic safety trainings to all employees and workers at all our manufacturing sites.

Your Company has a comprehensive EHS manual **"KAVACH 3.0"** comprising the policies, procedures and work instructions and it has been implemented across all the products lines manufacturing sites.

To strengthen the EHS culture, under corporate EHS, Your Company initiated and conducted various campaigns and awareness programmes such as Near Miss Reporting, Hand and Finger Injury Control & Prevention, and road safety under Behavioural-Based Safety **("BBS")**. Additionally, manufacturing sites are also conducting EHS training programmes periodically to enhance EHS activities.

Your Company is committed to conserving and enhancing the EHS culture. CGCEL owned all manufacturing sites has conducted the surveillance audit for its Integrated Management System **("IMS")** certification which comprises ISO14001:2015, ISO45001:2018 and ISO9001:2015 which is an important milestone for continuous improvement for an organisation.

Corporate EHS has initiated and conducted quantitative self-assessments on various EHS topics like BIS14489:2018, Fire safety, Fire Load Calculations and Electrical Safety for CGCEL manufacturing sites. Annual EHS audit programme has been kicked off, which focuses on manufacturing sites, central warehouses and regional sales offices.

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

A comprehensive EHS-based Leading and Lagging Indicator dashboard is being prepared and followed across all manufacturing sites on a monthly basis to capture unit-wise KPI performance, facilitating proactive monitoring of safety metrics. Monthly EHS meetings are conducted to discuss unit performance, fostering collaboration and continuous improvement in safety practices. EHS meetings are being conducted to promote cross- learning between Manufacturing units, focusing on conserving natural resources through initiatives like water and electricity consumption reduction, and effective management of hazardous wastes. Additionally, safety fronts including accident incident details with investigation report are discussed, alongwith onsite emergency and preparedness plan through conducting mock drill and fire drill on set frequency etc. ensuring a proactive approach to safety and environmental management.

A brief on EHS programmes of CGCEL is as under:

39.1 Environment – a green pursuit

Your Company is committed to fostering a culture of sustainable progress across the organisation. On account, Key Result Areas **("KRAs")** are identified and fixed, with monthly tracking under leading and lagging indicators of EHS.

Moreover, your Company is highly focused on reducing its carbon footprint by manufacturing world class energy efficient products and adopting sustainable packaging concept.

39.2 Reduction in energy consumption

Under energy reduction programme, your Company has achieved an approximately 56.29% reduction in electricity consumption. During Financial Year 2023-24, the overall energy consumption was 19745 GJ against Financial Year 2022-23 which was 35074 GJ. This significant achievement is basis to various energy conservation activities, closure of energy incentive process of glass plant at Baroda and the transition of using of natural gas as a source of energy instead of using GSEB power.

Similarly, the Pump unit in Ahmednagar has initiated the sustainable product development by innovating the solar pump category to use renewable source of energy. Additionally, the existing solar panels sourced energy are used for street lighting canteen blower continuous load totaling to approximately ~8 KW load.

Until July 2023, the Domex Line operation at Baddi Unit I was active which resulted in electricity reduction of 0.0077 KW/Unit of production. Subsequently, in October 2023, the production from Unit-I was transferred to Unit-II.

The ongoing electricity savings of 7 KW per day in Fans Baddi Unit-I and Unit-II - are attributed to the installation of new grinding machinery in January 2023. The ongoing electricity savings of 7 KW per day in Fans Baddi Unit-I and Unit-II - are attributed to the installation of 2 (Two) new grinding machinery in Financial Year 2023-24. Furthermore, as part of our energy-efficient initiatives, we have replaced 114 (One Hundred and Fourteen) conventional fans with BLDC fans at our manufacturing site.

In the Financial Year 2023-24, our electricity consumption reached 2,56,852 KWH for Baddi-II. Comparatively, in the same period of the previous Financial Year 2022-23, the consumption was 2,01,558 KWH. Notably, the production output during the Financial Year 2023-24 is 26,51,482 units; compared to 19,11,232 units in the Financial Year 2022-23. This production enhancement is purely basis to start up of 2 shift in the Baddi-II.

In the Financial Year 2023-24 year-to-date **("YTD")**, our electricity consumption reached 2,30,180 KWH. Comparatively, in the same period of the previous Financial Year 2022-23 (till December), the consumption was 2, 22,380 KWH. Notably, the production output during the Financial Year 2023-24 YTD is 21,67,217 units (at 0.10

KW per fan produced), compared to 18,43,379 units (at 0.12 KW per fan produced) in the Financial Year 2022-23. This data reflects a commendable 1.4% reduction in KW per unit of production.

Apart from above Baddi-II has reduced electricity consumption per unit from 0.105 KWH/ unit of production to 0.099 KWH/ unit of production for Financial Year 2023-24. This was achieved by replacement of induction motor fan to BLDC fan and removing exhaust fans from Gold Line Fan Hangers and high Bay lights on shop floor and installed station wise LED battens. Baddi-III in Financial Year 2023-24 there is 0.053 0.066 KWH/ LED power consumed against the Financial Year 2022-23 which was 0.0325 KWH/ LED. This is due to the reduction of production volume and SMT and extrusion machine installation for inhouse batten housing production.

39.3 Reduction in water consumption

During Financial Year 2023-24, the volume of water withdrawal amounted to 67,731 KL, compared to 68,767 KL in Financial Year 2022-23; reflecting significant reduction of 0.98%. This reduction is attributed to unit specific initiatives as outlined below;

- **Pump unit-** Ahmednagar initiated the water conservation programme by driving the waterless urinal and arial taps provision in factory saved up to ~200 KL water per annum.
- **Baddi unit I-** Due to reduction in production volume and fluctuated labour numbers during Financial Year 2023-24 the overall water consumption raised to 679 KL (55.87 ltr / person/ day) and Financial Year 2022-23 which was 388 KL of water consumed (25.52 Ltr/ Person/ Day). Further unit initiated the project on water line leakage repair and maintenance to control wastage of water.
- **Baddi Fans II** has consumed water during Financial Year 2023-24 is 3,001 KL approx. 53.36 Lt/ Person/ Day as compare to Financial Year 2022-23 which was 1,916.4 KL and the ratio 41.72 Ltr/ Person/ Day. The water consumption is reported high due to the second shift start up and increase in the contractual strength. Further in water conversation front unit has installed auto shutoff valve on rooftop storage tanks and re-routing of pipelines to prevent water losses.
- **Baddi Lighting Unit III,** in Financial Year 2023-24 reported water consumption 1,849 KL for Financial Year 2023- 24 & the ratio was 45.56 Ltr/ Person/ Day against the Financial Year 2022-23 water consumption was 2090 KL and 35.245 Ltr/ Person/ Day. The sudden hike of overall water consumption is due to the process water use in extrusion machine installation for inhouse production of batten housing. Further unit has conducted awareness sessions among all employees to reduce and/ or conserve the water resource and unit has identified and controlled all water line leakages from the plant.

39.4 Hazardous waste reduction and management

The Company's operational units ensure that all hazardous waste is sent to the authorised disposal facility/ recycler approved by the State Pollution Control Board. In the Financial Year 2023-24 organisation has successfully achieved the EPR E-waste authorisation from Central Pollution Control Board **("CPCB")** and processed 75% of the total target obligation. CGCEL has channelised 100% of plastic waste and fulfilled CPCB target of Financial Year 2023-24.

Under Extended Producer Responsibility **("EPR")** plastic waste management obligation, your Company is in process of issuing agreements to channelise 100% of plastic waste to fulfill CPCB target of Financial Year 2023-24. Additionally, your Company has developed the substitute for pump packaging to eliminate the use of thermocol & plastic bags. Furthermore, in consideration of non-hazardous waste generation, there has been a reduction of 21.38% in Financial Year 2023-24 quantum, amounting to 1,322.95 MT compared to 1,682.67 MT in Financial Year 2022-23.

39.5 Safety

The Company's EHS policy is absolute in its commitment to integrating EHS considerations as a top most priority throughout the organisation. In the Financial Year 2023-24, there is zero reportable injuries, reflecting our dedication to safety and well-being.

Further, Corporate EHS have strengthened our commitment, focusing on enhancing EHS orientation, conducting safety system assessments across manufacturing sites, and continuously improving to establish a sustainable, injury free workplace. We have diligently revised and developed various Standard Operating Procedure **("SOPs")** including Hazard Identification and Risk Assessment, Environmental Impact Assessment, Work permitting, Contract Safety Management, and Incident investigation, among others, among others, to ensure comprehensive EHS management across all facets of our operations.

The Company's manufacturing facilities prioritises strict adherence to all rules and regulations outlined in Fire No Objection Certificate **("NOC")**, ensuring the safety of our personnel and assets. Regular fire drills are conducted as per defined frequencies to ensure preparedness and swift response in the event of an emergency. During the Financial Year 2023-24, there were no reported fire incidents across our organisation.

Regular safety walks and meetings, are conducted and a robust review mechanism ensures timely closure of open points. Periodic internal and external audits verifies compliances and there were no fatalities or Lost Time Injuries **("LTIs")** for Financial Year 2023-24.

Organisation is committed to building a safety culture by implementing stringent EHS Policy, Corporate SOPs, a Work Permit System **("WPS")** and Daily Toolbox talk.

Regular interaction is facilitated through Safety Committee Meetings, while initiatives such as fire-safety drills, safety week celebration, and ongoing safety training to all employees begin with adequate induction. Internal plant safety audits are conducted and all actions and recommendations are also recorded, evaluated and acted upon by respective EHS leaders.

Key Safety programmes implemented during the year include

- Provision of auto braking in vertical impeller balancing machine which enhanced ergonomics safety aspects of the operators in Pump unit Ahmednagar.
- Side Guarding and Fencing provided in nailing area and provision of Tempera Socket in Type Test Area.
- Separate Lightning arrester for pump paint storage area.
- 54th National Safety Week celebration is planned across all Units by organising various initiatives and programmes.
- Leading lagging EHS indicators we are tracking separately and review those at PL and corporate level regularly.
- Fire Equipment Operation Awareness and Training and Mock/ Fire Drill.
- Corporate EHS initiatives on road safety campaign, World Environment Day celebration, assessment drive by corporate EHS i.e., Electrical safety assessment, IS14489 assessment, Machine safety and fire safety.
- Corporate EHS driving campaigns on Near Miss Reporting, Hand & Finger Injury control & Prevention and road safety etc.
- IMS ISO14001, ISO45001 and ISO9001 re-certification audit completed at Goa & Baddi units.
- Increase in sell of star rated pumps products in this H1, resulted in more energy savings (17.88%).

39.6 Health

During COVID-19 pandemic, your Company has prioritised the health and safety of all employees, implementing rigorous measures to ensure their well-being. Corporate EHS has initiated monthly health perspective training and awareness programmes with the support of **"Doc-Online",** witnessing excellent participation from 'sales & non-sales employees in online presentation.

Packaging Materials and Process

The Company has adopted recycling and reuse of metal bins for the handling of semi-finished components for selected categories, thereby eliminating wooden packaging. The Company is investing to secure cargo during dispatches by improving loading procedures.

During the year, your Company has received multiple awards towards its excellence in EHS which are as follows;

Award	Authority	Division/ Unit
8th Annual HSE Excellence & ESG Global Award 2023	OHSSAI Foundation	Fans Division-Baddi 2.
8th Annual HSE Excellence & ESG Global Award 2023	OHSSAI Foundation	Lighting Division-Baddi 3.
Greentech Environmental Excellence Award 2023	Greentech Foundation	Fans Division-Bethora, Goa
11th GSS-National Safety Award	Fire and Safety Forum	Fans Division-Bethora, Goa
Gomant Sarvochcha Suraksha Puraskar in Category 'C'	Green Triangle Society	Fans Division-Bethora, Goa
Uttam Suraksha Adhikari award	Green Triangle Society	Fans Division-Bethora, Goa
21st Greentech Safety Award 2023 for Safety Excellence	Greentech Foundation	Pumps Division Ahmednagar (Additional award)
International Safety Award 2024	British Safety Council	Pumps Division Ahmednagar (Additional

40. CORPORATE SOCIAL RESPONSIBILITY ("CSR") FRAMEWORK AND VISION

Your Company believes that economic value and social value are inter-linked, and it has a commitment towards the inter-dependent ecosystem consisting of various stakeholders. In addition to that Corporates have a significant role to play in bringing about social change and Crompton has kept its social and development mandate flexible and responsive to development challenges.

Your Company has chosen the grant-making approach, strategically selecting the implementation partners with required expertise in their respective sector and strong community connection to effectively impact the lives of the end beneficiary. Aligned with its long-term commitment to create positive and shared value for its stakeholders, the CSR programmes addresses developmental priorities as identified by the Act, aiming to ignite a positive social change.

The Company's CSR initiatives have undergone significant evolution, primarily executed through the Crompton CSR Foundation, focusing on key areas such as skill and entrepreneurship development, water conservation, community care, and employee engagement. For detailed information, please refer to on page number 84 of this Integrated Annual Report.

The Company has constituted a CSR Committee in terms of the requirements of Section 135 of the Companies Act, 2013 read with the rules made thereunder. Details of the same is provided in the Corporate Governance Report which forms part of this Integrated Annual Report. The Company's CSR Policy is available on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/U6kk0A8Uoy_Corporate-Social-Responsibility-Policy-1.pdf

The Chief Financial Officer of the Company has certified that CSR funds disbursed for the projects have been utilised for the purposes and in the manner as approved by the Board.

41. SEXUAL HARASSMENT AT WORKPLACE

As a responsible employer, your Company is deeply committed to preventing and addressing sexual harassment at workplace, striving to cultivate a healthy and safe working environment that enables employees to work without fear of prejudice and gender bias. The Company maintains a zero-tolerance towards any act on the part of any executive, which fall under the ambit of "**sexual harassment**" at workplace and is fully committed to uphold and maintain the dignity of every woman executive working in the Company. Additionally, your Company continuously works towards fostering a work culture that promotes respect and dignity of all women employees throughout the organisation, aiming to provide an empowering and supportive atmosphere at workplace.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee **("ICC")** under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 **("the POSH Act")**. The ICC includes an external member who serves as an independent POSH consultant with relevant expertise. Furthermore, the Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which alings with the POSH Act. This policy covers all employees including permanent, contractual, temporary and trainees. The said policy has been made available on the internal portal of the Company as well as the website of the Company which can be accessed at https://reports.crompton.co.in/shopify/public/files/UxKXXDfbtE_PoSH-at-Workplace-19May2023_updated.pdf

Your Company has taken proactive measures to promote awareness and compliance with the POSH Act, including conducting e-learning sessions on POSH for all regular and new employees. Additionally, awareness programmes on POSH have been organised through out the year to sensitise the employees on upholding the dignity of their female colleagues in the workplace, reaching all employees across various locations. Moreover, a Toll-Free Number has been provided to facilitate the telephonic registration of any POSH complaints, further enhancing accessibility and support for employees.

The details of complaint(s) received and action taken by the Company are presented before the Audit Committee of the Board of Directors. During the year under review, 3 (Three) cases of sexual harassment were reported, all of which were thoroughly investigated and resolved in accordance with the provisions of the POSH Act.

42. REGISTRAR & SHARE TRANSFER AGENT ("R&T/ RTA")

M/s. KFin Technologies Limited (Formerly Kfin Technologies Private Limited) is the RTA Agent of your Company. Their contact details are mentioned in the Report on Corporate Governance which forms part of this Integrated Annual Report.

43. LISTING

The equity shares of your Company are listed on BSE Ltd. and National Stock Exchange of India Limited **("NSE")** (collectively referred to as **"Stock Exchanges"**). The Non-Convertible Debentures **("NCDs")** of the Company are listed on the Debt Segment of NSE.

Your Company has paid the Listing fees for Equity Shares to both the Stock Exchanges and Listing fees for NCDs to the NSE for the Financial Year 2023-24 and 2024-25.

44. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to assure the Members that the Financial Statements for the year under review confirm in their entirety the requirements of the Act and guidelines issued by SEBI. The financial statements are prepared in accordance with the IND AS, pursuant to the provisions of Section 134(3)(c) of the Act.

To the best of their knowledge and based on the information and explanations received from the Company, your Directors confirm that:

1. in preparation of the Annual Financial Statements for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures.
2. they have selected the accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period.
3. they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the annual accounts are prepared on a going concern basis.
5. they have laid down internal financial controls, which are adequate and are operating effectively.
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.

45. INTEGRATED REPORTING

The Company has diligently prepared an Integrated Annual Report, incorporating a comprehensive array of financial and non-financial information. This report aims to provide Members with the necessary insights to make informed decisions and gain a better understanding of the Company's long-term perspective. The Report also touches upon various aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the 6 (Six) forms of capital viz. Financial Capital, Manufacturing Capital, Intellectual Capital, Human Capital, Social & Relationship Capital and Natural Capital.

46. 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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Act;
- Issue of Shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54(1)(d) of the Act;
- 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;
- No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act;
- Neither the MD & CEO nor the Executive Director of the Company receive any remuneration or commission from any of its Subsidiaries;
- No fraud has been reported by the Auditors to the Audit Committee or the Board;
- 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;

- There was no revision in the Financial Statements and Board's Report of the Company during the year under review;
- There has been no change in the nature of business of the Company as on the date of this report; and
- There are no proceedings, either filed by the Company or filed against Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the Financial Year 2023-24.

47. RIGHTS OF MEMBERS

- Right to participate in, and to be sufficiently informed of decisions concerning fundamental corporate changes;
- Opportunity to participate effectively and vote in General Meetings;
- Being informed of the rules, including voting procedures that govern General Meetings;
- Opportunity to ask questions to the Board of Directors at General Meetings;
- Effective Member participation in key corporate governance decisions such as election of Members of Board of Directors, appointment of Statutory Auditors, Declaration of Dividend, Adoption of financial statements etc;
- Exercise of ownership rights by all the Members, including institutional investors;
- Adequate mechanism to address the grievances of the Members;
- Protection of minority Members from abusive actions by, or in the interest of, controlling Members acting either directly or indirectly, and effective means of redress;
- To receive dividends and other corporate benefits like rights, bonus etc. once approved;
- To inspect statutory registers and documents, including minutes books of the general meetings, as permitted under law; and
- Any other rights as specified in the statutory enactments from time to time.

48. ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to all the employees of the Company posted at all locations and levels for their whole-hearted efforts as well as collective dedication, commitment and contribution, which is vital in achieving the overall growth of the Company.

Your Directors would also like to thank the vendors, suppliers, bankers, financial institutions, employee unions, members, customers, dealers, Government authorities, Regulatory authorities, stock exchanges and all other business associates, consultants' and other stakeholders for their continued cooperation and support extended to the Company and the Management.

We look forward to continued support of all these associates in the future.

49. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be **"forward looking statements"** within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent development, information or events or otherwise.

For **and on behalf of the Board of Directors**

D Sundaram
Chairman
DIN:00016304

Place: Mumbai
Date: May 16, 2024

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Regulation 43(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** requires the top 1,000 listed entities based on their market capitalisation calculated on March 31 of every financial year to formulate a Dividend Distribution Policy which shall be disclosed in their Integrated Annual Reports and on their websites. a Dividend Distribution Policy.

The Company being one of the top one thousand listed companies as per the market capitalisation as on the last day of the immediately preceding Financial Year, frames this Policy to comply with the requirements of the SEBI Listing Regulations.

2. PHILOSOPHY/ OBJECTIVE

The Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The objective of this Policy is to reward the shareholders of the Company by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for future growth of the Company. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time. Through this Policy, the Company would endeavour to maintain a consistent approach to Dividend pay-out plans.

3. DEFINITIONS

"**Act**" shall mean the Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

"**Applicable Laws**" shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

"**Board or Board of Directors**" shall mean the Board of Directors of the Company.

"**Company**" shall mean Crompton Greaves Consumer Electricals Limited and wherever the context requires, shall signify the Company acting through its Board.

"**Dividend**" shall mean Dividend as defined under Companies Act, 2013.

"**Financial Year**" shall mean the period beginning from April 01, of every year to March 31, of the succeeding year.

"**Policy or this Policy**" shall mean this Dividend Distribution Policy and as may be amended from time to time.

"**SEBI Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

In line with the philosophy stated above, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

FINANCIAL PARAMETERS/ INTERNAL FACTORS:

- Consolidated net operating profit after tax;
- Accumulated reserves;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/ or new businesses;
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends (Whenever applicable);
- Earnings outlook;
- Expected future capital/ liquidity requirements;
- Any other relevant factors and material events.

EXTERNAL FACTORS:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Dividend pay-out ratios of companies in the same industry.

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment;
- Inflation rate;
- Cost of external financing;
- Any other relevant factors and material events.

5. UTILISATION OF RETAINED EARNINGS

The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

6. DIVIDEND PAYOUT

The dividend payout in each Financial Year, including interim dividends, will be decided by the Board keeping in mind the above-mentioned criteria. Special dividends, if any, will be declared in addition to the regular dividend payout.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may or may not expect Dividend under the following circumstances:

i. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.

ii. Significant higher working capital requirements adversely impacting free cash flow.

iii. Whenever it undertakes any acquisitions or restructuring or joint ventures requiring significant allocation or reduction of capital.

iv. Whenever it proposes to utilise surplus cash for buy-back of securities or

v. In the event of inadequacy of profits or whenever the Company has incurred losses.

8. DIVIDEND ELIGIBILITY

The Company has only one class of equity shareholders and does not have any preference share capital.

9. POLICY REVIEW, UPDATES AND AMENDMENTS

This policy will be reviewed annually by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.

Any changes or revisions to the policy will be disseminated on the Company's Website.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Declaration of Dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

10. EFFECTIVE DATE

The policy was first approved by the Board of Directors on October 25, 2016 and has been amended by the Board of Directors on February 02, 2023 and is effective from February 02, 2023.

11. DISCLOSURE

This Policy, as approved by the Board of Directors, at its meeting held on October 25, 2016, and amended thereafter shall be disclosed in the Annual Reports and hosted on the website of the Company www.crompton.co.in

12. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the SEBI Listing Regulations, the Regulations shall prevail.

FORM AOC-1

ANNEXURE 2

(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 **("Butterfly")**
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable as the above-mentioned subsidiaries are Indian Subsidiaries
4.	Share capital	(i) NLPPL: Authorised Capital: ₹ 10.00 Crore Paid-Up Capital: ₹ 7.50 Crore (ii) PLPPL: Authorised Capital: ₹ 10.00 Crore Paid-Up Capital: ₹ 6.70 Crore (iii) CCF: Authorised Capital: NA* Paid-Up Capital: NA* (iv) Butterfly: Authorised Capital: ₹ 40.00 Crore Paid-Up Capital: ₹ 17.88 Crore
5.	Reserves & Surplus	(i) NLPPL: ₹ 1.88 Crore (ii) PLPPL: ₹ 1.88 Crore (iii) CCF: Nil (iv) Butterfly: ₹ 274.31 Crore
6.	Total Assets	(i) NLPPL: ₹ 22.94 Crore (ii) PLPPL: ₹ 21.69 Crore (iii) CCF: Nil (iv) Butterfly: ₹ 535.90 Crore
7.	Total Liabilities	(i) NLPPL: ₹ 13.56 Crore (ii) PLPPL: ₹ 13.12 Crore (iii) CCF: Nil (iv) Butterfly: ₹ 243.71 Crore
8.	Investments	(i) NLPPL: ₹ 15.83 Crore (ii) PLPPL: ₹ 12.96 Crore (iii) CCF: Nil (iv) Butterfly: ₹ 32.17 Crore
9.	Turnover	(i) NLPPL: ₹ 0.96 Crore (ii) PLPPL: ₹ 1.02 Crore (iii) CCF: Nil (iv) Butterfly: ₹ 931.28 Crore
10.	Profit before taxation	(i) NLPPL: ₹ 1.34 Crore (ii) PLPPL: ₹ 0.87 Crore (iii) CCF: ₹ (1.44) Crore (iv) Butterfly: ₹ 5.63 Crore
11.	Provision for Taxation	(i) NLPPL: ₹ 0.34 Crore (ii) PLPPL: ₹ 0.22 Crore (iii) CCF: Nil (iv) Butterfly: ₹ (1.76) Crore
12.	Profit after Taxation	(i) NLPPL: ₹ 1.00 Crore (ii) PLPPL: ₹ 0.65 Crore (iii) CCF: ₹ (1.44) Crore (iv) Butterfly: ₹ 7.39 Crore
13.	Proposed dividend	(i) NLPPL: Nil (ii) PLPPL: Nil (iii) CCF: Nil (iv) Butterfly: Nil

Sl. No.	Particulars	Details
14.	% of shareholding	(i) NLPPL: 100% (ii) PLPPL: 100% (iii) CCF: 0* (iv) Butterfly: 75%#

*Crompton CSR Foundation, a Company incorporated under Section 8 of the Act (being a Company limited by guarantee not having share capital) primarily with an objective of undertaking/ channelising the CSR activities of the Company, is a subsidiary of the Company with effect from May 01, 2019. Based on the control assessment carried out by the Company, the same is not consolidated as per Ind AS 110.

Butterfly became a subsidiary of the Company w.e.f. March 30, 2022. During the year in accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, after acquisition of 55% stake of Butterfly on March 30, 2022, an open offer was made by the Company for acquisition of upto 26% of the issued and paid-up equity share capital of Butterfly from its public Members. The open offer was fully subscribed and therefore the Company's holding increased from 55% to 81% w.e.f. June 4, 2022. To comply with the minimum public shareholding **("MPS")** requirements mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 38 of the SEBI Listing Regulations, 2015, the Company divested 6.00% of the issued and paid-up equity share capital of Butterfly on September 20, 2022, & September 21, 2022, through Offer for Sale **("OFS")** mechanism, which resulted into decrease in holding from 81% to 75%.

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

PART "B": ASSOCIATES AND JOINT VENTURES

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

Not Applicable as there are no associates and joint ventures

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

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

D Sundaram
Chairman
DIN:00016304

Promeet Ghosh
MD & CEO
DIN:05307658

P R Ramesh
Non-Executive Independent Director
DIN:01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Place: Mumbai
Date: May 16, 2024

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

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

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee

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

*Mr. H M Nerurkar ceased to be a Committee Member w.e.f. October 20, 2023, pursuant to his retirement as a Director of the Company.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company

- Composition of CSR committee: https://www.crompton.co.in/pages/board-committee
- CSR Policy: https://reports.crompton.co.in/shopify/public/files/U6kk0A8Uoy_Corporate-Social-Responsibility-Policy-1.pdf
- CSR Project: https://www.crompton.co.in/pages/csr

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Summary of Impact Assessment Reports is available on the website of the Company and can be accessed at https://www.crompton.co.in/pages/csr#

Detailed Impact Assessment Reports are also available on the website of the Company and can be accessed at https://www.crompton.co.in/pages/csr#

5.

(a) Average net profit of the Company as per sub-section (5) of Section 135: **₹ 689.88 Crore**

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: **₹ 13.80 Crore**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Years. **Nil**

(d) Amount required to be set-off for the Financial Year, if any: **Nil**

(e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]: **₹ 13.80 Crore**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **13.20 Crore**

(b) Amount spent in Administrative Overheads: ₹ **0.50 Crore**

(c) Amount spent on Impact Assessment, if applicable: ₹ **0.11 Crore**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **13.81 Crore**

(e) CSR amount spent or unspent for the Financial Year:

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

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	13.80 Crore
(ii)	Total amount spent for the Financial Year	13.81 Crore
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.01 Crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.01 Crore

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	NA							
2								
3								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year

No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
					CSR registration number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
NA							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 - Not applicable

For and on behalf of Board of Directors

Promeet Ghosh MD & CEO DIN:05307658	**Shantanu Khosla** Chairman of CSR Committee DIN:00059877	**D Sundaram** Chairman DIN:00016304

Place: Mumbai

Date: May 16, 2024

ANNEXURE 4

FORM NO. AOC -2

Particulars of contracts/ arrangements made with related parties.

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

The details of contracts or arrangements or transactions not at arm's length basis for the Financial Year ended March 31, 2024 are as follows:

Particulars	Nature of Relationship	Duration of Contract	Date of Approval by Board*	Salient Terms	Justification	Date of Special Resolution	Amount paid as advances	Amount (in Crore)
				Nature of Contract				
				Rendering of services				
Butterfly Gandhimathi Appliances Limited **("Butterfly")**	Subsidiary	2 years (June 1, 2022, to May 31, 2024)	May 27, 2022	Secondment of Employee(s)	To provide management resource for marketing on Secondment to Butterfly. (Mr. Anil Gurnani)	NA	Nil	0.61
		2 years (November 1, 2022, to October 31, 2024	October 26, 2022		To provide management resource for Human Resources on Secondment to Butterfly. (Mr. Rajasekar T.)			0.85
		2 years (November 1, 2022, to October 31, 2024)	October 26, 2022		To provide management resource for oversee IT related functions on Secondment to Butterfly (Mr. Gaurishankar Mathapati)			0.76
		2 years (November 1, 2022, to October 31, 2024)	October 26, 2022		To provide management resource for Procurement on Secondment to Butterfly (Mr. Vaibhav Kunkolinkar)			0.63
		2 years (February 2, 2023, to February 1, 2025)	February 1, 2023		To provide management resource for all Planning & Logistics related activities on Secondment to Butterfly (Ms. Shristi Gupta)			0.44
		2 years (March 25, 2023, to March 24, 2025)	March 25, 2023		To provide management resource for all secretarial related activities on Secondment to Butterfly. (Mr. Viral Sarvaiya)			0.21
		2 years (March 30, 2022, to March 29, 2024) renewed for further 2 years March 30, 2024, to March 29, 2026	March 28, 2022, Renewed on February 14, 2024		To provide management resource to oversee business operations and provide the identified services on Secondment to Butterfly. (Mr. Rangarajan Sriram)			2.90
		2 years (March 30, 2022, to March 29, 2024)	March 28, 2022		To provide management resource to oversee finance operations on Secondment to Butterfly. (Ms. Ananda Shalini)			0.56
		2 years (August 12, 2023, to August 11, 2025)	August 12, 2023		To provide management resources to oversee finance related activities on Secondment to Butterfly. (Mr. Rishabh Bengani)			0.24
		2 years (November 9, 2023, to November 8, 2025)	November 3, 2023		To provide management resources for oversee finance functions on Secondment to Butterfly. (Mr. V A Joseph)			0.62

*All the transaction(s) were approved by the Audit Committee and by the Board wherever required.

Details of contracts or arrangements or transactions at arm's length basis

Particulars	Nature of Relationship	Duration of Contract	Date of Approval by Board*	Salient Terms	Amount (in Crore)
		Nature of Contract			
		Purchase of Goods			
Butterfly Gandhimathi Appliances Limited **("Butterfly")**	Subsidiary	April 01, 2023, to March 31, 2024	February 1, 2023 and May 18, 2023	Purchase of Goods	9.67
		Sale of Goods			
Butterfly	Subsidiary	April 01, 2023, to March 31, 2024	February 1, 2023	Sale of Products	0.12
Pinnacles Lighting Project Private Limited	Wholly owned subsidiary	April 01, 2023, to March 31, 2024	February 1, 2023	Management Services	0.05
Nexustar Lighting Project Private Limited	Wholly owned subsidiary	April 01, 2023, to March 31, 2024	February 1, 2023	Management Services	0.05
		Leasing of property			
Butterfly	Subsidiary	August 11, 2023, to March 31, 2024	August 11, 2023	Consideration for usage of warehouse space of the Company	0.05
Butterfly	Subsidiary	April 01, 2023, to March 31, 2024	February 1, 2023	Consideration for usage of trademark of the Company (Royalty Fees)	0.57
		Availing or rendering of services			
Butterfly	Subsidiary	April 01, 2023, to March 31, 2024	February 1, 2023	Management fees for legal support	0.20
Butterfly	Subsidiary	August 11, 2023, to March 31, 2024	August 11, 2023	Manpower Sharing Service	0.43
Opera Gratia Private Limited	Director (Mr. Mathew Job) was a member of Opera Gratia Private Limited	April 01, 2023, to March 31, 2024	February 1, 2023	Defectives inspection services	0.33
Crompton CSR Foundation	Wholly Owned Subsidiary	April 01, 2023, to March 31, 2024	May 18, 2023	Undertaking the CSR activities/ projects of the Company	13.81
			Total		

*All the transaction(s) were approved by the Audit Committee and by the Board.

Note:

The transactions mentioned above are not material as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. However, the same is disclosed under AOC-2 as a matter of good corporate governance practice.

SECRETARIAL AUDIT REPORT

FORM MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Crompton Greaves Consumer Electricals Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 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 March 31, 2024 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; (Not applicable to the Company during the audit period)

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

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

(vi) Other laws specifically applicable to the Company namely

- Bureau of Indian Standards. The National Standards Body of India
- Bureau of Energy Efficiency (Government of India, Ministry of Power)

We have also examined compliance with the applicable clauses of the following:

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

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

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no event occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Parikh & Associates**
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN:F008331F000379174
PR No.: 1129/2021

Place: Mumbai
Date: May 16, 2024

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

'Annexure A'

To,
The Members,
Crompton Greaves Consumer Electricals Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331F000379174
PR No.: 1129/2021

Place: Mumbai
Date: May 16, 2024

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 2023-24

The median remuneration of employees of the Company during Financial Year 2023-24 was ₹ 9,20,100 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 is provided in the table below:

Sl. No.	Name of Director	Designation	% increase/ decrease in remuneration	Ratio of Remuneration of each Director to Median Remuneration of employees for Financial Year
1	Mr. Shantanu Khosla (DIN:00059877)*#	Non-Executive Director & Vice Chairman	(6.53)	99.25
2	Mr. Mathew Job (DIN:02922413)&#	Executive Director & Chief Executive Officer	(36.79)	50.85
3	Mr. H M Nerurkar (DIN:00265887)@	Chairman, Independent Director^	(9.82)	3.79
4	Mr. D Sundaram (DIN:00016304)^	Non-Executive Independent Director	(2.87)	3.68
5	Mr. P M Murty (DIN:00011179)^	Non-Executive Independent Director	2.15	3.62
6	Ms. Smita Anand (DIN:00059228)^	Non-Executive Independent Director	8.55	2.76
7	Mr. P R Ramesh (DIN:01915274)^	Non-Executive Independent Director	(3.55)	2.76
8	Ms. Hiroo Mirchandani (DIN:06992518)^ !	Non-Executive Independent Director	159.14	2.62
9	Mr. Promeet Ghosh (DIN:05307658)$^	Non-Executive Director	5700.73	41.61
10.	Mr. Anil Chaudhary (DIN:03213517)^**	Non-Executive Independent Director	NA	0.20
11.	Mr. Sanjiv Kakkar (DIN:00591027)^**	Non-Executive Independent Director	NA	0.20

*Mr. Shantanu Khosla ceased to the Managing Director w.e.f. April 30, 2023 and was evaluated to Executive Director & Vice Chairman from May 1, 2023 until April 30, 2024 and then he assumed the position of Non -Executive Vice Chairman till December 31, 2025.The remuneration to Mr. Khosla is excluding ESOPs of ₹ 44,55,75,452.

&Mr. Mathew Job ceased to be the Whole time Director w.e.f. April 24, 2023 and as the Chief Executive Officer w.e.f. April 30, 2023. The remuneration paid to Mr. Mathew Job is only considered for his tenure as Chief Executive Officer and is is excluding ESOPs of ₹ 57,04,15,020.

@Mr. H M Nerurkar pursuant to completion of his tenure the retired w.e.f. October 20, 202 as the Chairman and Independent Non-Executive Director.

$Mr. Promeet Ghosh was appointed as the Executive Director w.e.f. April 24, 2023 and as the Managing Director & Chief Executive Officer w.e.f May 1, 2023. The increase in remuneration of Mr. Promeet Ghosh is pursuant to his appointment as MD & CEO.

**Mr. Anil Chaudhry & Mr. Sanjiv Kakkar were appointed as Non-Executive, Independent Director w.e.f. October 17, 2023.

^The remuneration of Independent Directors consists of sitting fees and commission. Commission is for 2022-2023 paid in 2023-24.

#Calculation is excluding perquisite value on exercise of ESOP.

!The increase remuneration percentage is due to payment of commission of F.Y. 2022-23 paid in F.Y. 2023-24.

The remuneration includes fixed pay and variable pay. Variable pay is for 2022-2023 paid in 2023-24.

b) The percentage increase in remuneration of Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the Financial Year

The percentage Increase/ Decrease in remuneration Chief Financial Officer (CFO), Company Secretary or Manager, if any, in Financial Year 2023-24 is provided in the table below:

Sl. No.	Name of Director/ KMP	Designation	% Increase/ (Decrease) in Remuneration in 2023-24
1.	Mr. Kaleeswaran Arunachalam	Chief Financial Officer	10%
2.	Ms. Rashmi Khandelwal	Company Secretary & Compliance Officer	Nil*

*Appointed w.e.f. November 28, 2022, hence, percentage increase was not applicable as on March 31, 2023.

c) The percentage increase in the median remuneration of employees in the Financial Year

In the Financial Year, there was a decrease of 1% in the median remuneration of employees.

d) The number of permanent employees on the rolls of the Company

There were 2,238 permanent employees including permanent workers on the rolls of the Company as on March 31, 2024.

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 made in the salaries of employees other than the managerial personnel in the last Financial Year 2023-24 was 8% whereas the increase in managerial remuneration for the Financial Year 2023-24 was 4% (Calculated as per Weighted Average).

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**

D Sundaram
Chairman
DIN:00016304

Place: Mumbai
Date: May 16, 2024

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

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

As a leading brand in electrical sector your Company has taken various initiatives 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:

Reduction in energy consumption

1. Baddi Fan Unit-II, projecting installation of 20 KW solar power panel as a source of renewable energy. Unit has installed 2 (Two) new grinding machine, which has given energy saving of 7 (Seven) KW/ day electricity from each machine. In Financial Year 2023-24 there are 1,76,053 KWH electricity consumed and for Financial Year 2022-23 it was 2,01,558 KWH.
2. In consideration of above Baddi II electricity consumption per unit 0.101 KWH/ unit of production for Financial Year 2023-24 and Financial Year 2022-23 it was 0.110 KWH/ unit of production and this is typically on increase in production number.
3. Alternate lights provision in plant gangways resulted in increased productivity for maximum utilisation of power.

(b) Capital Investment on Energy Conservation Equipment

Nil

B. TECHNOLOGY ABSORPTION

The technology focus for the Company has been on process improvement for better quality, lower cost, new product development speed and to get the better technology working with international companies.

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

1. Deployment of Active power motor technology for induction motors to transition from non-BEE to BEE compliance in ceiling Fans.
2. Building capabilities in electronics and software testing for BLDC technology.
3. Explored and implemented various material optimisation/ alternate material introduction to improve sustainability in Fans.
4. Explored more sustainable packaging in ceiling Fans.
5. Ceiling Fan range is 100% complied as per BEE star rating guidelines and BIS guidelines.
6. Crompton registered highest number of BEE certified models (272 nos. as on March 31, 2024) in ceiling fans on BEE portal.
7. Crompton factories are all certified by BIS for ceiling fans manufacturing.
8. More focus on sustainable technologies development in fans.
9. Crompton launched new range of fans in Sure breeze (Star Speed, Star Briz, Star Spin, Star drift etc.) category with state-of-the-art design and 400 RPM.
10. Crompton launched new range of fans in Mass premium category with state-of-the-art design and specifications.
11. Expansion of BLDC range with Hyperjet and cookie with most optimised design.
12. Expansion of BLDC range with Groove plus decorative ranges and with Rover Non under light version.
13. Extension of High Speed TPW range with state-of-the-art new design – Gale classic.
14. BEE compliant new range introduced in luxion segment – Luxion Infinia and Cairo.
15. Launched Trio downlight & lamp A-type projects, creates ambience light with Direct & indirect lighting features worth 12Cr of annual biz potential.
16. Release higher wattage LED bulbs (14W~60W) with DOB technology after successful launch of 3W~12W DOB lamp range help to improve lamp PPR from 6.8% to 3.8% in Financial Year 2023-24.
17. Successfully released & launch of 20W LaserRay Smile economic batten to sustain cost competitive batten market.
18. Launched first time in the lighting market the decorative range 20W battens, such as STYLUS GLO, STYLUS ARA, PREMION with minimalist changes into existing design.
19. Lighting B2B/ B2C achieve cost saving target of 90~100CR in Financial Year 2024 by contributing value engineering & an alternate vendor release.

20. Launched energy efficient Solar AIO series 15W, 20W and 30W with Sensor with Fixed dimming option.
21. Released High efficiency Street light with IP leans in 60W, 70W, 90W and 120 Watt.
22. Released High efficiency Flood Light with IP Lens in 150 and 200W.
23. Launched 80W Linear under Canopy with improved uniform spread to carter Fuel stations requirement.
24. Released High wattage flood light 350,400 and 500W with better efficiency.
25. Launched for the first time in market of CRCA Downlight of 20W in IP40 protection.
26. Received NABL re aggradation.
27. Our 79% of water heater are certified for 5 star by Bureau of Energy Efficiency **("BEE")**.
28. Won the prestigious National Energy Conservation Award 2023 from President of India for Storage Water Heater.
29. Launched first In-house design range of 750W mixer.
30. Strengthened 750W range of mixer with complete line up in Ameo Pro, Boltmix range.
31. Launched range of Induction Cooktop range with Ceramic Tile to drive best in class cost structure.
32. Test lab commissioned for complete Pumps Testing from June 2024 onwards at Innovation center, Vikhroli.
33. Launched DURA series in Mini category with durable features like Anti Jam Insert, Anti Rust Coating & ADDS Adapter.
34. Successfully developed & launched STP/ CCP series in India (Indigenisation) thus de-risking the import supplies & quality issues.
35. This is the fifth consecutive year that Crompton Pumps has been voted & awarded as **"Superbrands"**.
36. Initiation of PLM Implementations for the Robust BOM Management.
37. State of art lab creation in Mumbai Innovation & Experience Centre. Inhouse Testing facility created for the product and components in Water Heater.
38. Building Capabilities in Electronics to cater to future technology requirements.
39. Investments in the latest software for simulation capability building.
40. All our storage water heaters are energy efficient and certified as per the new amendment.
41. Our inhouse water heater Lab is in the process of NABL certification.
42. Digitalisation of Change management Process.
43. Investments in latest software for simulation capability building.
44. Launched new model with Lowest noise(eliminated the water dripping noise) in air cooler industry.
45. Launched first In-house design range of 750W mixer.
46. Strengthened 750W range of mixer with complete line up in Ameo Pro, Boltmix range.
47. Launched range of Induction Cooktop range with Ceramic Tile to drive best-in-class cost structure.

C. IMPORTED TECHNOLOGY

Nil

D. EXPENDITURE ON R&D

R&D expenditure for the year was: ₹ 71.37 Crore

E. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned: ₹ 102.87 Crore

Foreign exchange used: ₹ 147.44 Crore

For and on behalf of the Board of Directors

D Sundaram
Chairman
DIN:00016304

Place: Mumbai
Date: May 16, 2024

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

I. Description of each ESOP that existed at any time during the year

Details of ESOP	ESOP-2016	PSP-1 2016	PSP-2 2016	ESOP-2019
1. Date of Members' approval	October 22, 2016	October 22, 2016	October 22, 2016	January 19, 2020 and amended on January 06, 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 (I)	Exercise Price is the closing market price on the Stock Exchange which has higher Trading Volume, as on the day prior to the date on which the Nomination and Remuneration Committee (N&RC) approves the grant.	Exercise price per Option is I 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 (N&RC) 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.			

II. Method used to account for ESOP

The Group 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 the total cost to be recognised in the financial statements for the period April 1, 2023, to March 31, 2024, would be ₹ 2,36,14,076.81.

III. Option Movement during the year

1. Number of options outstanding at the beginning of the year	992,576	4,410,033	2,327,297	8,566,950
2. Number of options granted during the year	-	-	-	2,555,000
3. Number of options forfeited/ lapsed during the year	126,413	-	-	3,238,390
4. Number of options vested during the year*	89,978	-	-	1,001,558
5. Number of options exercised during the year	259,930	4,410,033	2,327,297	-
6. Total number of shares arising as a result of exercise of options	259,930	4,410,033	2,327,297	-
7. Money realised by exercise of options (in ₹)	51,953,342.85	409,383,363.39	432,085,961.02	-
8. Number of options outstanding at the end of the year	606,233	-	-	7,883,560
9. Number of options exercisable at the end of the year	606,233	-	-	2,548,560

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

IV. Weighted average exercise price of options granted during the year whose

Details of ESOP	ESOP-2016	PSP-1 2016	PSP-2 2016	ESOP-2019 (in ₹)
i. Exercise price equals market price	Nil	Nil	Nil	289.73
ii. Exercise price is greater than market price	Nil	Nil	Nil	274.80
iii. Exercise price is less than market price	Nil	Nil	Nil	287.75
Weighted average fair value of options granted during the year whose				
i. Exercise price equals market price	Nil	Nil	Nil	102.72
ii. Exercise price is greater than market price	Nil	Nil	Nil	110.47
iii. Exercise price is less than market price	Nil	Nil	Nil	118.48

V. Employee-wise details of options granted during the Financial Year 2023-24 to

Particulars	ESOP 2016	PSP 1	PSP 2	ESOP 2019
i. KMP and SMPs	Nil	Nil	Nil	Mr. Promeet Ghosh- MD & CEO- 20,00,000 options granted at ₹ 294.65* Mr. Shaleen Nayak- Business Head- Lighting- 1,50,000 options granted at ₹ 253.95 Mr. Vikram Sridharan- Chief Digital Officer- 1,55,000 options granted at ₹ 287.75 Mr. Prasanth Nair- Chief Human Resources Officer- 1,25,000 options granted at ₹ 253.95 Mr. Manoj Kumar- Chief Supply Officer- 1,25,000 options granted at ₹ 274.80
ii. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Mr. Promeet Ghosh- MD & CEO- 20,00,000 options granted at ₹ 294.65* Mr. Shaleen Nayak- Business Head- Lighting- 1,50,000 options granted at ₹ 253.95 Mr. Vikram Sridharan- Chief Digital Officer- 1,55,000 options granted at ₹ 287.75			
iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL			
Method and Assumptions used to estimate the fair value of options granted during the year:				
The fair value has been calculated using the Black-Scholes Option Pricing model				
The Assumptions used in the model are as follows:				

Particulars	ESOP-2016	PSP-1 2016	PSP-2 2016	ESOP-2019
1. Risk-Free Interest Rate	No grants during the year			6.93%
2. Expected Life				5.56
3. Expected Volatility				33.06%
4. Dividend Yield				0.95%
5. Price of the underlying share in market at the time of the option grant (₹)				₹ 261.84

Details of ESOP	ESOP-2016	PSP-1 2016	PSP-2 2016	ESOP-2019
Weighted Average share price of options exercised during the year: ₹ 276.20				

* The Exercise price for the options granted to Mr. Promeet Ghosh, MD & CEO was revised from I 259.80 to I 294.65 with the approval of member of the Company sought at the AGM held on July 22, 2023.

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	6,06,233	2.25	288.01
PSP 1	Nil	Nil	Nil
PSP 2	Nil	Nil	Nil
ESOP 2019	78,83,560	5.81	231.60
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33; "**Earning Per Share**"	₹ 7.29		

For **and on behalf of the Board of Directors**

D Sundaram
Chairman
DIN:00016304

Place: Mumbai
Date: May 16, 2024

REPORT ON CORPORATE GOVERNANCE

CROMPTON'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's commitment towards the adoption of best corporate governance practices goes beyond compliance with the law and endeavours to embrace responsibility for corporate actions and the impact of its initiatives on all its stakeholders. Your Company continuously strives for the betterment of its corporate governance mechanisms to improve efficiency, transparency, accountability and achieve business excellence in its day-to-day operations within which all stakeholders of the Company viz., its Members, Directors, management, society and environment at large have aligned objectives. Your Company's Governance framework enshrines ethical and responsible conduct of business to create lasting stakeholder value and ensuring that the Company's businesses are being conducted in an accountable and fair manner.

Crompton is a Board led and professionally managed Company, which is run by highly qualified and expert professionals. The Board is responsible and committed to sound principles of Corporate Governance & Sustainability. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of the Members and other stakeholders, this belief is also reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. The Board strongly agrees that good governance is not merely an objective, but only the means to achieve the objective of operating as a global citizen. We keep our governance practices under continuous review and benchmark ourselves to the best practices. The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives, and enhance value creation for all. The responsibilities of your Board thus includes implementing the principles of Corporate Governance in the Company, setting the Company's strategic aims, guiding the management with their leadership, and reporting to Members on their stewardship.

Your Company believes that Corporate Governance involves a set of rules and controls that promote transparency, integrity and accountability within which all stakeholders of the Company viz., its Members, Directors and management, society and environment at large have aligned objectives. It provides the framework for balancing the interests of all its stakeholders and ensuring that the Company's businesses are being conducted in an accountable and fair manner. While the philosophy of your Company on governance has been set out since early days, the framework is broad-based to enable the Company to cater to the dynamic needs of the society.

Your Company recognises that corporate governance is not just a principle to be followed but a way of life embedded in its behaviour and culture. It endeavours to adopt the industry's best practices, focusing on transparency in its affairs, the functioning of the management and the Board, and accountability towards stakeholders. Your Company's philosophy ensures that it creates sustainable value for Members while fulfilling social obligations and complying with regulatory requirements. The Company's policies prioritise the augmentation of long-term Members value while maintaining integrity.

Additionally, your Company has achieved an **outstanding AA rating** by MSCI for exemplary practices in Environmental, Social, and Governance.

Furthermore, SES proxy advisory has bestowed a commendable score of 84 out of 100 for our best governance practices and solidifying our commitment to excellence in corporate governance.

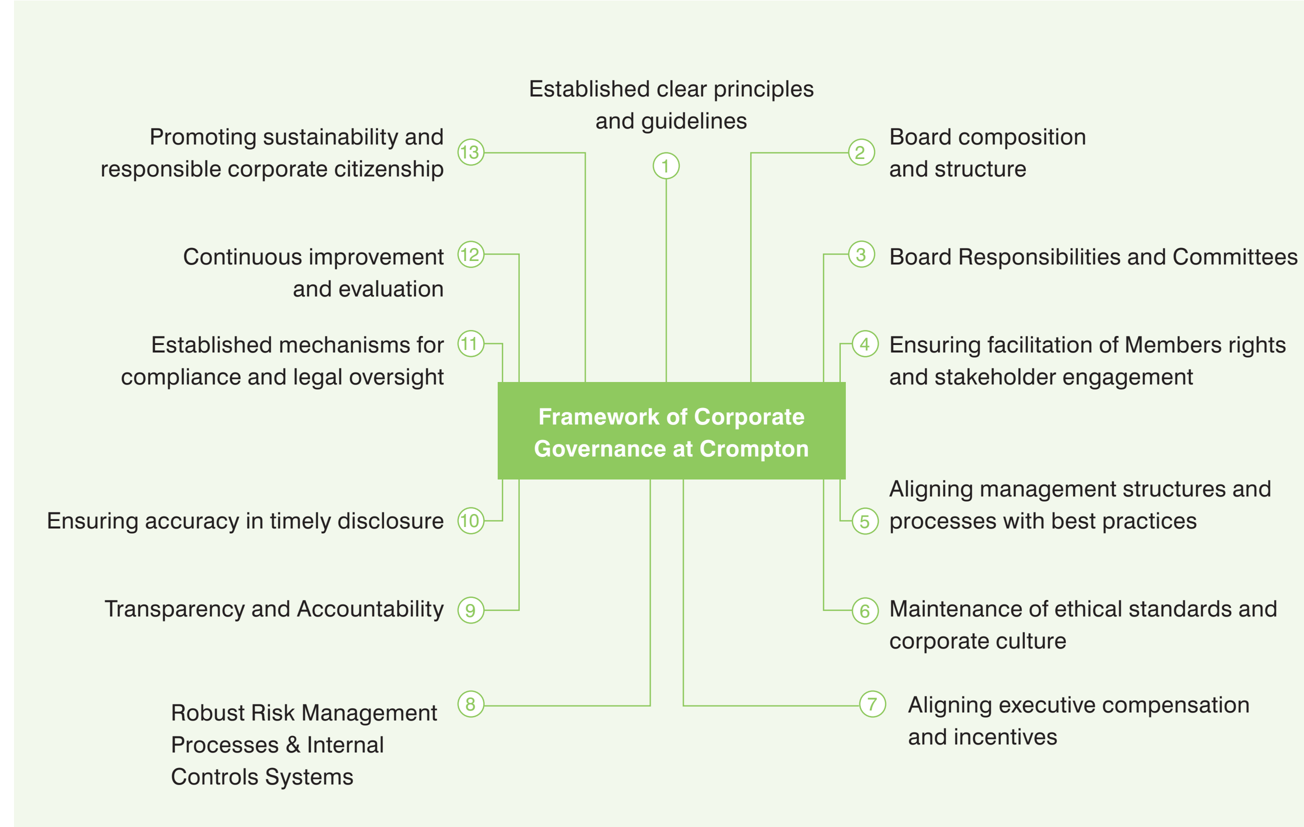
DJSI score of your Company significantly improved from 34 to 48 and your Company secured 7th Rank globally among the peers (DHP Household Durables).

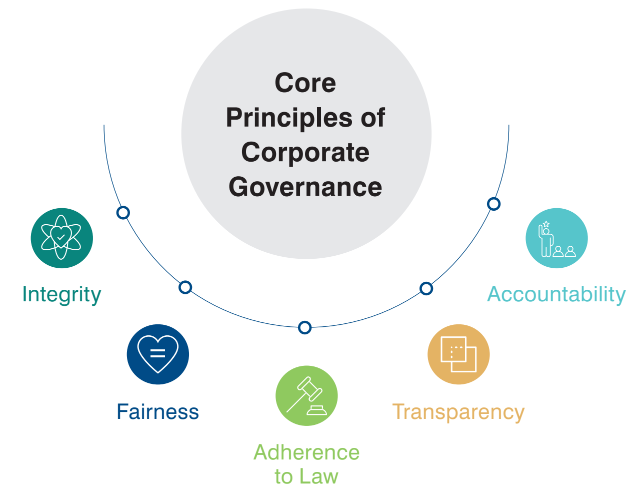
Your Company has complied with the following discretionary requirements as listed out in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **("the SEBI Listing Regulations")** which are elaborated as under:

- The office of the Chairman is occupied by a Non-Executive Independent Director of the Company;
- As on March 31, 2024, the Company has a distinct Non-Executive Chairman and a Managing Director & CEO **("MD & CEO")**, who were not related to one another;
- The Audit Report of the Company's Financial Statements for the Financial Year ended March 31, 2024, is unmodified;
- The Internal Auditors of the Company directly reports to the Audit Committee of the Board; and
- The Company follows a robust process of communicating with the members which have been elaborated in this Report under the heading **"Means of Communication"**.

Your Company was also recognised amongst top 5 (Five) companies for excellence in Corporate Governance in Listed Segment: Medium Category at the 23rd ICSI National Awards for Excellence in Corporate Governance, 2023.

Your Company is amongst the only 10 (Ten) companies to be recognised under the "Next Leaders" category by the Institutional Investor Advisory Services (IiAS)





Fairness

Your Company practices fair play and integrity in transactions with all stakeholders, both within and outside the organisation. We conduct ourselves in the most equitable manner.

Integrity

Your Company is committed to achieve highest standards of integrity, transparency, and business ethics. Your Company follows high ethical standards in its dealings with all its stakeholders, including Members, employees, customers, value chain partners, regulators, investors, and the community.

Adherence to law

Full adherence to all regulatory and statutory requirements in letter and spirit is a key guiding principle. Your Company believes that effective compliance and risk management activities will drive the corporate performance.

Transparency

For us, transparency is key to healthy, self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long-standing trust among our stakeholders. We strive to demonstrate the highest levels of transparency, over and above statutory requirements, through accurate and prompt disclosures.

Accountability

For us, accountability is about holding ourselves firmly responsible for what we believe in and for delivering what we have promised. We ensure this by promoting a mindset of end -to-end ownership throughout the organisation. By means of openness and transparency, we consider ourselves accountable to every stakeholder including our employees, Members, vendors, government agencies, society, customers, business partners and supply chain partners.

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI Listing Regulations is given below:

BOARD OF DIRECTORS

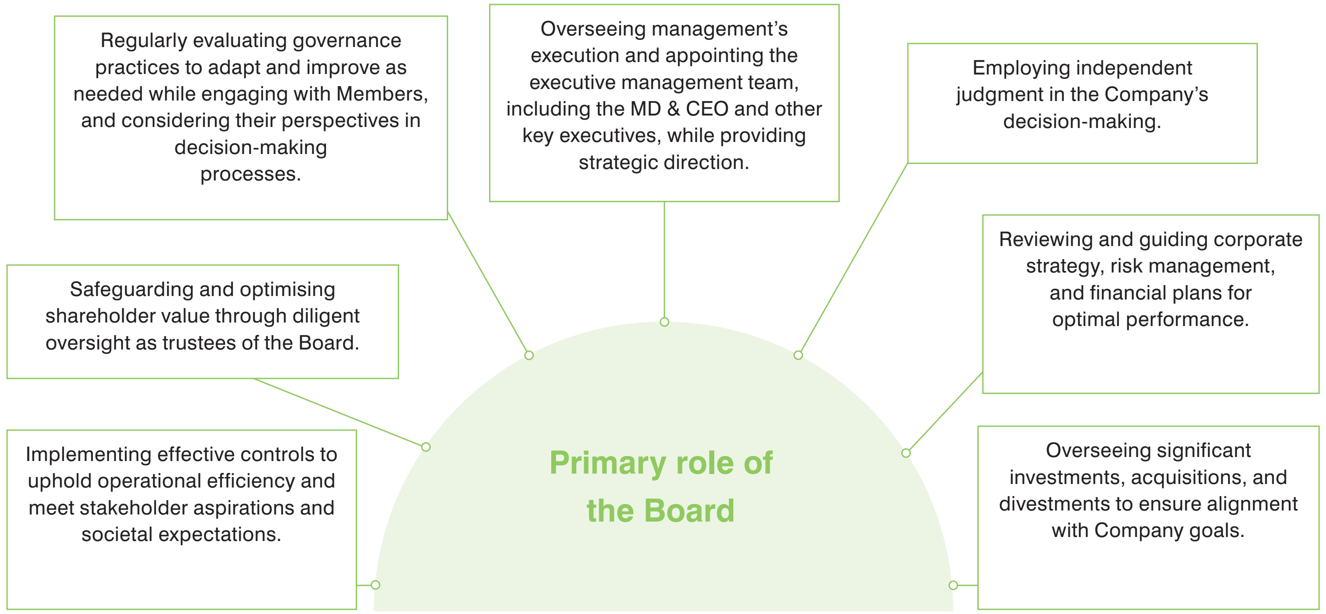
The Board of Directors **("Board")** is responsible for the strategic supervision and overseeing the management performance and governance of the Company on behalf of the Members and other stakeholders. Crompton is a professionally managed Company functioning under the overall supervision of the Board. The Board has ultimate responsibility of reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring and implementation, of corporate performance, overseeing major capital expenditures, acquisitions, mergers, general affairs, direction, performance and long-term success of the business as a whole.

The Directors take active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, governance, compliance, etc.

We believe that an active, well-informed, diversified and independent Board is necessary to ensure the highest standards of corporate governance. At Crompton, the Board is at the core of our corporate governance practices. The Board oversees the management's functions and protects the long-term interests of Company's stakeholders.

The Chairman leads the Board and is responsible for its overall effectiveness. The Chairman sets the Board agenda, ensures the Directors receive accurate, timely and clear information, promotes and facilitates constructive relationships and effective contribution of all Executive and Non-Executive Directors, and promotes a culture of openness and debate. The Independent Directors provide constructive challenge, strategic guidance, specialist advice and hold management to account.

The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.



The Company's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. The Board's uniqueness lies in the fact that the Board balances several deliverables, achieves sound corporate governance objectives and acts as a catalyst in creation of stakeholder value.

Availability of information to Board Members

The Board has unrestricted access to all Company related information, including that of our employees. At Board Meetings, leadership team who provides additional insights on their areas are invited. Information is provided to the Board Members on a continuous basis for their review, inputs and approval. Strategic and operating plans along with the Annual Budgets are also presented to the Board in addition to the quarterly and annual financial statements. Specific cases of acquisitions, important managerial decisions, material positive/ negative developments and statutory matters are presented to the Committees of the Board and later, with the recommendation of the Committees, to the Board for its consideration/ review/ approval. As a process, information to Directors is submitted along with the agenda well in advance of Board/ Committee Meeting(s). Inputs and feedback of Board/ Committee Member(s) are taken and considered while preparing the agenda and documents for the Board/ Committee Meeting(s). At these meeting(s), Directors provide their inputs and suggestions on various strategic and operational matters. The Board also invites experts from the industry and seeks their valuable opinions on various strategic/ operational/ governance matters to ensure a comprehensive review on the subject and to arrive at suitable decisions.

As a system, in most cases, information is submitted to the Directors along with the agenda papers well in advance of the Board meeting. Inputs and feedback from Board Members are taken into consideration while preparing agenda and documents for the Board meeting. Sufficient time is allocated for discussions and deliberations at the meeting. The documents containing Unpublished Price Sensitive Information **("UPSI")** are submitted to the Board and Committee Member(s), at a shorter notice, as per the general consent taken from the Board, from time to time.

The Chairman of the Board and the Company Secretary determine the agenda for every meeting in consultation with the MD & CEO. While preparing the agenda, explanatory notes, minutes of the meeting(s), adherence to the Act and the Rules made thereunder, Listing Regulations, Secretarial Standards **("SS")** issued by the Institute of Company Secretaries of India **("ICSI")** and other applicable laws are ensured.

With a view to ensure high standards of confidentiality of the agenda and other Board papers and to leverage technology and eliminate paper consumption, the Company circulates the agenda and explanatory notes to the Directors/ Committee member(s), through a web-based application which can be securely accessed by the Directors/ Committee member(s) through their hand-held devices, laptop, iPads and browsers. This application meets high standards of security that are required for storage and transmission of documents for Board/ Committee meeting(s).

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the SEBI Listing Regulations. With the unanimous consent of the Board, all information which is in the nature of UPSI, is circulated to the Board and its Committee(s) at a shorter notice before the commencement of the meetings. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board Member(s) are updated on all key developments relating to the Company.

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of such meetings. The Company Executives are also invited to join the meetings with permission of the Chairperson(s) of the Board/ Committee meeting(s). The Company Executives joining the said meetings of Board/ Committee is also an opportunity for the Board/ Committee Members to interact with the Member(s) of the management.

The draft minutes of the meeting(s) of the Board and its Committee(s) are sent to the Members for their comments in accordance with the Secretarial Standard-1 **("SS-1")** on Meetings of the Board of Directors issued by ICSI. Further, the certified true copy of the minutes is also circulated to the Board and Committee(s) in accordance with SS-1.

The Company adheres to the provisions of the Act and the Rules made thereunder, SS and the SEBI Listing Regulations with respect to convening and holding the meetings of the Board, its Committees and the General Meetings of the Members of the Company.

Committees of Directors

The Independent Board Committees engage throughout the year to deliver best-in-class governance practices and periodically review the policy framework to maintain its robustness. Having regard to the significant contributions that

Committees make in assisting the Board in discharging its duties and responsibilities, the Board through its Committees closely monitor various areas of business.

The Committees of the Board functions as an extended arm of the Board and play a pivotal role in ensuring good governance while also periodically monitors the affairs of the Company.

The Board Committees have been constituted to deal with specific areas/ activities as mandated by applicable rules and regulations or as delegated by the Board, which need a closer review.

The terms of reference of the Committees define the scope, powers, responsibilities, and composition of the Committees. The Chairperson of the respective Committee(s) briefs the Board about the summary of the discussions held at the Committee meetings. The minutes of the meetings of all Committee(s) are placed before the Board for their perusal. Further, there is effective cross committee discussion, wherever required, to ensure proper inter-committee co-ordination and to bring uniformity.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The Committees of the Board are:

(i) Audit Committee

(ii) Nomination & Remuneration Committee **("N&RC")**

(iii) Stakeholders' Relationship & Share Transfer Committee **("SRC")**

(iv) Corporate Social Responsibility Committee **("CSR")**

(v) Risk Management Committee **("RMC")**

(vi) Strategic Investment Committee **("SIC")**

(vii) Environmental, Social & Governance Committee **("ESG")**

(viii) Committee of Debentures

(ix) Allotment Committee

The matters of the Board are segregated and delegated to the Committees as under:

- Audit Committee is responsible for, *inter alia*, review of internal controls and audit systems, oversight on risk management systems, financial reporting, compliance issues and vigil mechanism, appointment and remuneration of various auditors of the Company and their scope of work and approval of Related Party Transactions **("RPTs")** etc. The Audit Committee additionally also meets, to have detailed deliberations *inter alia*, on matters relating to Governance, Risk Management, Statutory Compliances, Internal Controls, Internal Audit, and other matters. The Audit Committee also discusses the summary of cases (if any) and the status of compliance under Prevention of Sexual Harassment Policy, Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Person(s), the Code of Conduct and Whistle Blower Policy.
- N&RC is responsible for, *inter alia*, recommendation and approval of remuneration of the Directors, Key Managerial Personnel(s) **("KMPs")** and Senior Management Personnel **("SMPs")**. The Committee also acts as the Compensation Committee for the purpose of administration of the several Employee Stock Option Plans **("ESOPs")**, as amended from time to time. N&RC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairperson of the Board, the Board as a whole and its Committee(s). It also frequently evaluates the working and effectiveness of the Board and manages the succession planning for Board Member(s) and KMPs.
- SRC is responsible for *inter alia* various aspects of interest of the stakeholders, monitoring the performance of the Registrar and Share Transfer Agent **("RTA")** and recommends measures for overall improvement of the quality of investor services as and when the need arises, resolve the grievances of the Members of the Company including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends and issue of duplicate share certificates, etc.
- CSR Committee recommends, reviews and monitors the impact of CSR initiatives taken by the Company. The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and CSR activities to be undertaken by the Company, recommending the amount of expenditure to be incurred and reviewing the performance of the Company in the areas of CSR and to strive for overall sustainable development in the conduct of Company's business.
- RMC assists the Board in monitoring and reviewing the risk management plan, implementation of the risk management and mitigation framework of the Company. The main objective of the RMC is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.
- The SIC assists in evaluation and assessment of Strategic Investment opportunities feasible for the Company and to make recommendations to the Board of Directors on such strategic investment/ disinvestment opportunities.
- The ESG Committee is responsible to support the Company's on-going commitment to Environmental, Health and Safety **("EHS")**, sustainability, and other public policy matters relevant to the Company (collectively referred as **"ESG Matters"**). The Committee is also responsible for reporting progress of various initiatives and in making appropriate disclosures on a periodic basis.

- The Committee of Debentures is constituted for issue and allotment of Non-Convertible Debentures **("NCDs")** and for approval of matters connected thereto.
- The Allotment Committee is constituted for allotment of shares arising out of the exercise of stock options by Eligible Employees under various ESOP Schemes of the Company.

COMPOSITION OF BOARD

The Company recognises and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills, including expertise in financial, global business, leadership, information technology, Mergers & Acquisitions **("M&A")**, Board Service and Governance, Sales and Marketing, ESG, Risk Management and Cybersecurity and other domains, to ensure that Company retains its competitive advantage.

Your Company's Board comprises the requisite combination of Independent and Non-Independent Directors, including Independent Women Directors in line with the Regulation 17 and 17A of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 **("the Act")**.

As on March 31, 2024, Mr. Promeet Ghosh was the MD & CEO, Mr. Shantanu Khosla is the Executive Vice Chairman. Mr. D Sundaram, Mr. P M Murty, Ms. Smita Anand, Mr. P R Ramesh, Ms. Hiroo Mirchandani, Mr. Anil Chaudhry and Mr. Sanjiv Kakkar are the Non-Executive Independent Directors in terms of Regulation 17 of the SEBI Listing Regulations and the Act.

Mr. Mathew Job had resigned from the position of Executive Director w.e.f. April 24, 2023, and as the CEO w.e.f. April 30, 2023, to pursue other career interests outside organisation. Mr. Job had confirmed that there were no other material reason(s) other than those provided herein above. The Board places on record its appreciation for the leadership provided by Mr. Job during his tenure as Executive Director & CEO of the Company.

During the year under review, Mr. Shantanu Khosla, had relinquished his position as the Company's Managing Director w.e.f. April 30, 2023, and was elevated to the position of Executive Vice Chairman w.e.f. May 1, 2023 till April 30, 2024, and thereafter he assumed the position as an Non-Executive Vice Chairman w.e.f. May 1, 2024, till December 31, 2025.

Mr. Promeet Ghosh was appointed as an Executive Director on the Board w.e.f. April 24, 2023, and as the MD & CEO for a period of 5 (Five) years w.e.f. May 1, 2023, till April 30, 2028, which was subsequently approved by the Members of the Company at the 9th Annual General Meeting **("AGM")** of the Company held on July 22, 2023.

Ms. Smita Anand was re-appointed as an Independent Director for second term of 5 (Five) years w.e.f. December 10, 2023, which was subsequently approved by the Members of the Company at the 9th AGM of the Company held on July 22, 2023.

Mr. Hemant Nerurkar, Chairman of the Board, retired w.e.f. October 20, 2023, pursuant to completion of second term upon attaining the age of 75 (Seventy Five) years, as mandated by the Act, the SEBI Listing Regulations, and the Company's Nomination & Remuneration Policy. Consequently, Mr. D Sundaram, Non-Executive Independent Director of the Company, assumed the position of Chairman of the Board w.e.f. October 21, 2023.

Mr. Anil Chaudhry and Mr. Sanjiv Kakkar were appointed as Non-Executive Independent Director(s) w.e.f. October 17, 2023, basis recommendation of N&RC, their appointment was subsequently approved by the Members on December 19, 2023, through postal ballot.

The Board comprises of highly qualified and experienced persons of repute and eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

The Composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the Company's business.

The profiles of Board Members encompassing details of age, date of initial appointment, tenure on Board, term ending date, shareholding, Board memberships in Indian listed companies, committee details as per Regulation 26 of the SEBI Listing Regulations and areas of expertise are given in the forth coming sections.

There are no *inter-se* relationships between our Board Member(s).

As on March 31, 2024, the Board of your Company comprised of 9 (Nine) Directors, out of which 7 (Seven) Directors were Non-Executive Independent Directors **("NED's & ID's")** (77.78% NED's & ID's representation on the Board). The Chairperson of the Board is Non-Executive Independent Director. Out of 7 (Seven) Independent Directors **("ID's")**, which comprises more than half of the Board, 2 (Two) are Women Directors (22.22% women representation on the Board). The composition of the Board of your Company is in conformity with the SEBI Listing Regulations as well as provisions of the Act.

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.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies bodies corporates with changes therein, if any, on periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2024, none of the Directors of the Company:

- Holds Directorship positions in more than 20 (Twenty) companies including 10 (Ten) public limited companies and 7 (Seven) listed companies;
- Holds Executive Director position and serves as an Independent Director in more than 3 (Three) listed companies;
- Is a Member of more than 10 (Ten) Committees and/ or Chairperson of more than 5 (Five) Committees, across all the Indian public limited companies in which they are Directors; and
- None of the Directors have attained the age of 75 (Seventy-Five years);

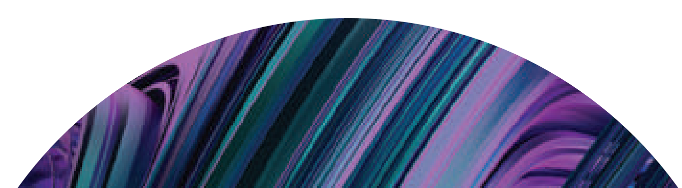
For the purpose of calculating the limit of the Board Committees, Chairpersonships and Memberships, Audit Committee and SRC has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

Size and Composition of the Board as on March 31, 2024

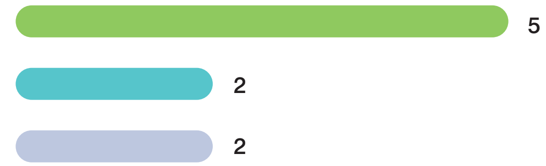
Board Diversity as on March 31, 2024

Composition of Directors

Average Tenure in year (category-wise)



Present Tenure of Directors in years



Duties and Functions of the Board

The Board's primary responsibility is to foster the Company's short and long-term success through sustainable continuance and progress of its business and thereby create value for its stakeholders. To this end, the Board sets out the corporate culture, lays down high ethical standards of corporate behaviour and ensures transparency in their dealings.

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the management, who is responsible for the day-to-day operations. It does this by providing strategic guidance, monitoring operational performance and ensuring that robust policies and procedures are in place. The Board through its various Committees also reviews the identified risks and the mitigation measures undertaken/ to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards CSR. In particular, the Board basis the recommendation of the Audit Committee reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure. It monitors overall operating performance, Environment, Health & Safety (EHS) performance and reviews such other items which require the Board's attention. It directs and guides the activities of the management towards achieving set goals and seeks accountability. The agenda for the Board Meeting(s) covers items as set out in the SEBI Listing Regulations to the extent that they are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The agenda is sent to the Directors within the period stipulated in the SS. The Board processes are also in consonance with the requirements of the SS-1 relating to the meetings of the Board and its Committee(s). All the recommendations of the various Committee(s) of the Board have been accepted by the Board and none of the Directors are influenced by the management.

Post-meeting follow-up system

The important decisions taken at the meetings of Board and its Committees are tracked till their closure and the status of Action Taken Report **("ATR")** is placed before Board and respective Committee meeting(s) for their noting.

During the year under review, the Board met 7 (Seven) times and the gap between the 2 (Two) consecutive Board Meeting(s) did not exceed the period of 120 (One Hundred and Twenty) days in line with requirements of the Act and the SEBI Listing Regulations.

Managing Director & Chief Executive Officer ("MD & CEO")

The MD & CEO is at the helm of operations and is responsible for the Company's day-to-day operations, which *inter alia* includes implementation of strategy, monitoring of the external and internal competitive landscape, new industry developments, standards, identifying opportunities for expansion, acquisition, building relationships with customers, markets with an eye to enhance Members value, implementation of the organisation's vision, mission & overall direction, provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board through its various Committees. MD & CEO acts under the guidance of the Board and is a link between the Board and the management. Through diligent leadership and strategic foresight, the MD & CEO plays a pivotal role in guiding the Company towards excellence, while upholding the values and principles that define its identity. Tasked with overseeing the Company's operations, the MD & CEO holds the responsibility of steering the organisation towards its objectives. This pivotal role involves close collaboration with the Board to devise and implement business strategies that align with the Company's vision and mission.

LEADERSHIP TEAM ("LT")

At the helm of the Company stands the MD & CEO, who presides over a LT consisting of functional heads and business unit leaders. This hierarchical structure is designed to ensure effective management and strategic execution within the organisation.

INDEPENDENT DIRECTORS ("IDs")

IDs play an eminent role in the governance processes of the Board, by virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders.

The appointment of IDs is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The N&RC identifies candidates based on certain laid down criteria and takes into consideration the need for diversity on the Board and accordingly makes its recommendations to the Board.

The Board confirms that based on the written affirmations received from each IDs, all the IDs fulfils the conditions as stipulated in the Regulation 16(1)(b) of the SEBI Listing Regulations, as amended, read with Section 149(6) of the Act along with rules framed thereunder and are independent of the management. Further, the IDs have also registered their names in the Databank maintained by the Indian Institute of Corporate Affairs **("IICA")** as mandated in the Companies (Appointment and Qualifications of Directors), Rules, 2014, as amended.

Further, since all the IDs have served on the Board of listed companies for a period of not less than 3 (Three) years at the time of inclusion of their names in the database, they are exempted from undertaking the online proficiency self-assessment test conducted by the IICA. None of the IDs have any other material pecuniary relationship or transaction with the Company, or Directors, or Senior Management which, in their judgement, would affect their independence. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Except for the sitting fees and commission payable to the Non-Executive Independent Directors annually in accordance with the applicable laws and with the approval of the Board upon recommendation of N&RC and Members, there is no pecuniary or business relationship between the IDs and the Company.

Based on the disclosures received from all IDs and in the opinion of the Board, all the IDs fulfils the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act.

Key Skills, Expertise, Competence of the Board of Directors

The Board comprises of professionals, distinguished, qualified and experienced members who bring in the requisite skills, expertise and competence that allows them to make a valuable contribution to the Board and its Committees. The Board Members take an active part at the Board and Committee(s) and provide valuable guidance to the management on various aspects of business, governance, and compliance, amongst others. The Board's guidance provides foresight, enhances transparency and adds value in decision-making.

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:

Industry Acumen

Industry experience through detailed knowledge of the Company or the sector in which it operates, as well as those who understand the broader industry environment.

Mentoring Ability

Demonstrated strengths in developing talent, succession planning, and driving change and long-term growth.

Compliance and Risk

Experience and background in regulatory affairs and regulatory policies, procedures, and risk management.

Financial

Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources, experience in the fields of taxation, audit, financial management, banking insurance and investments, treasury, fund raising, private equity, venture capital investments and internal controls. Leadership experience in handling financial management of a large organisation.

Innovation & Technology

Understanding the use of digital/ information technology across the business, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation and a significant background in technology, resulting in knowledge as to how to anticipate technological trends, generate disruptive innovation and extend or create new business models.

Sustainability and ESG

Experience in leading the sustainability and ESG visions of organisations, to be able to integrate these into the strategy of the Company.

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.

Mergers and Acquisitions

A history of leading growth through acquisitions and other business combinations, with the ability to assess "make or buy" decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.

General Management

Experience in leading well-governed large organisations, possessing intrinsic leadership skills including the ability to appropriately represent the Company, set appropriate Board and organisation culture.

Leadership

Extended leadership experience resulting in a practical understanding of organisation, processes, strategic planning, and risk management.

Board Service and Governance

Service on a public listed company Board to develop insights about maintaining Board and management accountability, protecting Members interests, and observing appropriate governance practices.

Strategy & Operations

Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities and demonstrated strengths in developing talent, succession planning, driving change and long term growth.

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.

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.

Cybersecurity

Experience in assessing and managing cybersecurity-related risks and in implementing the cybersecurity policies, procedures, and strategies.

Brief details of Directors as on March 31, 2024, are mentioned as under:

Mr. D Sundaram

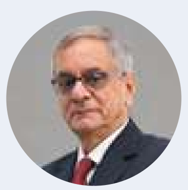
Non-Executive Independent Director
(DIN:00016304)

Age: 70 years
Date of Initial Appointment:
August 26, 2015
Term ending date:
September 17, 2025
Shareholding: NIL
Tenure on Board: 8.6 years

Mr. Shantanu Khosla

Executive Vice Chairman*
(DIN:00059877)

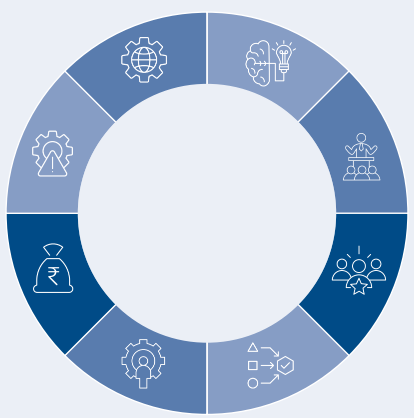
Age: 64 years
Date of Initial Appointment:
September 21, 2015
Term ending date:
December 31, 2025
Shareholding: 15,88,017
Tenure on Board: 8.5 years



Mr. P M Murty

Non-Executive Independent Director
(DIN:00011179)

Age: 73 years
Date of Initial Appointment:
August 26, 2015
Term ending date:
July 25, 2025
Shareholding: 13
Tenure on Board: 8.6 years



Mr. P R Ramesh

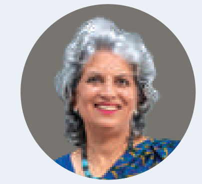
Non-Executive Independent Director
(DIN:01915274)

Age: 69 years
Date of Initial Appointment:
May 21, 2021
Term ending date:
May 21, 2026
Shareholding: NIL
Tenure on Board: 2.8 years

Mr. Promeet Ghosh

MD & CEO[$]
(DIN:00059877)

Age: 55 years
Date of Initial Appointment:
August 16, 2016[$]
Term ending date:
April 30, 2028
Shareholding: 35,000
Tenure on Board: 7.6 years



Ms. Hiroo Mirchandani

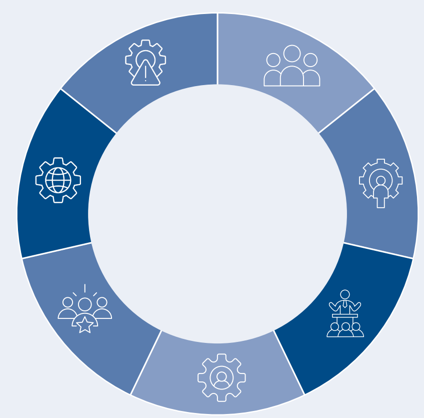
Non-Executive Independent Director
(DIN:06992518)

Age: 62 years
Date of Initial Appointment:
January 28, 2022
Term ending date:
January 27, 2027
Shareholding: Nil
Tenure on Board: 2.2 years

Ms. Smita Anand

Non-Executive Independent Director
(DIN:00059228)[#]

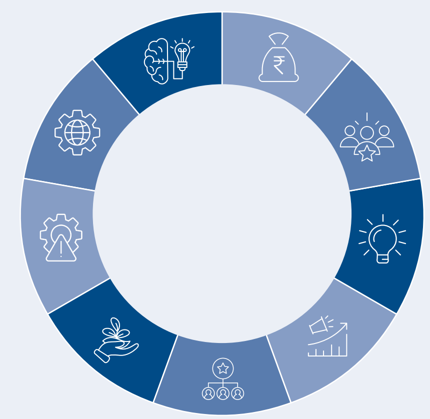
Age: 64 years
Date of Initial Appointment:
December 10, 2018
Term ending date:
December 09, 2028
Shareholding: NIL
Tenure on Board: 5.3 years



Mr. Anil Chaudhry

Non-Executive Independent Director[@]
(DIN:06992518)

Age: 63 years
Date of Initial Appointment:
October 17, 2023
Term ending date:
October 16, 2028
Shareholding: Nil
Tenure on Board: 0.5 years



Mr. Sanjiv Kakkar

Non-Executive Independent Director[@]
(DIN:00591027)

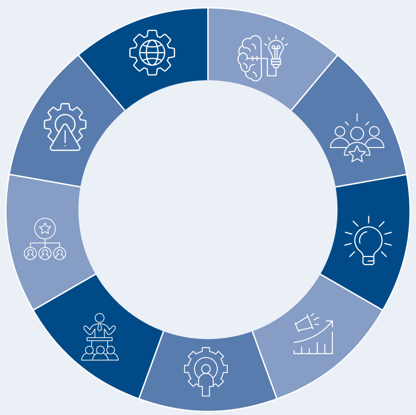
Age: 61 years

Date of Initial Appointment:
October 17, 2023

Term ending date:
October 16, 2028

Shareholding: Nil

Tenure on Board: 0.5 years



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

[$] Non-Executive & Non-Independent Director till April 23 2023, appointed as an Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028, his appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

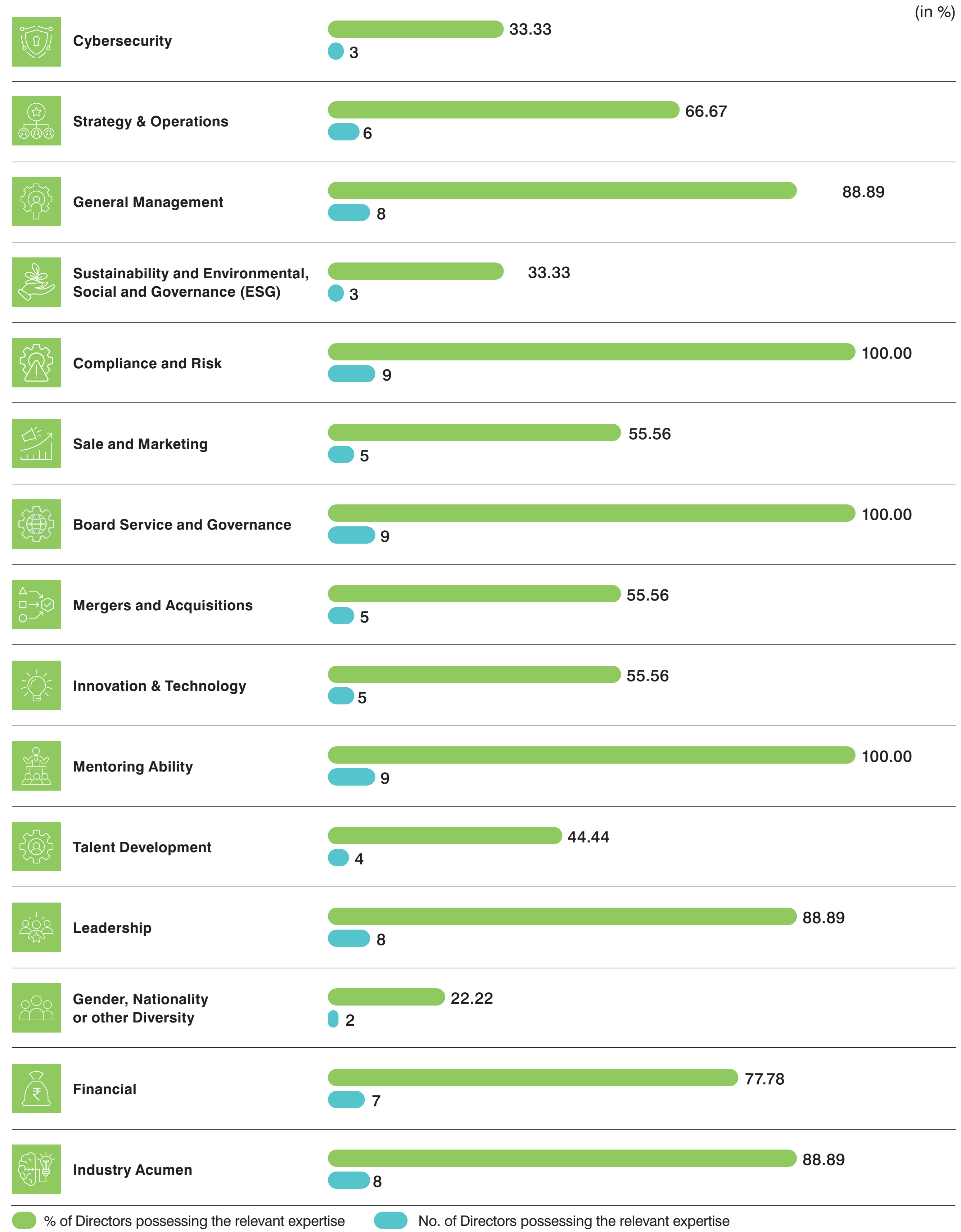
[@] Appointed as Non-Executive Independent Directors w.e.f. October 17, 2023, their appointment was subsequently approved by the Members on December 19, 2023, through postal ballot.

[#] Re-appointed as Non-Executive Independent Director for a second term of 5 (Five) years w.e.f. December 10, 2023, till December 9, 2028, her appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

Notes:

1. Nationality of all Directors is Indian.
2. The detailed profile of Directors is available on the Company's website and can be accessed on web link at https://www.crompton.co.in/pages/about-us
3. The absence of a mark against a Board Member's name does not necessarily indicate that the Director does not possess the corresponding skill, expertise or competence.

Gist of skills, expertise and competence of Directors



Details of Directorship and Membership(s)/ Chairpersonship(s) of Committees and Shareholding of the Director(s)

Name	Category	No. of Directorship(s) held in other Public Companie(s)*	Directorship held in listed Companie(s) (Including Crompton)	Committee(s) position (Including Crompton) **	
				Member	Chairperson
Mr. D Sundaram (DIN:00016304)	Chairman##, Non-Executive Independent Director	3	Infosys Limited# Glaxosmithkline Pharmaceuticals Limited# Crompton Greaves Consumer Electricals Limited#%	5	2
Mr. Promeet Ghosh (DIN:05307658)	MD & CEO$$	1	Crompton Greaves Consumer Electricals Limited^ Butterfly Gandhimathi Appliances Limited@	2	1
Mr. Shantanu Khosla (DIN:00059877)	Executive Vice Chairman&&	1	Crompton Greaves Consumer Electricals Limited^ Butterfly Gandhimathi Appliances Limited@	2	0
Mr. P M Murty (DIN:00059877)	Non-Executive Independent Director	2	Butterfly Gandhimathi Appliances Limited#% Crompton Greaves Consumer Electricals Limited#	4	0
Ms. Smita Anand (DIN:00059228)	Non-Executive Independent Director	2	Lemon Tree Hotels Limited# Crompton Greaves Consumer Electricals Limited# Butterfly Gandhimathi Appliances Limited#	2	0
Mr. P R Ramesh (DIN:01915274)	Non-Executive Independent Director	9	Larsen and Toubro Limited# Nestle India Limited# Crompton Greaves Consumer Electricals Limited# Tejas Networks Limited# Cipla Limited#	7	5
Ms. Hiroo Mirchandani (DIN:06992518)	Non-Executive Independent Director	4	Medplus Health Services Limited# Crompton Greaves Consumer Electricals Limited# Tata Teleservices (Maharashtra) Limited#	5	1
Mr. Anil Chaudhry (DIN:03213517)	Non-Executive Independent Director	2	Crompton Greaves Consumer Electricals Limited# Schneider Electric Infrastructure Limited@ Titan Company Limited#	0	0
Mr. Sanjiv Kakkar (DIN:00591027)	Non-Executive Independent Director	0	Crompton Greaves Consumer Electricals Limited#	0	0

*excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companie(s).

**Committee(s) considered are Audit Committee and SRC.

##Appointed as Chairman w.e.f. October 21, 2023.

Category of Directorship held

@ Non-Executive & Non-Independent

Non-Executive Independent

^ Executive

% Chairman

&&Managing Director till April 30, 2023, and elevated as Executive Vice Chairman w.e.f. May 1, 2023, till April 30, 2024, and assumed the position of Non-Executive Vice Chairman w.e.f. May 1, 2024, till December 31, 2025.

$$ Non-Executive & Non-Independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028, his appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

Note: Based on the intimations/ disclosures received from the Directors, none of the Directors of the Company hold Memberships/ Chairpersonships of Board/ Committees, more than the limits prescribed under the Act and the SEBI Listing Regulations.

Board Meetings

The dates for the Board Meetings for the next year are fixed well in advance. The Company conducts thematic Board Meetings to deep dive in the areas like Compliance, Enterprise Risk Management, Supply Chain, Manufacturing Excellence, Innovation, Digitisation, Succession Planning etc.

A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed notes and presentations, if any, is sent to the Directors in advance before the date of the Board and 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 (Seven) days before the Meeting. The Directors are also provided the facility of video-conferencing to enable them to participate effectively in the Meeting(s). The Chairman or the Company Secretary proposes the Agenda for each Meeting, along with the explanatory notes, in consultation with the MD & CEO. In urgent situations, resolutions may be passed via circulation in accordance with applicable laws, and these are then confirmed during the subsequent Board and Committee Meeting(s).

Input and feedback from the Board Members are taken and considered while preparing the agenda and documents for the Board and Committee Meeting(s).

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

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

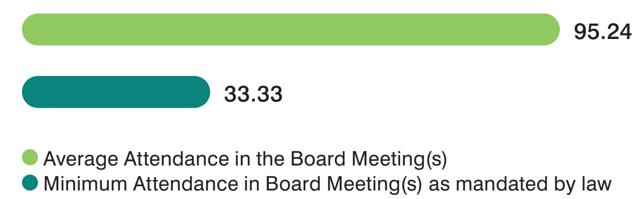
The Company has established a framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Meeting(s) in an informed and efficient manner.

Apart from the Board Member(s) and the Company Secretary, the Board and Committee Meetings are also attended by Chief Financial Officer **("CFO")** and other departmental/ functional heads wherever required.

The Meeting(s) are generally held at the Company's Registered & Corporate Office located at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.

The Board has complete access to all Company-related information, including that of employees. Information is provided to the Board Member(s) on a continuous basis for their review, inputs and approval.

Attendance at the Board Meeting (%)



77.78% Independence

7 Meeting(s)

95.24% Attendance

9 Member(s)

There were 7 (Seven) Board Meetings held during Financial Year 2023-24.

The Composition of Board as on March 31, 2024, and details of the Members participation at the Board Meeting are as under:

Attendance of Directors at Board meetings and Annual General Meeting

Board of Directors	April 06, 2023	April 24, 2023	May 19, 2023	August 12, 2023	October 17, 2023%	November 03, 2023	February 14, 2024	AGM - July 22, 2023	Held during tenure	Attended	% of attendance
Mr. H M Nerurkar*	Attended	Attended through Video Conferencing	Attended	Attended	Attended	NA	NA	Attended	5	5	**100.00**
Mr. D Sundaram*	Attended	Attended through Video Conferencing	Attended	Attended	Attended	Attended	Attended	Attended through Video Conferencing	7	7	**100.00**
Mr. Promeet Ghosh$	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	7	7	**100.00**
Mr. Shantanu Khosla@	Attended	Attended	Attended	Attended	Attended	Leave of Absence	Attended	Attended	7	6	**85.71**
Mr. Mathew Job#	Attended	Attended	NA	NA	NA	NA	NA	NA	2	2	**100.00**
Mr. P R Ramesh	Attended	Leave of Absence	Attended	Attended through Video Conferencing	Attended	Attended	Attended	Attended through Video Conferencing	7	6	**85.71**
Mr. P M Murty	Attended	Attended through Video Conferencing	Attended	Attended	Attended through Video Conferencing	Attended	Attended	Attended through Video Conferencing	7	7	**100.00**
Ms. Smita Anand	Attended	Leave of Absence	Attended	Attended	Attended	Attended	Attended	Attended through Video Conferencing	7	6	**85.71**
Ms. Hiroo Mirchandani	Attended through Video Conferencing	Attended through Video Conferencing	Attended	Attended	Attended	Attended	Attended	Attended through Video Conferencing	7	7	**100.00**
Mr. Anil Chaudhry**	NA	NA	NA	NA	Attended	Attended through Video Conferencing	Attended	NA	3	3	**100.00**
Mr. Sanjiv Kakkar**	NA	NA	NA	NA	Attended	Attended through Video Conferencing	Attended	NA	3	3	**100.00**
% of attendance	**100**	**87.50**	**100**	**100**	**100**	**88.89**	**100**	**100**			

Attended, Leave of Absence, Attended through Video Conferencing

%Board Meeting held on October 17, 2023, was adjourned to October 18, 2023.

*Mr. H M Nerurkar, Chairman of the Board, retired w.e.f. October 20, 2023, pursuant to completion of his second term upon reaching the age of 75 (Seventy-Five) years.

*Mr. D Sundaram was appointed as the Chairperson of the Board w.e.f. October 21, 2023.

$Non-Executive & Non-Independent Director till April 23, 2023, appointed as an Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028, his appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

@Served as the Managing Director till April 30, 2023, and was subsequently elevated as Executive Vice Chairman w.e.f. May 1, 2023, to April 30, 2024, and then assumed the position of Non-Executive Vice Chairman w.e.f. May 1, 2024 till December 31, 2025.

#Resigned from the position of Executive Director w.e.f. April 24, 2023, and as the CEO w.e.f. of April 30, 2023.

**Appointed as Non-Executive Independent Director w.e.f. October 17, 2023.

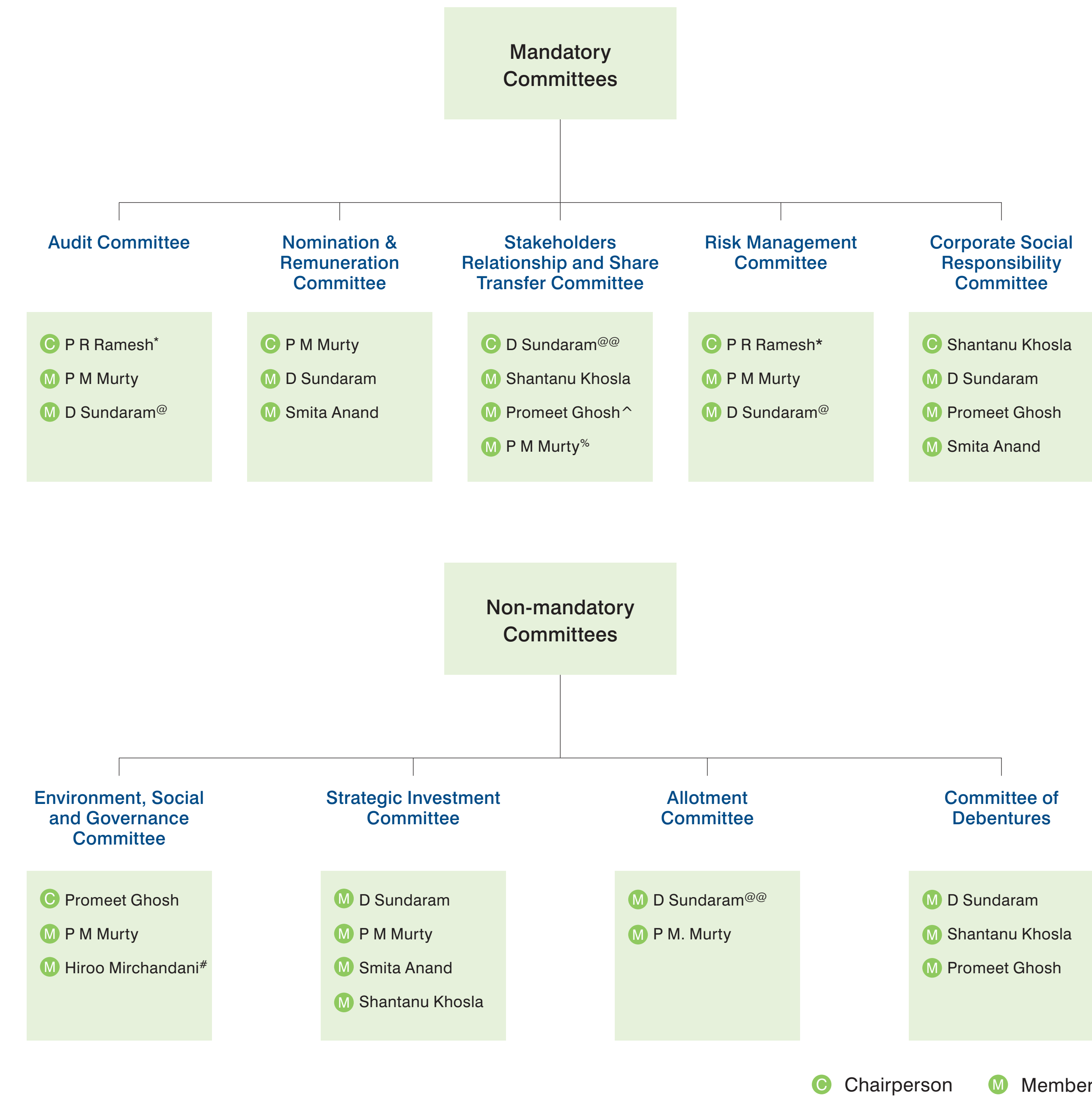
Non-attendance of Directors was on account of their pre-occupations.

COMMITTEES OF THE BOARD

The Board Committees plays a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities as mandated by applicable regulations/ laws. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. Each Committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support in enhancing the qualitativeness of the decisions making process of the Board. In order to strengthen governance, the Board has adopted terms of reference for majority of Committees of the Company. The Board reviews the functioning of these Committees from time to time.

The Meetings of each of these Committees are convened by the respective Chairman. The minutes of the Committee Meeting(s) are sent to all Members of respective Committees individually for their comments and approval as prescribed in SS-1 and after the minutes are duly approved, the same is being placed before the Board for its review in immediate next meeting.

The constitution, terms of reference and the functioning of the Committees of the Board as on March 31, 2024, is elaborated hereunder



^appointed as a member of SRC w.e.f. May 1, 2023.

appointed as a member w.e.f. May 1, 2023.

* appointed as the Chairperson of the Audit Committee and Risk Management Committee w.e.f. October 21, 2023.

@ ceased to be the Chairperson of the Audit Committee and Risk Management Committee but continues as a Member of both Committees.

@@appointed as the Chairperson of the SRC and as a Member of the Allotment Committee.

% appointed as a member of SRC w.e.f. October 21, 2023.

Note: Consequent to retirement upon attainment of age of 75 (Seventy-Five) years, Mr. H M Nerurkar ceased to be a Chairman and Member of the SRC as well as the Member of the Audit Committee, N&RC, RMC, Allotment Committee, and SIC, w.e.f. October 20, 2023.

AUDIT COMMITTEE

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the Members of the Committee including the Chairman are Independent Directors. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the SEBI Listing Regulations. All the members of the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. As on March 31, 2024, the total strength of the Audit Committee is 3 (Three) Member(s), all of whom are Independent Directors.

Consequant to retirement upon attainment of age of 75 (Seventy-Five) years, Mr. H M Nerurkar ceased to be the Member of the Committee w.e.f. October 20, 2023.

Mr. D Sundaram ceased to be the Chairman of the Committee and Mr. P R Ramesh was appointed as the Chairman of the Committee w.e.f. October 21, 2023.

The Audit Committee acts as a link between the statutory and internal auditors and the Board. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Board has appointed M/s. Grant Thornton Bharat LLP as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company.

The periodical reports of the said Internal Auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

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

Meetings of the Audit Committee are also attended by the other Directors, CFO, Vice President - Finance, Head Audit - Risk & Control. The representatives of the Statutory Auditors have attended all the meeting(s) held during the year at which Financial Statements have been placed for review and approval. The representatives of Internal Auditors and Cost Auditors are invited to attend the meetings at which their respective reports are presented for discussion. The Company Secretary acts as the Secretary to the Audit Committee.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

The Audit Committee also meets the Internal Auditors, Statutory Auditors and Secretarial Auditors without the presence of the management.

Terms of reference of Audit Committee are

A. General

(i) Develop, with the appropriate assistance from the statutory auditors, the internal auditors and management, an annual audit plan, internal audit plan and other plans/ matters to be reviewed as part of the responsibilities of the Committee.

(ii) Perform such other role as mandated to the Committee by the Board of Directors and under the applicable rules/ regulations/ laws.

B. Financial Reporting and Financial Reporting Processes

(i) Oversight of the Company's financial reporting process and the disclosure of financial statements/ results and information submitted to the stock exchanges, regulatory authorities or the Members to ensure that the financial statement reflect a true and fair view correct and the same time sufficient and credible.

(ii) Review with management the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause(c) of sub-Section 3 of Section 134 of the Act.

b) Changes, if any, in the accounting policies and reasons for the same.

c) Major accounting entries involving estimates based on the exercise of the judgment by the management.

d) Significant adjustments, if any, made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements concerning financial statement.

f) Disclosure of any RPTs.

g) Qualification/ modified opinion, if any, in draft audit report.

(iii) Review accounting adjustments, if any, that are noted or proposed by the statutory auditors but were 'passed' (as immaterial or otherwise).

(iv) Scrutiny of inter-corporate loans and investments.

(v) Valuation of undertakings or assets of the Company, wherever it is necessary.

(vi) Monitoring the end use of funds raised through public offers/ private placements/ debt issues and related matters.

(vii) Review with the management the quarterly financial statements before submission to the Board for approval.

(viii) Review of the management Discussion & Analysis of financial condition and result of operations.

(ix) Consider and discuss with the statutory auditors its judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting with reference to Generally Accepted Accounting Principles in India.

(x) Review details of significant transactions/ investments by the subsidiaries.

C. Risk management, Internal Control and Governance Processes

(i) Review and discuss with management the adequacy of the Company's system of business risk assessment including the risk of fraud. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

(ii) Review and discuss with the statutory auditors, the internal auditors and management the adequacy and effectiveness of the Company's system of internal controls.

(iii) Review any material defalcations or acts of fraud/ misconduct as reported by the RMC.

D. Statutory Audit

(i) Recommend to the Board the appointment, re-appointment, terms of reference and, if required the replacement or removal of the Statutory Auditors, Cost Auditors and Secretarial Auditors considering their independence and effectiveness and also recommend the audit fees.

(ii) Give approval of all auditing and permissible non-auditing services (services other than those services which cannot be rendered by the Statutory Auditors as per Section 144 of the Act) to be rendered by the Statutory Auditors and determining the remuneration for all such services.

(iii) Annual review and discuss with the Statutory Auditors all significant relationships that they have with the Company or any of its related parties to determine the auditors' independence.

(iv) Review the performance of the Statutory Auditors.

(v) Review and discuss the nature and scope of the Statutory Auditors before audit commence, annual audit as well as post-audit discussion with the Auditors to ascertain any area of concern.

(vi) Mandatory review of management Letters/ letters of internal control weaknesses and any significant findings and recommendations issued by the Statutory Auditors together with management's response thereto.

(vii) Following completion of the annual audit, review and discuss with the Statutory Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(viii) Meet separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed separately.

(ix) Review the annual Cost Audit report submitted by the Cost Auditors.

E. Internal Audit

(i) Review the Internal Audit scope and recommend changes, if any.

(ii) To approve appointment, removal and terms of remuneration of Chief Internal Auditor.

(iii) Review with the management the performance of the internal auditors and adequacy of the internal controls.

(iv) Consider and approve, in consultation with the Statutory Auditors and the Head of Internal Audit, the annual scope and plan of the Company's Internal Audit and any significant changes thereto.

(v) Review the adequacy of the Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(vi) Review with the Internal Auditor and the Statutory Auditors the co-ordination of audit efforts to assure adequacy of coverage, reduction of redundant efforts and the effective use of audit resources.

(vii) Review Internal Audit reports relating to internal control weaknesses.

(viii) Review any significant findings and recommendations of Internal Audit, together with management's responses thereto.

(ix) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of an internal control system of a material nature and reporting the matters to the Board. Review with the Internal Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(x) Meet separately with the Chief Internal Auditor to discuss any matters that the Committee or the Chief Internal Auditor believes should be discussed separately.

F. Other Responsibilities

(i) (a) Approval of RPTs or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPTs subject to conditions specified in Regulation 23 of Listing Regulations.

(b) Review of RPTs on a quarterly basis.

(ii) Review of internal control systems, policies and procedures under SEBI PIT Regulations as amended from time to time.

(iii) Review of key new developments in Tax, Incentive and Legal matters.

(iv) Perform other activities as required by law or determined by the Board.

(v) Approval of appointment of CFO after assessing his qualification, experience & background etc.

(vi) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter.

(vii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(viii) Institute and oversee special investigations as needed.

(ix) Periodically report to the Board or Committee of the Board *inter alia* all significant matters that have come to the knowledge of the Committee, covering internal controls, financial statements, policies and statutory/ regulatory compliances.

(x) Consider and comment on rational, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., in the listed entity and its Members.

(xi) Confirm annually that all responsibilities outlined in this Charter have been carried out by the Committee.

(xii) Self-evaluation of the Committee's performance once every year.

G. Vigil Mechanism

To oversee and review the Vigil Mechanism/ Whistle Blower function established by the Company to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company's Code of Conduct.

The Company will provide adequate safeguards against victimisation of persons who use this mechanism. Such persons shall have direct access to the Chairman of the Audit Committee when appropriate.

Activities of the Committee during the year	Frequency
Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible	Quarterly
Reviewing and examining with management, the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval	Quarterly
Reviewing management discussion and analysis of financial condition and results of operations	Annually
Recommending the remuneration of Statutory Auditors of the Company and approval for payment of any other services	Annually
Reviewing and monitoring the Statutory Auditor's independence and performance and effectiveness of audit process	Annually
Reviewing, approving or subsequently modifying any RPTs in accordance with the Related Party Transaction Policy of the Company	Quarterly
Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues	Quarterly
Reviewing management letters/ letters of internal control weaknesses issued by the Statutory Auditors	Quarterly
Evaluating internal financial controls and risk management systems	Quarterly
Verifying that the systems for internal controls in relation to SEBI PIT Regulations are adequate and are operating effectively	Quarterly & Annually
Reviewing the functioning of the Code of Business Principles and Vigil Mechanism	Annually
Recommending the appointment and the remuneration to be paid to the Cost Auditor	Annually
Undertake an annual performance evaluation of its own effectiveness	Annually
The annual assessment of statutory and internal auditors conducted by the management	Annually

There were 5 (Five) Audit Committee Meetings held during Financial Year 2023-24.

The Composition of Audit Committee as on March 31, 2024, and details of the Members participation at the Meeting are as under:

100%	5	100%	3
Independence	Meetings	Attendance	Members

Name	Designation	Meeting Date									Held during tenure	Attended	% of attendance
		May 18, 2023	May 19, 2023[1]	Aug 11, 2023	Aug 12, 2023[2]	Nov 02, 2023	Nov 03, 2023[3]	Feb 13, 2024	Feb 14, 2024[4]	Mar 18, 2024			
Mr. P R Ramesh#	Chairperson	👤	👤	🎥	🎥	👤	👤	👤	👤	🎥	5	5	100
Mr. D Sundaram$	Member	👤	👤	👤	👤	👤	👤	👤	👤	🎥	5	5	100
Mr. P M Murty	Member	👤	👤	👤	👤	👤	👤	👤	👤	🎥	5	5	100
Mr. H M Nerurkar*	Member	👤	👤	👤	👤	NA	NA	NA	NA	NA	2	2	100

👤 Attended, 🎥 Attended through Video Conferencing

The intervening period between 2 (Two) consecutive Audit Committee meetings was well within the maximum allowed gap of 120 (One Hundred and Twenty Days) days.

#Appointed as the Chairman w.e.f. October 21, 2023.

*Ceased to be a Member of Audit Committee w.e.f. October 20, 2023.

$Ceased to the Chairman and continues as a Member of the Audit Committee w.e.f. October 21, 2023.

These meetings were adjourned to the next day for consideration of financial results, as applicable

[1]Audit Committee Meeting held on May 18, 2023, was adjourned to May 19, 2023.

[2]Audit Committee Meeting held on August 11, 2023, was adjourned to August 12, 2023.

[3]Audit Committee Meeting held on November 02, 2023, was adjourned to November 03, 2023.

[4]Audit Committee Meeting held on February 13, 2024, was adjourned to February 14, 2024.

NOMINATION AND REMUNERATION COMMITTEE ("N&RC")

The N&RC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 18 of the SEBI Listing Regulations. The N&RC is governed by a Charter in line with the Act and the SEBI Listing Regulations. As on March 31, 2024, the total strength of the N&RC was 3 (Three) Members, all of whom were Non-Executive Independent Directors of the Company. The Chairman of the Committee is an Independent Director and all the Members of the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does nor chair the Committee. N&RC also transacted some of the business under its terms of reference by passing resolution(s) by circulation during the year under review.

Pursuant to the appointment of Mr. Promeet Ghosh as Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, he ceased to be the member of N&RC w.e.f. May 1, 2023.

Consequant to retirement upon attainment of age of 75 (Seventy-Five) years, Mr. H M Nerurkar ceased to be the Member of the Committee w.e.f. October 20, 2023.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

The Chief Human Resources Officer **("CHRO")**, MD & CEO, and CFO also attends the meetings wherever required for discussion of certain items.

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

The N&RC is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors, KMPs and Senior management. The N&RC is also responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The Committee also anchored the performance evaluation of the Individual Directors.

Selection and appointment of new Directors

The Board delegates the screening and selection process to the N&RC, which consists exclusively of Independent Directors.

The Committee, based on defined criteria, as laid out in the Nomination and Remuneration Policy, presents a diverse slate of recommendations of eligible candidates to the Board.

The Board recommends the appointment of the Director to the Members.

The proposal is submitted to Members for approval, which must be obtained either at the next general meeting or within three months of appointment, whichever is earlier.

Succession Planning

The Company believes that succession planning is imperative for a Company's continuity and sustainability. Succession Planning is a critical element of the human resources strategy at the Company. It strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. As part of the Company's talent review process, individual development plans are discussed on an annual basis, and key talent are identified for potential higher roles in the future. Further, annual feedback process enables employees identify strengths and areas of development to scale up their leadership capacity. As nurturing talent is integral to the Company's culture, SMPs is also involved in mentoring to build a stronger succession pipeline. Potential successors for each of the key roles is identified through personal development planning process and a robust development plan is defined by CHRO. The Company has established a well-defined process for the same which includes data-driven tools such as Leading Edge Potential Assessment Processes, 360-degree feedback process, Leadership Development programs in collaboration with reputed Business Schools. N&RC plays a pivotal role in identifying successors to the members of the Board and invests substantial time with the MD & CEO on succession planning of KMPs and SMPs. The succession planning is closely aligned with the strategy and long-term needs of the Company. The succession planning and depth of talent for KMPs and SMPs is also reviewed by N&RC.

NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy formulated as per the provisions of the Act and the SEBI Listing Regulations. The Policy outlines the role of N&RC and the Board, *inter alia*, determining the criteria for Board membership, approving, and recommending compensation packages and policies for Directors and SMPs and lay down the effective manner of performance evaluation of the Board, its Committees, and the Directors.

Terms of reference of N&RC are

a) Review the Succession Policy of the Company under the overall guidance of the Board of Directors and succession policy of the Company.

b) Devise a policy on Board Diversity, if required.

c) Formulate criteria for determining qualifications, attributes and Independence of a Director.

d) Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal.

e) Formulate the criteria for evaluating the performance of the Independent Directors/ Board.

f) Formulate a policy relating to the remuneration for the Directors, KMPs and SMPs.

g) Identify individuals for appointment as KMP and who may be appointed in senior management, recommend to the Board their appointment and removal. The Committee may consider any recommendations made by the Board and/ or parent company in this regard.

h) Specify the manner for effective evaluation of performance of Board, its committees, individual Directors and review its implementation and compliance.

i) Review the performance evaluation of the Directors and KMP.

j) Administration of the Employee Stock Option Schemes (ESOS).

k) Recommend to the Board, all remuneration, in whatever form, payable to SMPs.

l) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required;

ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates.

Activities of the Committee during the year	Frequency
The Committee made regular reports to the Board regarding its actions and made recommendations to the Board, as appropriate	Periodically
Determine/ recommend the criteria for appointment of Directors, Members of KMPs and SMPs	Periodically
Identify candidates who are qualified to become Directors and who may be appointed on the management Committee, or as a KMPs	Periodically
Evaluate the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required for Independent Director(s)	Annually
Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.	Annually & Event based for ESOPs
Specifying methodology for effective evaluation of performance of Board/ Committees of the Board and review the terms of appointment of Independent Director(s) on the basis of the report of performance evaluation of the Independent Director(s)	Annually
Review of the succession plans for key leadership positions, and helped to shape and monitor the development plans of the key leadership	Annually
Recommend to the Board, all remunerations, in whatever form, payable to SMPs	Annually
Review and recommend to the Board candidates for election as members to the Board Committees and for the election as chairman for each Board Committee from the appointed members of the Board Committee	Periodically
Approval and grant of stock incentives to eligible employees of the Company during the year under the various ESOP scheme of the Company	Periodically
Undertake an annual performance evaluation of its own effectiveness	Annually
Review, approve and recommend amendments to the N&RC Charter and policy	Periodically

There were 5 (Five) N&RC Meetings held during Financial Year 2023-24.

The Composition of N&RC as on March 31, 2024, and details of the Members participation at the meeting(s) of the Committee are as under:

100% Independence

5 Meetings

96% Attendance

3 Members

Name	Designation	Meeting Date							
		Apr 24, 2023	May 18, 2023	Oct 17, 2023	Nov 03, 2023	Feb 13, 2024	Held during tenure	Attended	% of attendance
Mr. P M Murty	Chairman	Attended through Video Conferencing	Attended	Attended through Video Conferencing	Attended	Attended	5	5	100
Mr. D Sundaram	Member	Attended through Video Conferencing	Attended	Attended	Attended	Attended	5	5	100
Mr. H M Nerurkar[@]	Member	Attended through Video Conferencing	Attended	Attended	NA	NA	3	3	100
Mr. Promeet Ghosh[$]	Member	Attended	NA	NA	NA	NA	1	1	100
Ms. Smita Anand	Member	Leave of Absence	Attended	Attended	Attended	Attended	5	4	80

Attended, Leave of Absence, Attended through Video Conferencing

[$]Ceased to be a member w.e.f. May 1, 2023.

[@]Ceased to be a member w.e.f. October 20, 2023.

Non-attendance of Directors was on account of their pre-occupations.

STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

The SRC oversees the various aspects of interests of security holders of the Company, resolving the grievances of Members, ensuring expeditious share transfer process in line with the proceedings of the SRC, evaluating performance and service standards of the RTA of the Company and recommends measures for overall improvement of the quality of investor services as and when the need arises. As on March 31, 2024, the total strength of the SRC is 4 (Four) Members, which consists of Executive Director and Independent Directors and fulfills the criteria of composition as per Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The SRC is governed by a Charter which in line with the Act and the SEBI Listing Regulations. Mr. Promeet Ghosh was appointed as a Member of SRC w.e.f. May 1, 2023.

Consequant to retirement upon attainment of age of 75 (Seventy-Five) years, Mr. H M Nerurkar ceased to be the Chairman and Member of the Committee w.e.f. October 20, 2023.

The Executive Director, MD & CEO, and CFO also attended the Meeting during the previous Financial Year.

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

SEBI had issued guidelines and undertook a number of measures for raising industry standards for RTA to facilitate effective Members service. In order to ensure compliance with various guidelines and measures issued by SEBI to improve investor services, the Company has amended the existing agreement with RTA and made the timelines more stringent as compared to the statutory timelines.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

Terms of reference for SRC are

a) To review the steps taken to resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.

b) To review the measures taken for effective exercise of voting rights by Members.

c) To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA.

d) To review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the Members of the Company.

e) To approve issue of duplicate share certificates for shares reported lost, defaced or destroyed as per the laid down procedure.

f) To issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates.

g) To issue and allot right shares/ bonus shares pursuant to Rights Issue/ Bonus Issue subject to such approval as may be required.

h) To monitor dematerialisation of shares and all matters incidental or related thereto.

i) To authorise the Company Secretary & Compliance Officer/ other officers of the Share Department to attend to take such actions as necessary or deemed fit by the Committee for any matter and to monitor action taken.

j) To monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors.

k) Review of transfer of unpaid/ unclaimed dividend/ shares to the Investor Education and Protection Fund of the Government of India in line with the relevant applicable laws.

l) All other matters incidental or related to shares of the Company.

m) Perform such other functions as may be required by law, the Company's Articles of Association or as may be assigned by the Board of Directors.

There was 1 (One) SRC Meeting held during the Financial Year 2023-24.

The Composition of SRC Committee as on March 31, 2024, and details of the Members participation at the Meeting are as under:

50% Independence

1 Meeting

75% Attendance

4 Members

Name	Designation	Meeting Date			
		Nov 02, 2023	Held during tenure	Attended	% of attendance
Mr. D Sundaram*	Chairman#		1	1	100
Mr. Shantanu Khosla	Member		1	0	0
Mr. Promeet Ghosh$	Member		1	1	100
Mr. P M Murty@	Member		1	1	100

Attended, Leave of Absence,

*Appointed as the Chairman w.e.f. October 21, 2023

@Appointed as a Member w.e.f. October 21, 2023

$Appointed as a Member w.e.f. May 1, 2023

#Mr. H M Nerurkar ceased to be Chairman and Member w.e.f. October 20, 2023

Non-attendance of Directors was on account of their pre-occupations

During the year, 4 (Four) complaints were received from the Members, which have been attended/ resolved to the satisfaction of the Members.

The details of the request/ complaints are as under:

Quarter ended	Requests received	Complaints Received
June 2023	1579	Nil
September 2023	1225	2
December 2023	1060	2
March 2024	1007	Nil

Communications sent to Members

Your Company has sent following communication to its Members

Month	Purpose	No of Members
May 2023	Furnishing of KYC details & nomination by physical Members as per the SEBI circular dated March 16, 2023 vide circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37	5,556
October 2023	Online Dispute Resolution **("ODR")** mechanism to facilitate online resolution all kinds of disputes arising in the Indian securities market	2,51,364

Further, the Company has as a measure of good corporate governance, initiated dissemination of the quarterly results and details of earning call/ investor analyst meet through an e-mail to all the Members of the Company from the quarter ended June 30, 2023, and onwards.

Additionally, the Company also disseminates the details earning calls to stock exchanges along with audio recording and transcript of such calls as per the statutory timelines. The same is also uploaded on the website of the Company at https://www.crompton.co.in/pages/financial-reports

Quarterly and annual financial statements, standalone and consolidated, along with segmental information, are also posted on the website of the Company at https://www.crompton.co.in/pages/financial-reports

SRC report for the Financial Year ended March 31, 2024

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

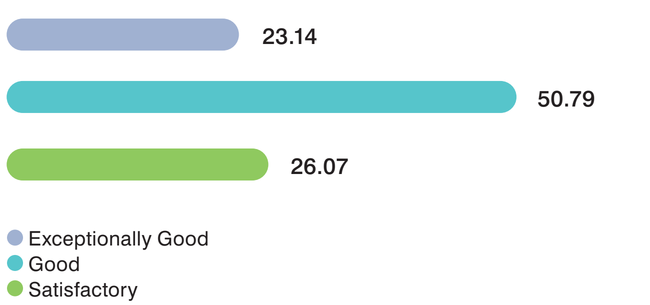
Members Satisfaction Survey:

The Company had in November 2023, conducted a Members Satisfaction Survey with the participation of 249 (Two Hundred and Forty Nine) Members using a feedback questionnaire that focused on areas enumerated below as a measure of implementation of good corporate governance practices and in order to identify the areas for enhancement.

1. Level of satisfaction while interacting with the KFin Technologies Limited, RTA;
2. Level of satisfaction while interacting with the Secretarial Team of the Company;
3. Response time taken in addressing Investor's Queries;
4. Receipt of various documents by the Company i.e., Integrated Annual Report, ECS Intimation, Share Certificates;
5. Processing time being taken for transfer/ transmission of shares;
6. Quality, content, and presentation of Integrated Annual Report for the Financial Year 2022-23;
7. Completeness, quality, and relevance of information on company's website and its 'Investors' section;
8. Dissemination of information about the company by way of press release, Members communication, newspaper advertisement and website etc.;
9. Overall assessment of Members service standards of the Company.

The Company attained an overall satisfaction score which is further demonstrated in a chart below:

Members Satisfaction Survey (%)



CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and CSR activities to be undertaken by the Company, recommending the amount of expenditure to be incurred and reviewing the performance of the Company in the areas of CSR and to strive for overall sustainable development in the conduct of Company's business. The total strength of the CSR Committee is 4 (Four) Members. The Act requires at least one of the Member to be an Independent Director and the Company has complied with the same.

Consequant to retirement upon attainment of age of 75 (Seventy Five) years, Mr. H M Nerurkar ceased to be the Member of the Committee w.e.f. October 20, 2023.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

Terms of reference of CSR Committee are

a) To review from time to time the CSR policy of the Company and to ensure that the CSR policy is in line with Schedule VII of the Act as amended from time to time.

b) To review CSR projects with a view to ensure that they are in line with CSR objectives and CSR Policy of the Company.

c) To ensure that the Company's overall business strategy reflects its long-term objectives on CSR.

d) To consider and recommend the Board and the management on various CSR projects to be implemented by the Company either directly or through the Crompton CSR Foundation **("CCF")**, established for this purpose in furtherance of its social obligations.

e) The Committee shall formulate and monitor the implementation of the CSR annual action plan, in accordance with the Company's CSR policy and provisions of applicable laws from time to time. The Committee shall recommend the CSR annual action plan and any modification(s) thereto during the Financial Year, for the approval of the Board from time to time.

f) To prepare budget and recommend to the Board the amount of expenditure to be incurred on various CSR programmes/ activities either directly or through the CCF or any other trusts/ Company registered under Section 8 of the Act (considering criteria given)/ registered society.

g) Modalities of utilisation of CSR funds.

h) Monitor and report to the Board of the projects/ programmes undertaken by the Company.

i) To oversee impact assessment of CSR projects of the Company and place before the Board.

j) To advise the Board on significant stakeholder concerns relating to CSR.

k) To review and recommend to the Board for its approval any other reporting on CSR.

l) Such other related matters which the CSR Committee may deem appropriate, required by law or assigned to the Committee by the Board from time to time.

The Executive Director, MD & CEO, and CFO also attended the meeting(s) during the previous Financial Year.

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

50%	2	100%	4
Independence	Meetings	Attendance	Members

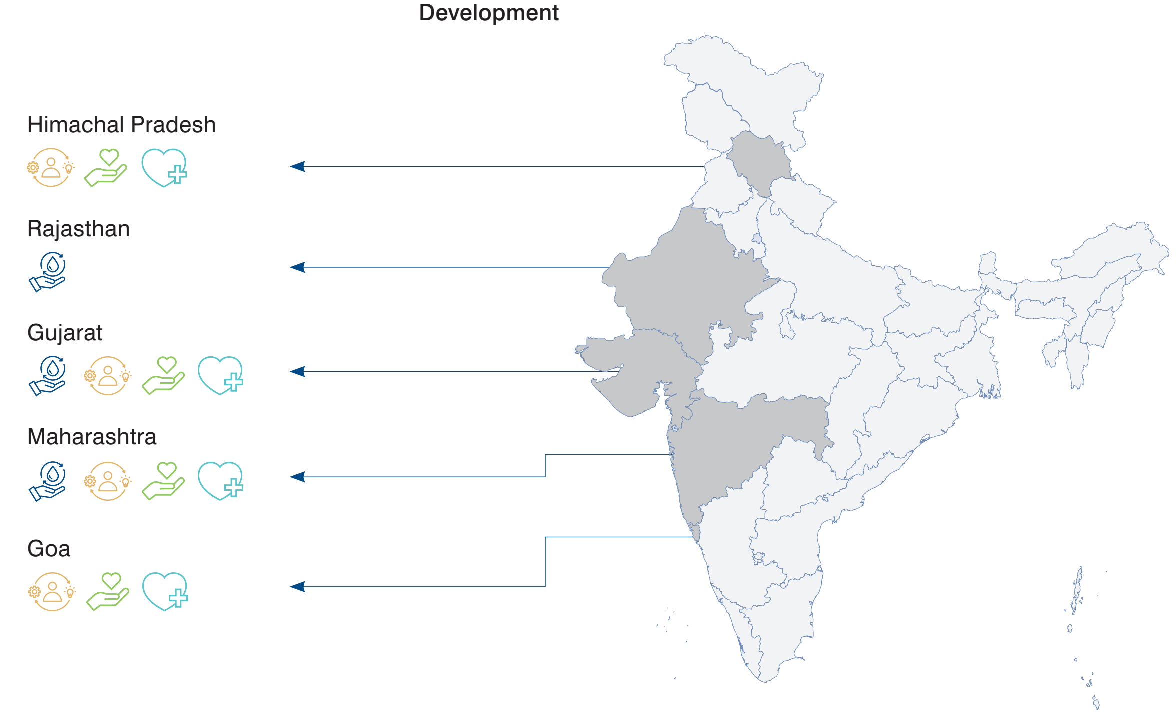
Name	Designation	Meeting Date				
		May 18, 2023	Feb 13, 2024	Held during tenure	Attended	% of attendance
Mr. Shantanu Khosla	Chairman	👤	👤	2	2	100
Mr. H M Nerurkar*	Member	👤	NA	1	1	100
Mr. D Sundaram	Member	👤	👤	2	2	100
Mr. Promeet Ghosh	Member	👤	👤	2	2	100
Ms. Smita Anand	Member	👤	👤	2	2	100

👤 Attended

*Ceased to be a Member w.e.f. October 20, 2023.

The geographic bifurcation of CSR projects as approved by the Committee is as below:

Water Conservation | Skill And Entrepreneurship Development | Community Care | Crompton Care



RISK MANAGEMENT COMMITTEE ("RMC")

The Company has implemented a Comprehensive Risk Management Policy and a robust Internal Control framework to identify and monitor any risks or instances of fraud in the Company, both the Internal Risk and Control matrix defined across the key process areas, are updated periodically, and tested for effectiveness to monitor risks, ensure fraud prevention and avoid resulting material misstatement to ensure it achieves its strategic objectives and sustainable goals. The Company adopts both bottom-up and top-down approaches, covering the entire organisation to enable informed decision-making through risk assessment and management at all levels of the organisation. The Company's Enterprise Risk Management **("ERM")** framework helps it attain its targets and goals sustainably and profitably.

The Company's RMC Committee, chaired by an Independent Director, reviews identified risks bi-annually and guides the ERM head, who collaborates closely with business and functional teams to identify, monitor, and execute agreed-upon risk responses. Meanwhile, the Risk Council, comprising senior functional leadership, reviews the major risks identified by the business and the status of mitigation actions, systematically. Moreover, the Board's RMC oversees Company's Risk management Policy, framework, and process, as well as the risk management structure and risk mitigation system. The Audit Committee ensures additional oversight on financial risks and the effectiveness of process controls.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

The Company has a robust Risk Management Policy and Internal Control framework and process to identify and monitor any risks or instances of fraud in the Company. The Risk Management Policy of the Company articulates the Company's approach to address uncertainties in its endeavours to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk management.

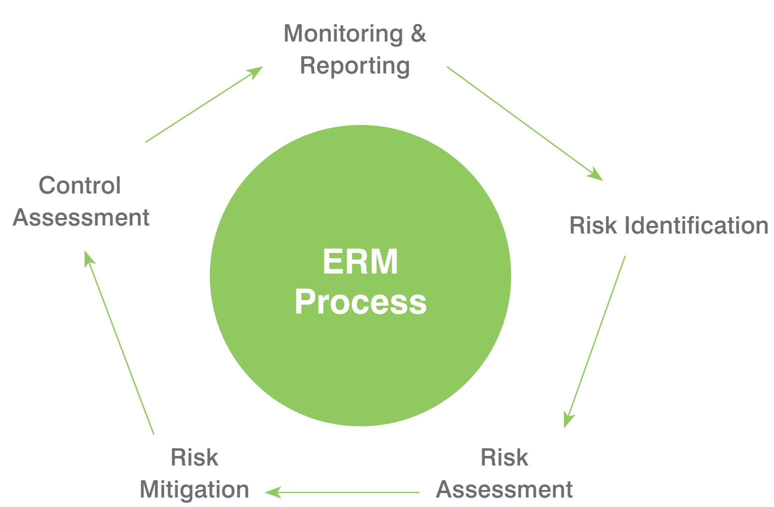
Internal Risk and Control matrix defined across key process areas, are periodically updated and tested for effectiveness to monitor risks, ensure fraud prevention and avoid resulting material misstatement. Below is the process:

- Monthly reviews are conducted at both - location and function levels, and includes trend monitoring, exceptions, root causing and tracking of actions taken/ underway. There is also an involvement of senior leadership as well, in key areas of Revenue, Margins, Working capital, Quality, Service etc.
- The organisational hierarchy and operational ways of working followed at each team level ensures the supervision and monitoring process. In addition, the data protection tools implemented by the Company help in data integrity.

Governance

Board of Directors | Risk Management Committee | Functional Leadership Members

Integrated Risk Management Framework



Furthermore, the Company has constituted RMC, in line with the SEBI Listing Regulations.

As on March 31, 2024, the Committee comprise of 3 (Three) Members, all are Members of the Board and Independent Directors, which is in compliance with Regulation 20 of the SEBI Listing Regulations.

Consequant to retirement upon attainment of age of 75 (Seventy-Five) years, Mr. H M Nerurkar ceased to be the Member of the Committee w.e.f. October 20, 2023.

Mr. D Sundaram ceased to be the Chairman of the Committee and Mr. P R Ramesh was appointed as the Chairman of the Committee w.e.f. October 21, 2023.

The responsibility of the RMC is to monitor and review risk management plans of the Company and to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.

The role of RMC includes the implementation of Risk Management Systems and Framework, review of the Company's financial and risk management policies, assess risk and formulate procedures to minimise the same.

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

The Risk Management Policy of the Company has been uploaded on the Company's website at https://reports.crompton.co.in/shopify/public/files/SqLFuZNXly_Risk-Management-Policy-1.pdf

Terms of reference for RMC are

i) To periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard.

ii) To formulate a detailed Risk Management Policy which shall also include:
   - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
   - The measures for risk mitigation including systems and processes for internal control of identified risks; and
   - Business continuity plan.

iii) To review the Risk management Policy periodically, considering the changing industry dynamics and evolving complexity.

iv) To monitor and oversee the implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.

v) To formulate and ensure that appropriate methods, processes and systems are in place to monitor and evaluate the risks associated with the business of the Company.

vi) To periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

vii) To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).

viii) To coordinate its activities with the other Committee(s) formed by the Board, in instances where there is any overlap with any of the activities (e.g., internal or external audit issue relating to risk management policy or practice).

ix) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

x) The RMC may form and delegate authority to sub-committees when appropriate.

xi) To make regular reports to the Board, including with respect to risk management and minimisation procedures along with its recommendations.

xii) To approve the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) which shall be subject to review by the Risk Management Committee.

xiii) The RMC shall evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner.

xiv) To approve the Risk Management Framework of the Company periodically.

xv) Nurture a healthy and independent risk management function in the Company.

xvi) Help to set the tone and develop a culture of the enterprise vis-à-vis risk, promote open discussion regarding risk, integrate risk management into the organisation's goals and compensation structure, and create a corporate culture such that people at all levels manage risks rather than reflexively avoid or heedlessly take them.

xvii) Monitor the organisation's risk profile - its on-going and potential exposure to risks of various types.

xviii) Review and confirm that all responsibilities outlined in the charter have been carried out.

xix) The role and responsibilities of the RMC shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

There were 3 (Three) RMC Meetings held during Financial Year 2023-24. The CFO, Vice President - Finance and Head Audit - Risk & Control also attended the meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

100%	3	100%	3
Independence	Meetings	Attendance	Members

Name	Designation	Meeting Dates					
		Jul 24, 2023	Jan 19, 2024	Mar 18, 2024	Held during tenure	Attended	% of attendance
Mr. D Sundaram#	Chairman	🎥	🎥	🎥	3	3	100
Mr. H M Nerurkar*	Member	👤	NA	NA	1	1	100
Mr. P M Murty	Member	🎥	🎥	🎥	3	3	100
Mr. P R Ramesh@	Member	🎥	🎥	🎥	3	3	100

👤 Attended 🎥 Attended through Video Conferencing

#Ceased to the Chairman and continued as a Member of the Audit Committee w.e.f. October 21, 2023.

*Ceased to be a Member of Audit Committee w.e.f. October 20, 2023.

@Appointed as the Chairman w.e.f. October 21, 2023.

The intervening period between 2 (Two) consecutive RMC meetings was within the maximum allowed gap of 180 (One Hundred and Eighty) days.

STRATEGIC INVESTMENT COMMITTEE

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

The minutes of the meetings of the Committee are placed before and noted by the Board.

The Composition of SIC as on March 31, 2024, is as under:

Name	Designation
Mr. D Sundaram	Member
Mr. P M Murty	Member
Mr. Shantanu Khosla	Member
Ms. Smita Anand	Member

Mr. Mathew Job and Mr. H M Nerurkar ceased to be member of the SIC Committee w.e.f April 24, 2023, and October 20, 2023, respectively.

ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE

The Board of the Company constituted the ESG Committee with an objective of supporting its ongoing commitment to environment, health and safety, social responsibility, governance and sustainability matters.

The minutes of the meetings of the Committee are placed before and noted by the Board.

The Composition of ESG Committee as on March 31, 2024, is as under:

Name	Designation
Mr. Promeet Ghosh	Chairman
Mr. P M Murty	Member
Ms. Hiroo Mirchandani*	Member

*Appointed as a member w.e.f. May 1, 2023.

Mr. Mathew Job ceased to be a member of ESG Committee w.e.f. April 24, 2023.

Terms of reference for ESG Committee are

A) Oversight of ESG Matters

The Committee will have, without limitation, the following duties and responsibilities:

- Recommend to the Board the Company's overall general strategy with respect to ESG Matters.
- Oversee the Company's policies, practices and performance with respect to ESG Matters.
- Oversee the Company's reporting standards in relation to ESG Matters.
- To set the tone and reinforce the culture within the Company regarding sustainability, promote open discussion and integrate ESG management into the Company's processes and goals.
- To assist in overseeing internal and external communications with employees, investors, customers, suppliers and other stakeholders regarding the Company's position on or approach to ESG matters, including by coordinating and reviewing, as appropriate, draft responses, reports or other disclosures to stakeholders.
- To consider the current and emerging ESG matters that may affect the business, operations, performance or public image of the Company.
- To maintain metrics, systems and procedures, as deemed necessary and appropriate, to monitor and track ESG matters.
- Report to the Board current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detail actions taken in relation to the same.

- Advise the Board on stockholder proposals and other significant stakeholder concerns relating to ESG Matters.
- Perform any other activities consistent with this Charter, the Company's Articles of Association and Memorandum of Association as this Committee or the Board may deem necessary, advisable or appropriate for the Committee to perform.

B) Report to the Board of Directors

The Committee must report regularly to the Board regarding the activities of the Committee.

ALLOTMENT COMMITTEE

The Board of the Company constituted the Allotment Committee for allotment of shares arising out of the exercise of stock options by Eligible Employees under various ESOP Scheme(s) of the Company.

The Composition of Allotment Committee as on March 31, 2024, is as under:

Name	Designation
Mr. D Sundaram*	Member
Mr. P M Murty	Member

Consequent to retirement upon attainment of age of 75 (Seventy- Five) years, Mr. H M Nerurkar ceased to be the Member of the Committee w.e.f. October 20, 2023.

During the year, the Allotment Committee has approved the allotment of 69,97,260 (Sixty Nine Lakh Ninety Seven Thousand Two Hundred and Sixty) shares arising out of the exercise of stock options by Eligible Employees.

COMMITTEE OF DEBENTURES

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

The Composition of Committee of Debentures as on March 31, 2024, is as under:

Name	Designation
Mr. D Sundaram	Member
Mr. Shantanu Khosla	Member
Mr. Promeet Ghosh	Member

During the year, your Company had paid a total interest of ₹ 69.20 Crore (Rupees Sixty-Nine Crore and Twenty Lakhs Only), towards NCDs as per the stipulated payment schedule, in the month of July, 2023 and January, 2024.

During the year, your Company has redeemed 3,250 Secured, Rated, Redeemable, Non-Convertible Debentures (**"NCDs"**) of a face value of ₹ 10,00,000 (Rupees Ten Lakhs Only) each aggregating to ₹ 325 Crore (Rupees Three Hundred and Twenty Five Crore Only) pursuant to its maturity.

Your Company has outstanding NCDs amounting to ₹ 600 Crore (Rupees Six Hundred Crore Only) as on March 31, 2024, which are listed on the National Stock Exchange of India Limited (**"NSE"**). The details of the NCDs are as follows:

Particulars	ISIN: INE299U07072 Series A	ISIN: INE299U07080 Series B
Particulars	ISIN: INE299U07072 Series A	ISIN: INE299U07080 Series B
Date of Allotment	July 22, 2022	July 22, 2022
Tenure	24 months	36 months
Amount	₹ 300 Crore	₹ 300 Crore
Month & Year of Repayment	July, 2024	July, 2025
Embedded option if any	January 22, 2024	July 22, 2024
Coupon Rate	7.40% p.a.	7.65% p.a.
Face Value	₹ 10,00,000	₹ 10,00,000
Rating at the time of issue	CRISIL AA+/ Stable	CRISIL AA+/ Stable
Rating at the end of March 31, 2024	CRISIL AA+/ Stable	CRISIL AA+/ Stable

COMMITTEE OF INDEPENDENT DIRECTORS

For the Board to exercise free and fair judgment in all matters related to the functioning of the Company as well as the Board, it is important for the Independent Directors to have meetings without the presence of the management. Schedule IV of the Act and the Rules thereunder mandates that the Independent Directors of the Company shall hold at least 1 (One) meeting in a Financial Year, without the attendance of Non-Independent Directors and Members of the management.

During the Financial Year 2023-24, the Independent Directors met twice. At such meetings, the Independent Directors, *inter alia*, discussed and reviewed the following:

- evaluation of the performance of Non-Independent Directors and the Board as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- evaluation of the quality, quantity and timelines of flow of information between the management and the Board that is necessary for the Board to perform their duties effectively and reasonably;
- performance of the Company and risks faced by it;
- leadership strengths and weaknesses;
- governance, compliance, Board movements, succession planning;
- human resources matters and the performance of the executive members of the Board, and the Chairman.

During the year under review, Board Evaluation process was carried out digitally to maintain confidentiality and anonymity of the responses.

As an outcome of the above process, individual feedback was shared with each Director.

The Committee of IDs constitutes 7 (Seven) Directors as on March 31, 2024, which are as follows:

Name	Designation	Meeting Date	
		Aug 11, 2023	Nov 03, 2023
Mr. H M Nerurkar#	Member	Attended	NA
Mr. D Sundaram	Member	Attended	Attended
Mr. P M Murty	Member	Attended	Attended
Mr. P R Ramesh	Member	Leave of Absence	Leave of Absence
Ms. Smita Anand	Member	Attended	Attended
Ms. Hiroo Mirchandani	Member	Attended	Attended
Mr. Anil Chaudhry*	Member	NA	Attended through Video Conferencing
Mr. Sanjiv Kakkar*	Member	NA	Attended through Video Conferencing

Attended   Leave of Absence   Attended through Video Conferencing

#Ceased to be a member w.e.f. October 20, 2023.

*Appointed as members w.e.f. October 17, 2023.

Non-attendance of Directors was on account of their pre-occupations.

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

In terms of the SEBI Listing Regulations, the Board confirm that during the year under review, it has accepted all recommendations received from its mandatory/ non-mandatory committees.

FAMILIARISATION PROGRAMME

Familiarisation Programme undertaken by the Company is detailed out under Board's Effectiveness section of the Board's Report which forms part of this Integrated Annual Report.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Performance Evaluation Criteria for Directors including Independent Directors is detailed out under Board's Effectiveness section of the Board's Report which forms part of this Integrated Annual Report.

SENIOR MANAGEMENT PERSONNEL(S) ("SMPs")

The Company identified following under category of SMPs, pursuant to the provisions of Regulation 16(1)(d) and Schedule V of the SEBI Listing Regulations. Details of SMPs as on March 31, 2024, and the changes thereunder during the year under review are as follows:

Sl. No.	Name of SMP(s)	Designation	Changes if any (Yes/ No)	Nature of change and effective date
1.	Mr. Amol Pitale	Chief Digital Officer	Yes	Resigned w.e.f. May 31, 2023
2.	Mr. Anand Kumar	Group Sales & Service Head (GSSH)	Yes	Appointed as Group Sales & Service Head w.e.f. April 30, 2023 (Earlier Business Unit Head Appliances)
3.	Mr. Kaleeswaran Arunachalam	Group Chief Financial Officer (Group CFO) & Head of Strategy	No	NA
4.	Mr. Manoj Kumar	Chief Supply Chain Officer	Yes	Appointed w.e.f. June 01, 2023
5.	Mr. Mathew Job	Executive Director and Chief Executive Officer	Yes	Resigned as CEO w.e.f. April 30, 2023
6.	Mr. Nitesh Mathur	Business Head – Built-in Kitchen Appliances	No	NA
7.	Ms. Pragya Bijalwan	Head – Marketing	No	NA
8.	Mr. Prasanth Nair	Chief Human Resources Officer (CHRO)	Yes	Appointed w.e.f. May 8, 2023
9.	Mr. Pravin Saraf	Head – Manufacturing, Planning, & Logistics	No	NA
10.	Mr. Rajat Chopra	Business Head – Home Electricals & Pumps	Yes	Appointed as Business Unit Head – Home Electricals w.e.f. April 10, 2024, in addition to his existing role as Business Unit Head - Pumps
11.	Ms. Rashmi Khandelwal	Company Secretary & Compliance Officer	No	NA
12.	Mr. Sachin Phartiyal	Business Unit Head – Home Electricals	Yes	Resigned w.e.f. April 09, 2024
13.	Mr. Sanjeev Agarwal	Chief Technology Officer (CTO) & Head – Innovation and ESG	Yes	Appointed as Head ESG w.e.f. May 29, 2023 (Earlier Chief Technology Officer (CTO) & Head –Innovation)
14.	Mr. Satyajit Mohanty	Chief Human Resources Officer (CHRO)	Yes	Resigned w.e.f. May 15, 2023
15.	Mr. Shaleen Nayak	Business Head – Lighting	No	NA
16.	Mr. Sunil Tolani	Group Sales & Service Head (GSSH)	Yes	Resigned w.e.f. April 30, 2023
17.	Mr. Vikram Sridharan	Chief Digital Officer	Yes	Appointed w.e.f. June 16, 2023
18	Mr. Vishal Kaul	Business Head – Lighting	Yes	Resigned w.e.f. April 30, 2023

Remuneration Framework for KMPs and SMPs

Remuneration Policy

In terms of Section 178 of the Act and corresponding provisions contained in the SEBI Listing Regulations, your Company has a well-defined Policy for Remuneration of the Directors, KMPs and other Employees.

The salient feature of the policy as follows:

- Matters to be dealt with, perused and recommended to the Board by the N&RC, which *inter alia* includes size and composition of Board, positive attributes of Directors, succession plans, evaluation of performance of every Director, Board diversity etc;
- Appointment and Removal of Directors, KMPs and SMPs;
- Remuneration for Directors, KMPs and SMPs;
- Formulation of criteria for evaluation of Independent Directors and the Board; and
- Devising a policy on Board diversity.

Furthermore, the performance pay to the Executive Directors of the Company is paid in accordance with the Variable Pay (Bonus) Policy of the Company, for the respective Financial Year and the same commensurates with the performance of the Company. A snapshot of the process of remuneration paid to the KMPs and SMPs is provided hereunder:

Defining Goals

The MD & CEO Officer meets the leadership team individually to determine the goals and priorities as set by the MD & CEO Officer of the Company. The LT deliberates on the previous year setbacks, identifies the root causes and highlight corrective action to ensure better outcome moving forward.

Monthly Business Review

The monthly reviews with the functional heads on one-to-one basis and with departmental heads collectively aims to highlight:

1. Key achieverments by the respective teams;
2. Challenges faced and support required by the cross-functional departments;
3. Operational and Financial Highlights;
4. Market Trends;
5. Consumer insights;
6. Peer Performance;
7. Future Plans.

Quarterly Board Meeting Update

The Board is presented on the quarterly performance covering below:

1. Achievements of the quarter;
2. Setbacks of the quarter;
3. Action plan for the forthcoming quarter

The Board reviews same and provide their valuable imputs wherever required.

Reviewing the goals at the year end

The rating of all the KMPs and Senior Management is determined by N&RC after due deliberations and considering performance of Company for the entire year thereby *inter alia* including revision(s) in the remuneration, if any, for the forthcoming Financial Year without the presence of management. The variable pay is divided as follows:

1. Company's Performance;
2. Function performance;
3. Individual Performance.

The methodology for determination of Company performance factor covers the achievement targets, revenue growth, operating margin, cash flow from operations, performance vs peers, and/ or such other parameters as decided by the N&RC.

The Nomination & Remuneration Policy is uploaded on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/Fj46RqOSbO_Nomination%20and%20Remuneration%20Policy.pdf

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

Following is the abridged summary of the criterion determining remuneration of the Executive and Non-Executive Directors:

1. The remuneration/ compensation/ commission etc. to Directors is determined by the N&RC and recommended to the Board for approval.
2. The remuneration to be paid to the MD & CEO is in accordance with the provisions of the Act, and the rules made thereunder.
4. Increments to the existing remuneration/ compensation structure is recommended by the N&RC to the Board which should be within the limits approved by the Members in the case of MD & CEO.
5. 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, then with the prior approval of the Central Government.
6. The remuneration is paid to the Executive Directors. Only sitting fees and commission is paid to Non-Executive Independent Directors.
7. The remuneration to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by Members, subject to the limit not exceeding 1% of the profits of the Company, computed as per the applicable provisions of the Act.
8. The Independent Directors are not entitled to any stock options of the Company.

Non-Executive Director's Remuneration

The Board has approved payment of sitting fees to the Non-Executive Directors, i.e. ₹ 50,000 (Rupees Fifty Thousand Only) for Board Meeting(s) and ₹ 30,000 (Rupees Thirty Thousand Only) for the Committee Meeting(s). Apart from payment of sitting fees, the Members at the 2nd AGM of the Company held on August 11, 2016, have also approved payment of commission to the Company's Non-Executive Directors, collectively, up to 1% of net profits, as permitted by the Act. Additional commission is paid to the Chairman of the Board, the Chairman of the Audit Committee and the Chairman of the N&RC for their enhanced roles and responsibilities as a Chairman. Further, the Members of the Company at the 8th AGM held on July 22, 2022, have approved the payment of Commission to the Non-Executive including Independent Directors, collectively upto 1% of the net profits, as permitted by the Act.

Executive Directors' Remuneration

As on March 31, 2024, Mr. Promeet Ghosh, MD & CEO and Mr. Shantanu Khosla, Executive Vice Chairman were the only Executive Directors on the Board of the Company. The annual remuneration package of Mr. Ghosh and Mr. Khosla (hereinafter collectively referred as "**Executive Directors**") constitutes a fixed salary component including a basket of allowances/ reimbursements; a variable pay component and stock options as approved by the N&RC and the Board of Directors, from time to time. The variable pay of the Executive Directors is paid annually which is determined by N&RC after factoring in the individual performance, i.e. KPIs achieved and the Company's performance. There is no claw back provision in the remuneration paid to the Executive Directors of the Company. In terms of applicable laws, there is no mandatory stock ownerships requirements for the Executive Directors in terms of laws applicable in India. Additionally, the Executive Directors are entitled to employee stock options under various ESOP Scheme(s) Schemes of the Company.

The remuneration paid to the Directors of the Company is in accordance with the provisions of the Act and does not exceed the thresholds specified in the Act and in Regulation 17(6)(ca) of the SEBI Listing Regulations.

None of the Directors of the Company have any pecuniary relationship with the Company apart from receiving remuneration.

In accordance with the SEBI Listing Regulations, no employee including KMPs or Director or Promoter of a listed entity, shall enter into any agreements for himself or on behalf of any other person, with any Members or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from Members by way of an ordinary resolution. No such instances were reported during the Financial Year ended March 31, 2024.

The details of the remuneration of Director(s) during Financial Year 2023-24 is given below:

(₹ In Crore)

Name of Director(s)	Salary and allowances	Variable Pay@	Perquisites	ESOP	Sitting Fees	Commission@	Total
Executive Directors							
Mr. Promeet Ghosh%	3.72	-	0.10	-	0.01	0.20	4.03
Mr. Shantanu Khosla*	4.53	4.57	0.03	44.56	-	-	53.69
Mr. Mathew Job#	1.09	3.39	0.00	57.04	-	-	61.52
Non-Executive Directors							
Mr. H M Nerurkar^	-	-	-	-	0.05	0.30	0.35
Mr. D Sundaram	-	-	-	-	0.09	0.25	0.34
Mr. P M Murty	-	-	-	-	0.08	0.25	0.33
Ms. Smita Anand	-	-	-	-	0.05	0.20	0.25
Mr. P R Ramesh	-	-	-	-	0.05	0.20	0.25
Ms. Hiroo Mirchandani	-	-	-	-	0.04	0.20	0.24
Mr. Anil Chaudhry$	-	-	-	-	0.02	NA	0.02
Mr. Sanjiv Kakkar$	-	-	-	-	0.02	NA	0.02

%Mr. Promeet Ghosh was Non-Executive & Non-Independent Director till April 23, 2023. He was appointed as an Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028.

* Mr. Shantanu Khosla severed as the Managing Director till April 30, 2023, and was elevated as Executive Vice Chairman w.e.f. May 1, 2023, to April 30, 2024, and thereafter he assumed the position as a Non-Executive Vice Chairman w.e.f. May 1, 2024, till December 31, 2025.

\# Mr. Mathew Job resigned as an Executive Director w.e.f. April 24, 2023, and as the Chief Executive Officer w.e.f. April 30, 2023.

^Ceased to be the Chairman and Non-Executive Independent Director w.e.f. October 20, 2023.

$Mr. Anil Chaudhry and Mr. Sanjiv Kakkar were appointed as Non-Executive Independent Director(s) w.e.f. October 17, 2023.

@Variable Pay and Commission is for the Financial Year 2022-23 paid in Financial Year 2023-24.

Notes:

a) Notice period is 3 (Three) months;

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

c) Executive Directors are not entitled to severance pay, commission or sitting fees for attending Board and Committee Meeting(s).

DETAILS OF EMPLOYEE STOCK OPTIONS ("ESOP") GRANTED, VESTING CRITERIA ETC. ARE GIVEN IN TABLE BELOW

Particulars	Mr. Shantanu Khosla*			Mr. Mathew Job#		Mr. Promeet Ghosh%
Schemes	**PSP-1-2016**	**PSP-2-2016**	**ESOP 2019**	**PSP-1-2016**	**ESOP 2019**	**ESOP 2019**
No. of options granted	47,00,596	31,33,731	20,13,875	47,00,596	15,10,406	20,00,000
Effective date of grant	October 25, 2016	October 25, 2016	January 21, 2021	October 25, 2016	January 21, 2021	April 28, 2023
Options Vested	46,19,088	30,79,392	8,05,550	46,19,088	3,77,602	3,00,000
Options Unvested	-	-	4,02,775	-	-	20,00,000
Options Cancelled	81,508	54,339	12,08,325	81,508	11,32,804	1,00,000
Vesting period	Not earlier than 1 (One) year and not later than 10 (Ten) years from the date of grant of Options	Not earlier than 1 (One) year and not later than 10 (Ten) years from the date of grant of Options	Not earlier than 1 (One) year and not later than 5 (Five) years from the date of grant of Options	Not earlier than 1 (One) year and not later than 10 (Ten) years from the date of grant of Options	Not earlier than 1 (One) year and not later than 5 (Five) years from the date of grant of Options	Not earlier than 1 (One) year and not later than 5 (Five) years from the date of grant of Options
Vesting Conditions	Time based and performance based	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	20% each year over a 5-year period based on performance
Exercise Period	October 2017, to October 2027	October 2017, to October 2027	January 2022, to January 2031	October 2017, to October 2027	January 2022, to January 2031	April 2024, to April 2028
Exercise Price	₹ 92.83	₹ 185.66	₹ 405.95	₹ 92.83	₹ 405.95	₹ 294.65@

*Managing Director till April 30, 2023, and elevated as Executive Vice Chairman w.e.f. May 1, 2023, till April 30, 2024, and thereafter he assumed the position as a Non-Executive Vice Chairman w.e.f. May 1, 2024, till December 31, 2025.

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

%Non-Executive Non-Independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f. May 1, 2023, till April 30, 2028, his appointment was subsequently approved by the Members at the 9th AGM of the Company held on July 22, 2023.

@The options were granted at ₹ 259.80 whereas pursuant to approval of Members at the 9th AGM of the Company held on July 22, 2023 the said grant price was re-priced to ₹ 294.65.

SUBSIDIARY COMPANIES

The Company does not have any **"Material Unlisted Subsidiary"** as defined in the SEBI Listing Regulations. Accordingly, the requirement of appointing an Independent Director of the Company on the Board of the Material Unlisted Subsidiary company given under Regulation 24 of the SEBI Listing Regulations does not apply. Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any are placed before the Board for review. Copies of Minutes of the Board Meeting(s) of the unlisted Subsidiary Companie(s) are placed at the Board Meeting of the Company. The unaudited quarterly financial results and audited annual financial statements, along with the auditors limited review and audit report respectively, thereon of Subsidiary Companie(s) are presented at the meetings of the Audit Committee and Board of the Company for an overview prior to their consolidation any with the Parent Company. The Company's policy on material subsidiary is available on the Company's website and can be assessed at https://reports.crompton.co.in/shopify/public/files/WbqwQYWqS4_Policy%20on%20Material%20Subsidiary.pdf

DISCLOSURES

D&O Insurance for Directors

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance **("D&O")** for all its Directors and SMPs for quantum and risks as determined by the Board of the Company.

Disclosure of Non-Compliance of any Requirement of Corporate Governance Report with Reasons

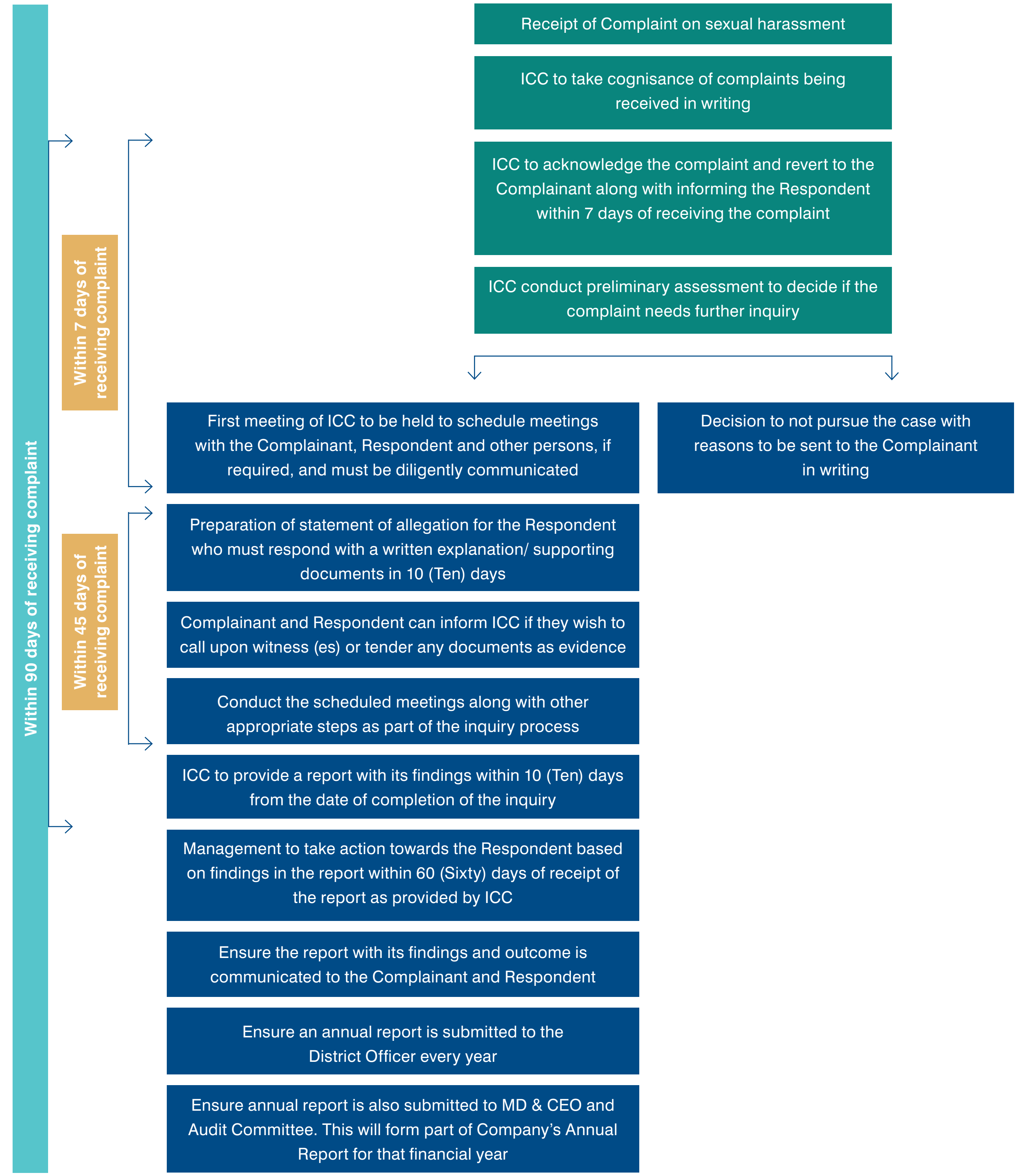
The Company has complied with and disclosed all the mandatory corporate governance requirements as mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.

Indian Accounting Standards ("IndAS")

The Company has prepared its Standalone and Consolidated Financial Statements in accordance with IndAS as notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH")

Your Company has constituted Internal Complaints Committee **("ICC")** to consider and resolve all sexual harassment complaints. The constitution of ICC is as per the POSH and ICC includes an external member who is an independent POSH consultant with relevant experience. The detailed process for resolution of complaints received is as follows:



The details of sexual harassment complaints for the Financial Year ended March 31, 2024, are furnished as under:

Particulars	No. of Complaints
Number of complaints filed during the Financial Year	3
Number of complaints disposed of during the Financial Year	3
Number of complaints pending as on the end of the Financial Year	0

Loans and Advances in the nature of Loans to firms/ companies in which Directors are interested

No Loans and Advances in the nature of loans to firms/ companies in which Directors are interested were given during the Financial Year under review.

MD & CEO and CFO Certification

The MD & CEO and CFO's annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations forms part of this Integrated Annual Report.

The MD & CEO and CFO also jointly issues a quarterly compliance certificate on financial results and the same is placed before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

Other Disclosures

- The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last 3 (Three) years and accordingly no penalties or strictures were imposed on the Company by the stock exchanges, SEBI or any other statutory authority.
- The securities of the Company were not suspended from trading at any time during the year.
- The Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the SEBI PIT Regulations and has also adopted code for practices and procedures for fair disclosure of UPSI as required under the said regulations. Further, the Company has adopted various corporate governance policies as required under the SEBI Listing Regulations and the same are available on the website at https://www.crompton.co.in/investors/corporate-governance/
- The auditors have issued an unmodified opinion on the financial statements of the Company.
- M/s. Grant Thornton Bharat LLP (Internal Auditors), M/s. M S K A & Associates (Statutory Auditors) and Parikh & Associates (Secretarial Auditors) met the Audit Committee without the presence of the management.
- The Company is a professionally managed Board led company and the Company is 100% publicly owned.
- None of the officials one level below MD & CEO of the Company are in any way related to each other or to the Board of Directors.
- The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations.
- In accordance with the provisions of Regulation 26(6) of the SEBI Listing Regulations, the KMPs, Director(s), Promoter(s) and SMP have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any Member or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.
- In accordance with provisions of Regulation 26(5) of the SEBI Listing Regulations, SMPs have affirmed that they do not have any personal interest relating to material, financial and commercial transactions which may have a potential conflict with the interest of the Company at large.
- The Company has complied with all the requirements of the Stock Exchange(s) and SEBI on matters relating to Capital Markets and has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

STATUTORY AUDITOR AND AUDIT FEES

M/s. M S K A & Associates, Chartered Accountants, were appointed as the Statutory Auditors of your Company at the Extra-Ordinary General Meeting held on August 27, 2021, for conducting audit for a period of 5 (Five) years i.e., till the conclusion of the 12th AGM.

The details of the total fees for all services paid by the Company to the Statutory Auditors are as follows:

(₹ In Crore)

Type of Service	F.Y. 2023-24	F.Y. 2022-23
Audit Fees	0.59	0.56
Others	0.57	0.60
Total	**1.16**	**1.16**

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company during the year with related parties were on arm's length basis, except transaction pertaining to secondment of employees and were approved by the Audit Committee as well as by Board as and when required. The policy on Materiality of and Dealing with Related Party Transactions **("RPT Policy")** has been placed on the Company's website and can be accessed at https://reports.crompton.co.in/shopify/public/files/UA9MvX4Yb5_Policy-on-Materiality-of-and-dealing-with-Related-Party-Transactions.pdf In line with the amended the SEBI Listing Regulations, the policy has been amended suitably. There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company at large. During the year under review, no material RPT were proposed, in which approval of the Members was required. No related party whether or not it is a party to the particular transaction or not is allowed to vote to approve the transaction in line with the SEBI Listing Regulations.

The Audit Committee of the Company comprises of 100% Non-Executive Independent Directors and hence all the transactions of the Company with its related parties are approved by 100% Independent Directors of the Audit Committee. It is pertinent to note that all RPTs are being carried out in compliance with the applicable laws and regulations where only Independent Directors participate in the discussions and voting on such transactions.

All RPTs are approved by both the Audit Committee and Board of the Company despite the fact that all RPTs are in "**Ordinary course of Business**" and "**at Arms' Length Pricing**" except secondment of employees. This practice aligns with good corporate governance principles, ensuring transparency and minimising potential conflicts of interest. It demonstrates the company's commitment to ethical business practices and responsible decision-making.

The Company did not enter into any material RPTs nor did it enter into any significant transaction with its related parties that may have a potential conflict with the interests of the Company. The business rationale for the transactions with related parties and details of the same forms part of the Board's Report and Notes to financial statements of this Integrated Annual Report. The Company obtains a report from an independent Chartered Accountants firm in relation to certain RPTs that the Company's process of determination of the transactions are at arm's length and in the ordinary course of business, is appropriate.

Finance team is actively monitoring transactions involving related parties using PAN information, determining if they qualify as Related Party, and a consolidated list is shared with the Audit committee on a quarterly basis. This helps ensure transparency and compliance with regulations.

Further the Company follows below to identify and monitor the RPTs:

1. **Determination of Related Parties:** Determine related parties based on the criteria defined in the Act.
2. **Transaction Details:** Gather comprehensive details about the transactions, including nature, terms, amounts, and any other relevant information.
3. **Materiality Threshold:** The transaction(s) are subjected to review in accordance with Policy on Materiality of RPTs as duly approved and adopted by the Board in line with the SEBI Listing Regulations.
4. **Disclosure:** Disclose RPTs in the Company's financial statements, indicating the nature and terms of the transactions, amounts involved, and any other required information Additionally, the details pertaining to transactions with RPs are given in Form No. AOC-2, forming part of Board's Report as a good corporate governance practice.
5. **Approval by Audit Committee:** Obtain approval from the audit committee for RPTs. The Committee reviews and assesses the transactions for fairness and compliance with regulations.
6. **Annual Review:** Conduct an annual review of all related party transactions undertaken during the Financial Year, ensuring they are properly recorded and disclosed and is then placed before the Audit Committee for their perusal.
7. **Internal Controls:** Implement internal controls to prevent unauthorised RPTs and ensure proper documentation.

During the year under review, RPT Policy was amended on August 12, 2023.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY ("WB Policy")

Your Company is committed to highest standards of ethical, moral and legal business conduct. The Company has adopted a WB Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, employees and business associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organisation and also safeguards against victimisation of Directors/ employees and business associates who avail of this mechanism. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no discrimination is made towards any person for a genuinely raised concern. The individuals may raise concern through varied channels, i.e. toll free number; e-mails; physical letters; or they can write/ or reach out directly to the Chairman of the Audit Committee. The Company has separately prescribed WB Policy for Vendors. No personnel have been denied access to the Audit Committee. The scope of Vigil Mechanism has been extended during the year to enable reporting if any, on leakage of UPSI relating to the Company. The WB Policy is available on the Company's website and can be accessed at https://reports.crompton.co.in/shopify/public/files/hxamy77St7_Vigil-Mechanism-and-WB-Policy_19-May_updated.pdf

During the year under review, WB policy was amended on May 19, 2023.

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance towards any form of unethical behaviour. 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. The Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a Whistle Blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct. The Policy also provides a mechanism to encourage and protect genuine Whistleblowing amongst the Vendors.

The Company has launched different modules for prevention of sexual harassment at workplace, WB mechanism and Code of Conduct, on its internal online portal which is available to its employees.

This module is included in the Crompton Induction Program for its new employees for making them aware of the various codes and regulations applicable to them including the WB Policy. A certificate is issued upon successful completion of questionnaire provided in the module. Further, this awareness training is to be attended by all the employees on annual basis.

The Vigil Mechanism as envisaged in the Act and the SEBI Listing Regulations is implemented through the Code of Conduct and WB Policy.

Any incidents that are reported are investigated and suitable action is taken in line with the WB Policy. The details of the number of incidents reported forms the part of the Board Report.

CODE OF CONDUCT

Your Company has a Code of Conduct for Board and SMPs that reflects its high standards of integrity and ethics. The Directors and SMPs of the Company have affirmed their adherence to this Code of Conduct for Financial Year 2023-24. As required under Regulation 34 of the SEBI Listing Regulations, Mr. Promeet Ghosh, MD & CEO has signed a declaration stating that the Board and SMPs of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report. The Code of Conduct also includes Code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Act. This Code is available on the Company's website and can be accessed at https://reports.crompton.co.in/shopify/public/files/JQyKgNOWmA_Code-of-Conduct_19May2023_updated.pdf

Further the vendors of the Company are governed by the following:

1. The Code of Conduct of the Company;
2. Vigil Mechanism and Whistle Blower Policy;
3. As per the standard terms of the contract entered into between them, the vendors have to abide by the quality and compliance standards of the Company and the Purchase Order terms were amended to include the WB Policy.

Company has deployed e-learning module for vendor and strategic supplier. This is deployed over a virtual training program with a link for the below module(s):

- Crompton Code of Conduct;
- Employee Awareness on Prevention of Sexual Harassment; and
- Understanding Whistleblowing.

The following affirmations are obtained from the vendors by the Company at the time of signing agreement(s):

1. The vendors shall ensure full compliance of all the statutory requirements of its manufacturing premises under the provisions of all the statutes including those relating to GST, ESI, PF, Minimum-Wages etc. The Company shall not be responsible for the violation of any of the above provisions due to any negligence on the part of the vendor and/ or its sub-vendors.
2. The vendor shall ensure full compliance with the provisions of Environment (Protection) Act, 1986 and Rules made thereunder including but not limited to E-Waste (Management) Rules, 2022 and Plastic Waste Management Rules 2016.
3. In the event of non-compliance of any of the aforementioned statutory provisions by the vendor, the vendor shall take prompt corrective measures to ensure compliance and shall indemnify and keep the Company indemnified against any loss that may arise against the Company in this regard.
4. The vendor shall comply with and shall ensure that all its sub-vendors also comply with all applicable laws and all orders, rules, and regulations issued by the respective state from time-to-time.
5. Acceptance of Agreement by the vendor shall be a deemed certification that the vendor is in agreement with and shall always comply with all the requirements imposed by law, from time-to-time.
6. The vendor to further represent, warrant, certify and covenant that the products will be produced and provided in compliance with the requirements of the applicable labour and employment regulations and that none of the products shall be produced or supplied (by the vendor or its sub-vendors) utilising forced or child labour or utilising the labour of persons in violation of the minimum working age law in India or in violation of any other law of India pertaining to EHS.
7. In addition, if any separate instructions are communicated by e-mail or circulars by the procurement/ quality leads of the Company to the vendor in relation to quality, safety, and compliance at the manufacturing site and/ or pertaining to the product, such instructions shall be read as an extension of the aforesaid Agreement.

COMPLIANCE WITH MANDATORY/ NON-MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations and obtained a certificate from Parikh & Associates, Secretarial Auditors regarding compliance of conditions of Corporate Governance, which is annexed to this Integrated Annual Report.

COMPLIANCE MANAGEMENT TOOLS

The Company has in place an online legal compliance management tool, which has been devised to ensure compliance with all applicable laws that impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The application of the tool has been extended to cover all plant locations, sales and corporate offices.

The Company also has in place the tool for managing all its ESOP's, maintenance of database of all the designated employees and tracking of trades by them or their relatives and Company has also adopted a digital platform for creation, maintenance and circulation of notices, agenda papers for all the Board & Committee meeting(s).

The Company utilises a web-based tool, which is ISO 9001 and ISMS 27001 certified, to track statutory compliances closely to their due dates. Any deviations are promptly highlighted for corrective action, with functional owners responsible for ensuring compliance fulfillment.

This web-based compliance management system not only helps adhering to the regulatory requirements but also develops a culture of self-regulation and accountability within the organisation. In the present times when governance is looked upon as a critical aspect of sustainability, our compliance management system plays a significant role in ensuring good corporate governance.

Corporate Legal Department issues compliance report on monthly as well as on quarterly basis to adhere to the compliances and enhance the culture with the organisation. They also regularly publish daily dashboard to the Function Heads informing them to comply on time. They provide training to the new performers/ reviewers from time to time.

The Company is conducting system as well as physical audit regularly to check various parameters including but not limited to checking the correctness of uploaded documents and providing inputs/ suggestions wherever required.

The Company has initiated a compliance system for its Contract Manufacturers, focusing on key compliances related to outsourcing that may impact the Principal Owner.

The Corporate Legal Department conducts regular corroborative research and studies based on various parameters, including monitoring updates in legislations and legal provisions. This information is then promptly updated in the web-based tool to mitigate any potential non-compliance resulting from changes in legal provisions.

The Company also conducts annual audit of its compliances by external agencies to ensure all necessary statutory compliances.

The SEBI introduced several amendments in the SEBI Listing Regulations wherein the reporting requirements for the listed entities was enhanced. The Company in order to familiarise the Directors and LT on the reporting requirements conducted the seminar wherein the Company Secretary updated them on the amendments and the impact of the said amendments on the Company.

The Company updated the materiality policy in line with the amendments and also adopted the internal SOP which was duly approved by the Board.

PREVENTION OF INSIDER TRADING

Pursuant to the SEBI PIT Regulations, the Company has formulated the **"Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons"** and the **"Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (**hereinafter collectively referred to as **"Code")** which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in Company's shares, it also prohibits dealings in the Company's shares by Directors, Designated Persons, Connected Persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's share is closed. The Code has been revised in line with the amendments to the SEBI PIT Regulations from time to time.

The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the SEBI PIT Regulations.

A structured digital database of all the Designated Persons is being digitally maintained by the Company on its internal server. These contains the names and other particulars as prescribed of the persons covered under the Code drawn up pursuant to the SEBI PIT Regulations.

The Company Secretary has been appointed as the Compliance Officer to ensure the implementation of the Code for fair disclosure and conduct.

E-learning modules that forms part of induction have been developed to keep employees informed on the Code of Conduct on Prevention of Insider Trading.

All the new joiners and other employees are compulsorily required to complete training on SEBI PIT Regulations within 30 (Thirty) days of their becoming Designated Person(s). This training helps to ensure that all the employees of the Company are aware of as to what constitutes Insider Trading, UPSI or trading in securities and are well-versed with the SEBI PIT Regulations.

Further, the queries of employees are also timely addressed, in order to avoid unintentional violations and to uphold the integrity of the securities market.

The Company has mapped Frequently Asked Questions **("FAQs")** to ensure that employees are aware of their legal obligations, reducing the risk of inadvertent non-compliance. The Company also applied the screensaver of Do's and Don'ts for trading/ dealing in securities of the Company on the laptops of the employees, to sensitise and create awareness among employees of the Company.

The Board of Directors, Designated Persons, and other Connected Persons have affirmed compliance with the Code. The Code is available on the website of the Company and can be accessed at https://reports.crompton.co.in/shopify/public/files/QVY7HjIK7R_Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Designated-Persons-1.pdf

SECRETARIAL COMPLIANCE REPORT

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24A of the SEBI Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/ guidelines issued thereunder.

The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretary under Form No. MR-3 and is required to be submitted to the Stock Exchanges within 60 (Sixty) days from the end of the financial year.

The Company has engaged the services of Parikh & Associates, Practicing Company Secretary and Secretarial Auditor of the Company, for providing this certification.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Certificate, as required under Part C of Schedule V of the SEBI Listing Regulations, received from Parikh & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the Financial Year ended at March 31, 2024, from being appointed or continuing as Directors of the Company by the SEBI/ Ministry of Corporate Affairs **("MCA")** or any such statutory authority was placed before the Board at their meeting held on May 16, 2024, and is enclosed with this Integrated Annual Report.

CYBER SECURITY INCIDENTS OR BREACHES AND LOSS OF DATA/ DOCUMENTS

In the world of rapidly changing environment of technologies, it has become the need of every organisation to adopt digitalisation and newer technologies into its business to compete and being agile, which also helps in ease of doing business. In view of the same, your Company has adopted and implemented digitalisation and newer technologies in its various sections of business.

In line with adoption of technology, there is always subsist a risk, which is called a Cyber Risk, being one of the key risks, your Company is focused on maintaining a positive cybersecurity culture within the organisation, thus making cybersecurity a sustainable and repeatable process throughout the organisation.

In the past year(s), while our employees operated efficiently as a remote and hybrid workforce, we continued to remain vigilant about the evolving cybersecurity threat landscape. To continue to have robust Information & cybersecurity tools and processes, the team has remained abreast of emerging cybersecurity events to achieve higher and continued sustenance.

Your Company has an IT Security Policy, and the same is reviewed and updated every year. To ensure accuracy and integrity, there are various access control mechanisms and security controls in place as enumerated hereunder:

1. At the Endpoint security layer, we have Antivirus with Device Control implemented to block the access for External Data. The data is encrypted at the endpoints. All User are Active directory based and the users do not have access to install any software or utility. In case of such requirements, the user raises a ticket in the IT Service Management tool.
2. At the e-mail security layer, we have e-mail Security Gateway implemented to filter phishing, spam and unwanted e-mails. We also have implemented DMARC to ensure that the email from our domain is sent only from authorised email service providers.
3. At the Perimeter, we have firewall and VPN Implemented. Firewall rules are reviewed and approved periodically before implementation. VPN access is now controlled via MFA and is only provided to the authorised users with business justification.

For Data Privacy, we have concluded the DPA (Data Privacy Assessment) of the organisation. We are now initiating the GAP Assessment/ Alignment with the DPDP Bill of 2024.

For Data Security, DFA (Data Flow Analysis) and Data Classification is completed using AIP (azure Information Protection) across the Organisation for the Information Classification and Data Leakage prevention solutioning. additionally, we send periodic mailers to our employees from an Information Security and Data Privacy awareness perspective. We also perform quarterly Phishing exercises for all employees across the Organisation.

The Company has adopted and implemented digitalisation and newer technologies in its various sections of business to be competitive and agile which also aids ease of doing business. The Company focuses on aggressively improving its data privacy and security layer in response to rising cyber security via Yearly Security Assessments.

The responsibility of the RMC is to assist the Board to monitor and review risk management plans of the Company and to assist the Board in fulfilling its corporate governance oversight responsibilities regarding the identification, evaluation and mitigation of risks including cyber security risk.

Your Company is focused on maintaining a positive cybersecurity culture within the organisation, thus making cybersecurity a sustainable and repeatable process throughout the organisation, and subsisting of Cyber Risk, being one of the key risks.

To continue to have robust cybersecurity processes, the IT team has remained abreast of emerging cybersecurity events so as to achieve higher and continued sustenance.

The Company takes requisite measures for identifying and mitigating Data and Information Security Risk as enumerated below:

- The Company's policies are regularly updated to cover all Data Security and privacy requirements.
- Data Centre and Disaster Recovery (DR) are maintained at different locations.
- Disaster Recovery drill for SAP HANA is conducted annually.
- SAP HANA and the entire IT Infrastructure is hosted on our co-located Data centre.
- For Cloud/ SaaS based applications, DR preparedness is complete for all 26 applications.
- Data Protection Assessment is complete.
- Mobile Device Management.
- Zero Trust is implemented for Critical Apps via AZURE AD.
- A robust system is maintained towards access management of our critical IT systems.
- User Access Review has been completed in the Company.
- Dedicated Security Operations Centre (SOC) – All our Security perimeters are monitored and reviewed in SIEM.
- CASB – Cloud Security for Cloud Application is under implementation.

During the year under review, no incident or breach and loss of data/ documents have occurred.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT ("MDA")

This is given as a separate Chapter which forms part of this Integrated Annual Report.

MEANS OF COMMUNICATION

WEBSITE, NEWS & EVENTS

i) Publication of financial results

Your Company announces its financial results in a timely manner and sends it to the Stock Exchanges. The Company also hosts the results on its website together with a detailed information update and media release discussing the results. The results are normally published in **"Financial Express"** (English Daily) and **"Loksatta"** (Marathi Daily) within 48 (Forty Eight) hours of the conclusion of the meeting of the Board in which they are approved. The results are displayed on the Company's website and can be accessed at https://www.crompton.co.in/investors/newspaper-publications/

Once quarterly results are announced, the Company organises post-earning calls with the analyst community explaining to them the results and performance of the Company, while also responding to their queries every quarter. The transcripts along with Audio recordings of these calls are intimated to stock exchanges and also posted on the Company's website and can be accessed at https://www.crompton.co.in/pages/financial-reports Your Company is a regular participant and organiser of analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get regular opportunities to understand medium and long term strategy. A detailed investor presentation is additionally sent to stock exchanges and also uploaded on the Company's website every quarter and can be accessed at https://www.crompton.co.in/pages/financial-reports Through these meetings, presentations and information updates, the Company shares its broad strategy and business outlook with the investor community. The Company promptly discloses details of the conference calls, investor meetings and event based road shows to the Stock Exchanges and also updates the same on the website simultaneously.

Furthermore, the Company had during the year under review initiated dissemination of the quarterly results and details of earning call(s)/ investor analyst meet(s) through an e-mail to all the Members of the Company from the quarter ended June 30, 2023, and onwards.

Additionally, the Company also disseminates the details of joining the earning calls to stock exchanges along with audio recording and transcript of such calls as per the statutory timelines. The same is also uploaded on the website of the Company at https://www.crompton.co.in/pages/financial-reports

ii) Website

The Company's corporate website http://www.crompton.co.in provides comprehensive information on Crompton's portfolio of businesses, CSR & sustainability initiatives, shareholding pattern, key Company policies, and contact details of the Company's employees responsible for assisting investors and handling investor grievances. The website has entire sections dedicated to Company's profile, history and evolution, its core values, corporate governance and leadership. An exclusive section on 'Investor Relations' serves to inform and service Members, enabling them to access information at their convenience. The entire report and accounts as well as the quarterly, half-yearly and annual financial results, along with the media statements, presentations and FAQs on such results, are available in downloadable formats under the said section as a measure of added convenience for the Investors.

iii) Press Release

The Company issues news releases to communicate important updates, such as significant business developments and corporate governance changes. The Company disseminates information regarding its financial results and significant events through press releases. Such information is also submitted to the Stock Exchanges and are hosted on the Company's website https://www.crompton.co.in/pages/overview

iv) Communication related to unclaimed Dividends and updating of records

In cases where dividends remain unclaimed by Members, the Company sends out reminder letters to Members to encourage them to claim their dividends. This is a proactive measure taken by the Company to ensure that its Members receive the benefits of their investments and do not miss out on any financial gains. Additionally, the Company also send reminders to its Members on updates on their critical information required by law, such as their Permanent Account Number (PAN), bank account details, signature, or other important details that may affect their shareholdings. These updates are sent out periodically to ensure that Members records are accurate and up-to-date, and that their investments are secure.

SEBI processes investor complaints in a centralised web-based complaints redressal system, i.e. SCORES. Through this system a Member can lodge a complaint against the Company for redressal of his/ her grievance. The Company uploads the action taken report on the complaint which can be viewed by the Member. The Company and Member can seek and provide clarifications online through SEBI.

Further, the Company has pursuant to SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, registered itself on the ODR platform, which gives an ease to investors on escalation of the complaints.

v) Social Media

The Company utilises social media platforms to engage with its stakeholders and provide updates on its activities.

GOVERNANCE OF SUBSIDIARY COMPANIES

The minutes of the Board Meeting(s) of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board on a quarterly basis.

The Company as a good governance practice has initiated sharing of the Board minutes of the listed subsidiary i.e. Butterfly Gandhimathi Appliances Limited with the Directors along with the agenda of the Board Meeting.

GENERAL SHAREHOLDER INFORMATION

10th ANNUAL GENERAL MEETING

Date & Day: Friday, July 26, 2024, Time: 11:00 A.M.

Mode: Through Video-Conferencing **("VC")**/ Other Audio-Visual Means **("OAVM")**

(Deemed venue for meeting: Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai – 400 070 Registered Office of the Company.)

Schedule of events at 10th Annual General Meeting

Date and time	Mode	Participation through video-conferencing	E-voting dates
July 26, 2024, Friday, 11:00 A.M. IST	Video conference and other audio-visual means		E-voting dates July 22, 2024, from 9:00 A.M to July 25, 2024 till 5:00 P.M.

FINANCIAL YEAR

The Financial Year of the Company is from April 1 to March 31 of every year.

FINANCIAL CALENDAR

First Quarter Results: End July/ First fortnight of August	Second Quarter Results: End October/ First fortnight of November	Third Quarter Results: End January/ First fortnight of February	Last Quarter Results and Annual Audited Results: May

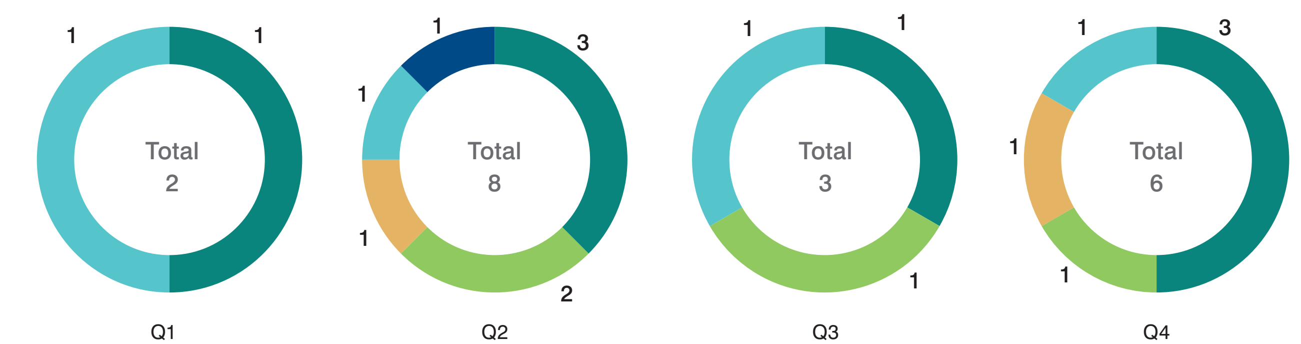
Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Quarter ending
August 12, 2023	November 3, 2023	February 14, 2024	May 16, 2024	Board meeting and earnings release date
July 1, 2023 to August 16, 2023	October 1, 2023 to November 7, 2023	January 1, 2024 to February 16, 2024	April 01, 2024 to May 21, 2024	Trading window closure

DATES OF BOOK CLOSURE AND DIVIDEND PAYMENT DATE

Record date shall be **Wednesday, July 10, 2024**, and Book Closure for Dividend will be from **Thursday, July 11, 2024, to Friday, July 26, 2024 (both days inclusive)** and the Dividend would be paid/ dispatched within a period of 30 (Thirty) days from the date of the declaration.

INVESTOR CONFERENCES/ EVENTS HELD IN FINANCIAL YEAR 2023-24

Your Company holds press meet and investor/ analyst calls after every quarterly results announcement, which is accessible to all the Members and general public. The Company also holds its AGM, which is accessible to all the Members. The details of these are sent to the stock exchanges and updated on the website. The Company also participates in various sell-side/ broker arranged investor conferences where the management interacts with investors in one-on-one or group meetings. The details of such participation are sent to the exchanges and updated on the website.



- Investor Conferences
- NDR & Top Member connects (Domestic & International)
- Sell-side Analyst Meet
- Earnings Call
- AGM

Notes:

Following events are included in NDRs:

Asia roadshow in November 2023, in Hong Kong and Singapore;
Merger with Butterfly - Domestic roadshow in September 2023; and
Engagement with Top 25-30 Members twice comprising 65% of Crompton's total Members base in July 2023, and March 2024.

REGISTRAR AND TRANSFER AGENT AND ADDRESS FOR CORRESPONDENCE

For any queries relating to the securities of the Company, correspondence may please be addressed to its RTA at KFin Technologies Limited at Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032

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 members, documents will continue to be accepted at the Registered and Corporate Office of the Company at Crompton Greaves Consumer Electricals Limited.

Address	:	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400070
Telephone	:	+91 22-61678499
Fax	:	+91 22-61678383
Email	:	crompton.investorrelations@crompton.co.in
Website	:	www.crompton.co.in

Members are requested to quote their Folio No./ DP ID & Client ID, e-mail address, if any, telephone number and full address while corresponding with the Company and its RTA.

The Company on a yearly basis file with the Stock Exchanges:

a. a compliance certificate duly signed by both, the Compliance Officer of the Company and the authorised representative of the RTA certifying that all activities in relation to share transfer facility is maintained by KFin Technologies Limited, RTA registered with the SEBI.

b. a certificate of compliance from a Company Secretary in practice confirming issue of share certificates within a period of 30 days of lodgement of the investor service request as prescribed under Regulation 40(9) of the SEBI Listing Regulations.

INVESTOR SERVICING AND GRIEVANCE REDRESSAL

Your Company has adopted Investor FAQs Handbook to effectively redress the investor grievances and improve the services provided to the investors. The investor FAQs Handbook serves as ready reference material to Members holding/ dealing in shares. It is designed to assist Members on matters such as transmission of shares, dematerialisation of shares, dividend, IEPF, etc. The FAQs are uploaded on the Company's website at https://www.crompton.co.in/pages/investors-relations#FAQs under Investors section at share related information.

SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 01, 2019, including in case of transmission or transposition of securities w.e.f. January 25, 2022. All share transfers and other share-related issues are approved by SRC duly constituted for this purpose and processed by the RTA of the Company.

DEMATERIALISATION OF SHARES

As on March 31, 2024, 99.57% of the total shares of your Company representing 64,03,46,812 were in dematerialised form, compared with 99.49% representing 63,28,37,575, as on March 31, 2023.

MARKET INFORMATION

Stock Code	:	BSE Ltd. - 539876 Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. National Stock Exchange of India Ltd. – CROMPTON Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
ISIN - NSDL & CDSL	:	INE299U01018
Corporate Identification Number (CIN)	:	L31900MH2015PLC262254

LISTING FEES

Your Company has paid the Listing fees for both the Stock Exchanges for Financial Year 2023-24 and Financial Year 2024-25 for equity shares and to the NSE for NCDs within the statutory timeline.

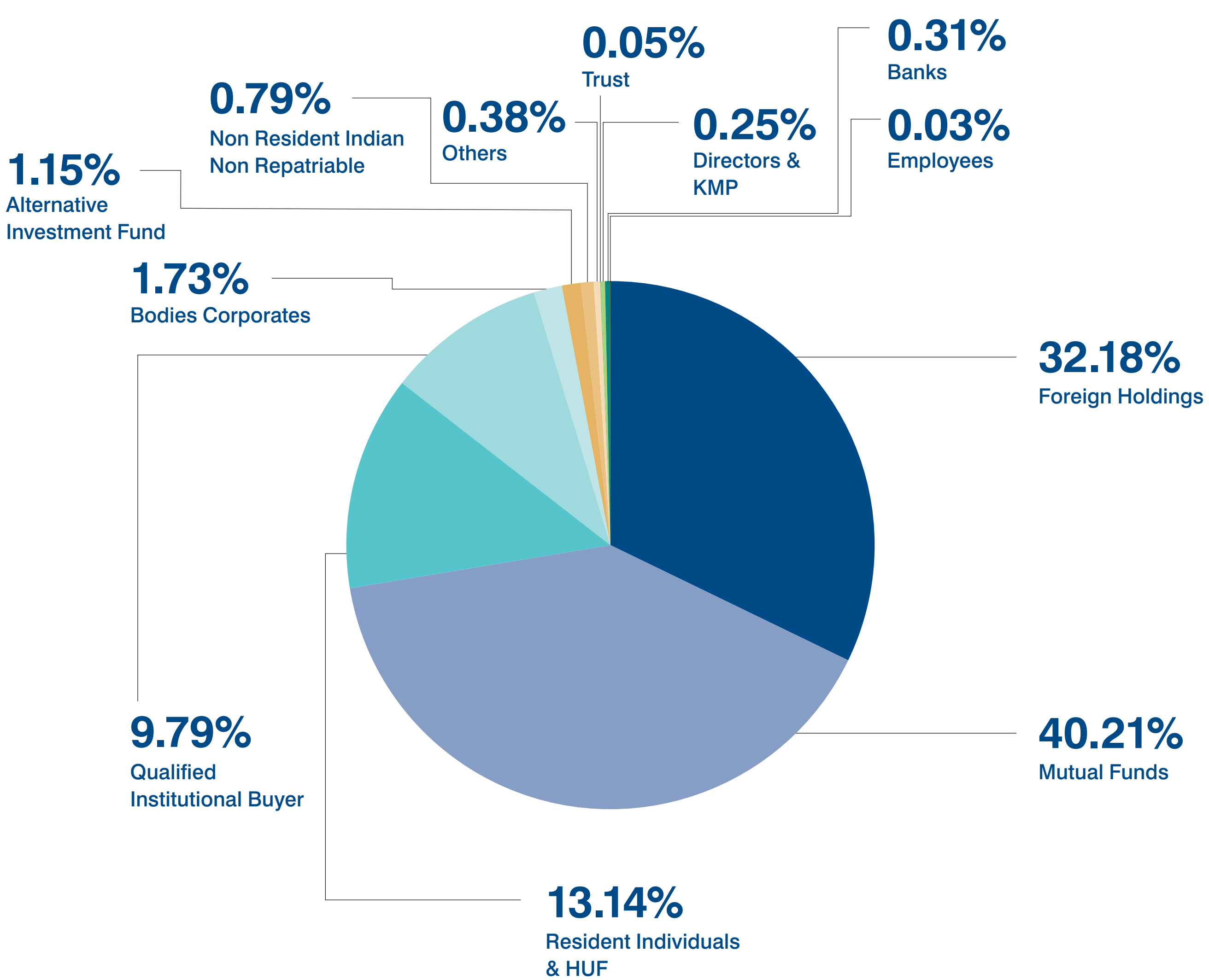
PAYMENT OF DEPOSITORY FEES:

Annual Custody/ Issuer fees for the financial year 2023-24 has been paid by the Company to National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited **(“CDSL”)**.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

Sr. No.	Number of Shares held	No.of Members	% to Members	No.of Shares	% To Equity
1	1 - 5000	2,46,271	98.75	4,95,10,742	7.70
2	5001 - 10000	1,639	0.66	1,14,85,843	1.79
3	10001 - 20000	799	0.32	1,09,86,594	1.71
4	20001 - 30000	203	0.08	49,03,127	0.76
5	30001 - 40000	88	0.04	30,30,034	0.47
6	40001 - 50000	52	0.02	23,56,086	0.37
7	50001 - 100000	110	0.04	75,99,147	1.18
8	100001 and above	229	0.09	55,32,35,406	86.03
	TOTAL	**2,49,391**	**100.00**	**64,31,06,979**	**100.00**

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2024

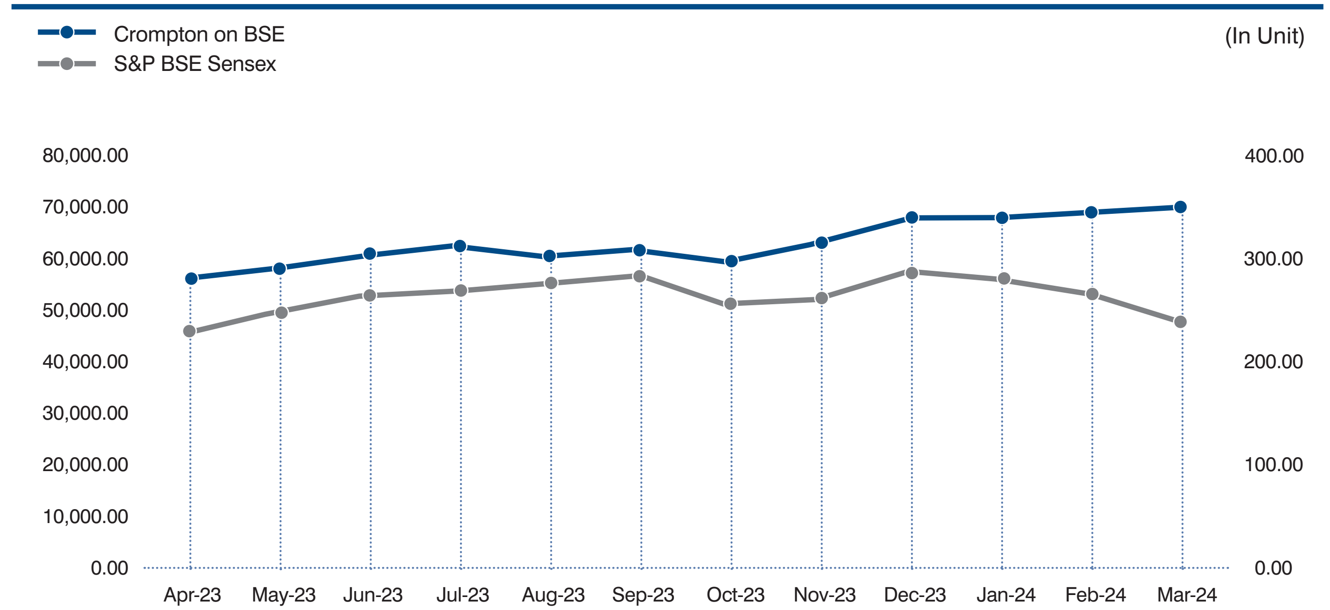


STATEMENT SHOWING SHAREHOLDING OF MORE THAN 1% OF THE CAPITAL AS ON MARCH 31, 2024

Crompton Share Price on BSE vis-à-vis BSE Sensex April, 2023 to March, 2024

Months	BSE Sensex Close	Crompton Share Price			No. of shares traded during the month	Total Turnover (₹ in Crore)
		High (₹)	Low (₹)	Crompton on BSE		
Apr 2023	61,112.44	302.15	251.25	255.05	61,26,146	161.01
May 2023	62,622.24	279.00	252.10	274.50	62,88,902	166.80
Jun 23	64,718.56	297.30	272.00	289.30	44,41,920	128.98
Jul 23	66,527.67	301.45	281.50	293.75	15,16,750	44.16
Aug 23	64,831.41	316.30	281.30	299.95	32,82,917	98.42
Sep 23	65,828.41	319.85	292.00	309.95	17,25,180	52.89
Oct 23	63,874.93	311.90	278.05	281.95	18,63,074	54.62
Nov 23	66,988.44	293.50	275.50	285.05	7,69,779	21.89
Dec 23	72,240.26	314.40	285.00	310.85	22,93,852	68.55
Jan 24	71,752.11	327.80	293.80	302.90	36,32,909	113.06
Feb 24	72,500.30	309.80	280.50	291.05	87,22,303	254.52
Mar 24	73,651.35	302.75	262.10	267.20	54,55,586	147.31

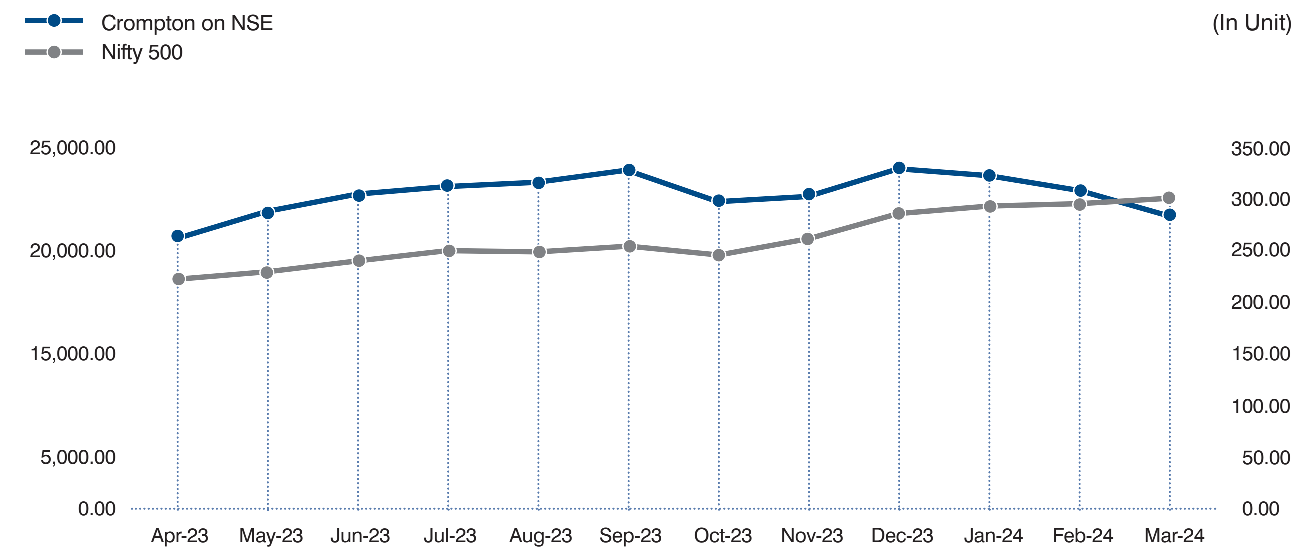
The performance of your Company’s shares relative to the BSE Sensex is given in the chart below:



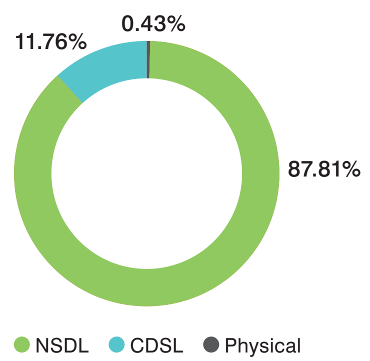
Crompton Share Price on NSE vis-à-vis NSE Nifty 500 April, 2023 to March, 2024

		Crompton Share Price				
Date	NSE Nifty 500	High (₹)	Low (₹)	Crompton on NSE	No. of shares traded during the month	Total Turnover (₹ in Crore)
Apr 2023	15219.55	302.85	251.00	254.90	8,66,39,105	2,321.21
May 23	15766.40	278.70	252.10	274.80	9,77,76,186	2,580.21
Jun 23	16430.00	297.75	272.00	289.55	4,76,78,029	1,362.55
Jul 23	17059.00	301.40	281.55	293.90	4,76,97,105	1,388.87
Aug 23	16924.30	316.35	281.15	300.05	7,91,13,492	2,364.65
Sep 23	17292.60	319.50	291.85	309.85	4,76,44,480	1,458.93
Oct 23	16801.10	311.15	277.90	282.00	3,90,04,338	1,140.47
Nov 23	17987.95	293.55	275.30	284.95	3,24,80,787	922.52
Dec 23	19429.15	314.50	285.00	310.90	5,28,19,969	1,576.13
Jan 24	19802.10	327.95	293.60	302.95	5,27,76,984	1,654.35
Feb 24	20090.05	309.90	277.10	291.00	5,88,36,467	1,713.15
Mar 24	20255.15	302.85	261.25	267.50	6,43,92,553	1,774.46

The performance of your Company's shares relative to the NSE Nifty 500 Index is given in the chart below



BREAK-UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON MARCH 31, 2024



OUTSTANDING GDRs/ ADRs/ WARRANTS/CONVERTIBLE INSTRUMENTS AS ON MARCH 31, 2024

Nil

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Your Company actively monitors the foreign exchange movements and takes forward/ options covers as appropriate to reduce the risks associated with transactions in foreign currencies.

UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

During the Financial Year, the Company did not raise any funds through preferential allotment or qualified institutions placement.

INFORMATION ON GENERAL BODY MEETINGS

The details of the AGMs and Extra Ordinary General Meeting(s) **("EGM")** held during the last 3 (Three) years are as follows:

Information on General Body Meetings

Event	Financial year	Venue	Mode	Day, Date, Time (IST)	Special Resolution(s) passed
9th AGM	2023-24	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai – 400070 **("Registered Office")**	Through VC/ OAVM	Saturday, July 22, 2023, at 11:00 A.M.	1) Re-appointment of Ms. Smita Anand (DIN:00059228) as an Independent Director for a Second Term 2) Approval for amendment in Crompton Employee Stock Option Plan, 2019 **("ESOP 2019")**
8th AGM	2022-23	Registered Office	Through VC/ OAVM	Friday, July 22, 2022, at 03:00 P.M.	No Special Resolution was passed
7th AGM	2021-22	Registered Office	Through VC/ OAVM	Friday, July 23, 2021, at 03:00 P.M.	1) Managerial remuneration of Mr. Shantanu Khosla (DIN:00059877), Managing Director, in the event of exercise of ESOPs; and 2) Managerial remuneration of Mr. Mathew Job (DIN:02922413), Executive Director and Chief Executive Officer, in the event of exercise of ESOPs.
EGM	2021-22	Registered Office	Through VC/ OAVM	August 27, 2021 at 11.00 A.M.	No Special Resolution was passed

POSTAL BALLOT

During the Financial Year under review, the Company has passed 3 (Three) special resolutions through postal ballot through e-Voting:

Date of postal ballot notice	Resolution(s) passed	Date of Approval	Scrutinizer	Link for postal ballot notice and results
August 12, 2023	Alteration in the Articles of Association of the Company	September 28, 2023	Ms. Alifya Sapatwala (ACS 24091), Partner, M/s. Mehta & Mehta, Practicing Company Secretaries	https://www.crompton.co.in/investors/e-voting-postal-ballot/
November 3, 2023	Appointment of Mr. Anil Chaudhry (DIN:03213517) as an Independent Director	December 19, 2023	Ms. Alifya Sapatwala (ACS 24091), Partner, M/s. Mehta & Mehta, Practicing Company Secretaries	https://www.crompton.co.in/investors/e-voting-postal-ballot/
November 3, 2023	Appointment of Mr. Sanjiv Kakkar (DIN:00591027) as an Independent Director	December 19, 2023	Ms. Alifya Sapatwala (ACS 24091), Partner, M/s. Mehta & Mehta, Practicing Company Secretaries	https://www.crompton.co.in/investors/e-voting-postal-ballot/

Procedure for postal ballot

In compliance with Regulation 44 of the SEBI Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the MCA, the Company provided e-Voting facility to all its members.

The Company engaged the services of NSDL for the purpose of providing e-Voting facility to all its Members. The Postal Ballot Notice was sent to the Members in electronic form at their email addresses registered with the depositories/ Company's RTA.

The Company also published notice in the newspapers declaring the details of completion of dispatch, e-Voting details and other requirements in terms of the Act read with the Rules issued thereunder and the SS issued by the ICSI. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the Members as on the cut-off date.

The Scrutinizer submitted his report to the Company Secretary of the Company, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company Secretary as authorised by the Board of the Company.

The results were displayed at the registered office of the Company and on the Company's website at https://www.crompton.co.in/investors/e-voting-postal-ballot/ and were available on the website of the Stock Exchanges and NSDL.

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Integrated Annual Report.

Details of special resolution(s) proposed to be transacted through postal ballot

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Extraordinary General Meeting

No extraordinary general meeting of the Members was held during the Financial Year 2023-24.

DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

Legal compliance

In everything we do, we comply with the law of the land. All disclosures and policies to this effect, including details of non-compliance, regulatory orders, certifications and complaints, are made available in this corporate governance report.

No penalties/ strictures were imposed on your Company by the stock exchanges or SEBI or any statutory authority in any matters related to the capital markets since incorporation.

PLANT LOCATIONS

Himachal Pradesh

Baddi

(Unit I) Plot No. 81, HPSIDC, Industrial Area Baddi, District Solan, Himachal Pradesh - 173 205, India

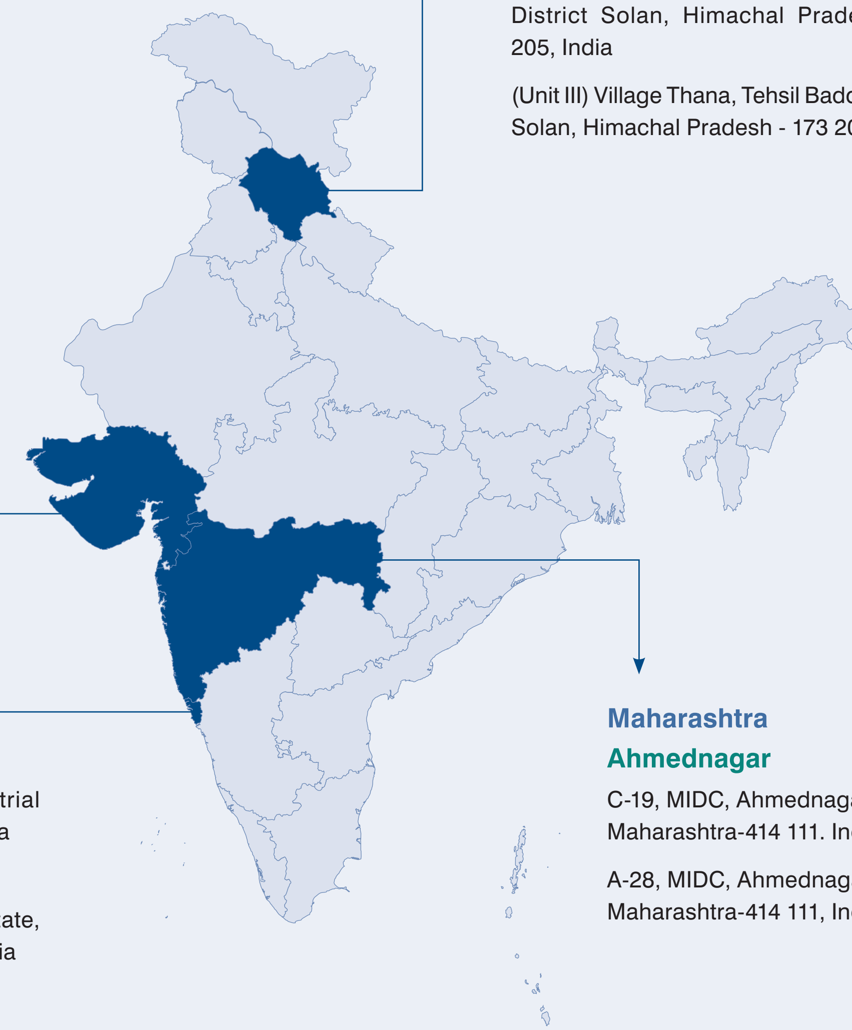
(Unit II) Plot No. 148,149,150,157, 158 and 159, HPSIDC, Industrial Area, Baddi, District Solan, Himachal Pradesh- 173 205, India

(Unit III) Village Thana, Tehsil Baddi, District Solan, Himachal Pradesh - 173 205, India

Gujarat

Vadodara

Padra Jambusar Highway. Village Kural, Taluka Padra, District Vadodara, Gujarat - 391430, India



Goa

Kundaim

Plot No. 214-A, Kundaim Industrial Estate, Kundaim, Goa-403 115, India

Bethora

Plot No. 1, Goa IDC Industrial Estate, Bethora, Panda, Goa - 403 409, India

Maharashtra

Ahmednagar

C-19, MIDC, Ahmednagar, Maharashtra-414 111. India

A-28, MIDC, Ahmednagar, Maharashtra-414 111, India

State

City

CREDIT RATING

The Company's borrowing programmes have received the credit ratings from CRISIL Ratings Limited, **("CRISIL")**, and India Ratings and Research Private Limited during Financial Year 2023-24. There has been no revision in credit ratings during Financial Year 2023-24. The ratings given by these agencies are as follows:

Type of Credit Rating	Rating Agency	Rating	Outlook
Non-convertible Debentures	CRISIL	AA+	Stable
Working Capital Limits	India Ratings & Research Private Limited	AA+	Stable

DIVIDEND

Payment of dividend through Automated Clearing House ("ACH")

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. The SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail themselves of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode.

Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 **("IEPF Rules")**, dividends not encashed/ claimed within 7 (Seven) years from the date of declaration are to be transferred to the Investor Education and Protection Fund **("IEPF")**.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/ unclaimed for a period of 7 (Seven) consecutive years or more to the demat account of IEPF established by the Central Government. The Members, whose dividends/ shares are transferred to the IEPF, can claim their shares/ dividends from the IEPF Authority. In accordance with the said IEPF Rules, as amended, the Company shall send notices to all the Members whose shares are due to be transferred to IEPF requesting them to comply with the requirements to claim back the Dividends and avoid transfer of shares and shall simultaneously publish newspaper advertisement for the same.

The Company is required to transfer dividends, which have remained unpaid/ unclaimed for a period of 7 (Seven) years from the date the dividend is due for payment to IEPF established by the Government. The Company had in the Financial Year 2016-17, announced its inaugural dividend of ₹ 1.50 (One Rupee and Fifty Paise Only) per Equity Share. Consequently, the unclaimed or unpaid dividends and corresponding shares in respect of which dividend has not been claimed for 7 (Seven) consecutive years aggregating to ₹ 42,71,541 as on March 31, 2024, shall be transferred to the Investor Education and Protection Fund **("IEPF")**, in accordance with Section 124 and Section 125 of the Act, read with the rules made thereunder.

The statutory timelines for claiming unclaimed and unpaid dividends declared by the Company for the Financial Year ended March 31, 2017, and thereafter is provided as under, details of these shares are also available on the Company's website at the following link https://www.crompton.co.in/investors/share-related-info/

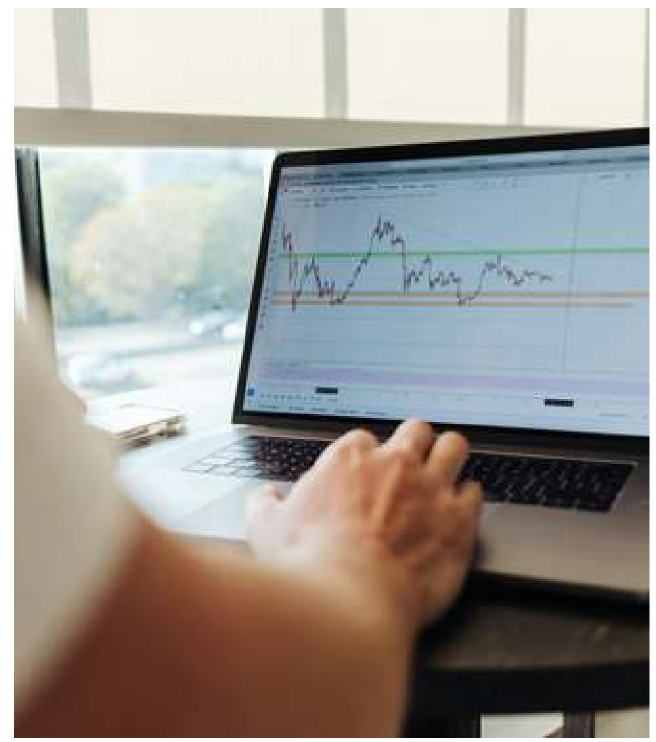
Financial Year	Date of declaration of dividend	Statutory timelines for claiming unpaid/ unclaimed dividend
2016-17	July 27, 2017	September 01, 2024
2017-18	July 25, 2018	August 30, 2025
2018-19	July 24, 2019	August 29, 2026
2019-20 (Interim)	October 22, 2020	November 27, 2027
2020-21	July 23, 2021	August 28, 2028
2021-22	July 22, 2022	August 27, 2029
2022-23	July 22, 2023	August 27, 2030

Further in accordance with the provisions contained in Rule 7(2A) of the IEPF Rules, the Company Secretary has been appointed as the Nodal Officer. Contact information of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company and can be accessed at https://www.crompton.co.in/pages/investors-relations#ConInvestors

Furthermore, shares in respect of which dividend will remain unclaimed progressively for 7 (Seven) consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned Members,, as well as publish a public notice in this regard. Names of such transferees will be available on the Company's website at https://www.crompton.co.in/investors/share-related-info/

Unclaimed Shares

There were 9,55,925 (Nine Lakh Fifty Five Thousand Nine Hundred and Twenty Five Only) equity shares lying in the unclaimed suspense account of CG Power and Industrial Solutions Limited (erstwhile Crompton Greaves Limited) at the time of demerger. Pursuant to the Scheme of demerger, equivalent number of equity shares were allotted on March 22, 2016.



There were 9,07,294 (Nine Lakh Seven Thousand Two Hundred and Ninety Four) number of equity shares lying in Unclaimed Suspense Account as unclaimed shares as on March 31, 2024.

Disclosure in Respect of equity shares Transferred in the Crompton Greaves Consumer Electricals Limited – Unclaimed Suspense Account' is as under:

Particulars	Number of Members	Number of equity shares
Aggregate number of Members and the outstanding shares in the suspense account lying as on April 01, 2023	3,998	9,11,422
Number of Members who approached the Company for transfer of shares from suspense account during the year	24	4,128
Number of Members to whom shares were transferred from suspense account during the year	24	4,128
Aggregate number of Members and the outstanding shares in the suspense account lying as on March 31, 2024	3,975	9,07,294

The voting rights on these shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

SPECIAL CONTINGENCY INSURANCE POLICY

The Company had during the year under review obtained Special Contingency Insurance Policy from National Insurance Company Limited as required under SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022.

REPORT ON CORPORATE GOVERNANCE

This Chapter read together with the **"Annexure to Corporate Governance"** constitutes the Compliance Report on Corporate Governance for the Financial Year 2023-24.

For and on behalf of the Board of Directors

D Sundaram
Chairman
DIN:00016304

Place: Mumbai
Date: May 16, 2024

CERTIFICATE - FOR NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
Crompton Greaves Consumer Electricals Limited
Tower 3, 1st Floor, East Wing, Equinox Business Park,
LBS Marg, Kurla (West), Mumbai – 400070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Crompton Greaves Consumer Electricals Limited** having CIN **L24240MH1952PLC008951** and having registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Particulars	DIN	Date of Appointment in Company
1)	Mr. Sundaram Damodarannair	00016304	26/08/2015
2)	Mr. Pangulury Mohan Murty	00011179	26/08/2015
3)	Mr. Shantanu Maharaj Khosla	00059877	21/09/2015
4)	Mr. Promeet Promode Ghosh	05307658	16/08/2016
5)	Ms. Smita Anand	00059228	10/12/2018
6)	Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	21/05/2021
7)	Ms. Hiroo Mirchandani	06992518	28/01/2022
8)	Mr. Anil Chaudhry	03213517	17/10/2023
9)	Mr. Sanjiv Kakkar	00591027	17/10/2023

*the date of appointment is as per the MCA Portal

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

MITESH DHABLIWALA
FCS: 8331 CP: 9511
UDIN:F008331F000380758

Place: Mumbai
Date: May 16, 2024

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Crompton Greaves Consumer Electricals Limited

We have examined the compliance of the conditions of Corporate Governance by **Crompton Greaves Consumer Electricals Limited ('the Company')** for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")**.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

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: 8331 CP: 9511
UDIN:F008331F000380802
PR No.: 1129/2021

Place: Mumbai
Date: May 16, 2024

COMPLIANCE CERTIFICATE BY THE MANAGING 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 March 31, 2024 – Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

In compliance with Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), it is certified that –

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1. that there were no significant changes in internal control over financial reporting during the year;

   2. that there were no significant changes in accounting policies during the year; and

   3. that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

Promeet Ghosh
MD & CEO
DIN:05307658

Kaleeswaran Arunachalam
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2024.

Promeet Ghosh
MD & CEO
DIN:05307658

Place: Mumbai
Date: May 16, 2024

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L31900MH2015PLC262254
2.	Name of the Listed Entity	Crompton Greaves Consumer Electricals Limited
3.	Year of incorporation	2015
4.	Registered office address	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070
5.	Corporate address	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070
6.	E-mail	crompton.investorrelations@crompton.co.in
7.	Telephone	+91 2261678499
8.	Website	www.crompton.co.in
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Ltd. 2. BSE Ltd.
11.	Paid-up Capital	₹128.62 Crore
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Promeet Ghosh# Designation: MD & CEO E-mail Id: secretarial@crompton.co.in
13.	Reporting boundary* – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone
14.	Name of assurance provider	BDO India LLP
15.	Type of assurance obtained	1. For Core Indicators - Reasonable 2. For Non-Core Indicators - Limited

Non-Executive Non-Independent Director till April 23, 2023, and appointed as Executive Director w.e.f. April 24, 2023, and as MD & CEO w.e.f May 1, 2023, till April 30, 2028

* For environmental KPIs, we have included only manufacturing facilities.

II. Products/ services

16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Electrical Consumer Durables and Lighting Products	Manufacturing/ Trading	100

17. Products/ services sold by the entity (accounting for 90% of the entity's turnover)

S. No.	Product/ service	NIC code	% of total turnover contributed
1.	Electrical Consumer Durables	27501, 27502, 27503, 28132	84.41%
2.	Lighting Products	27400	15.59%

III. Operations

18. Number of locations where plants and/ or operations/ offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	8	21	29
International	0	0	0

19. Markets served by the entity

a) Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	38

b) What is the contribution of exports as a percentage of the total turnover of the entity? **1.60%**

c) A brief on types of customers –

The Company caters to a wide range of consumers, including homeowners, other businesses, corporates, architects, interior designers, real-estate developers, government, wholesalers and distributors. The Company has National & International customer basis.

A mix of Distributors, Retailers, Institutional Buyers and Large Format Stores.

IV. Employees

20. Details as at the end of Financial Year

a) Employees and workers (including differently abled)

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1.	Permanent (D)	1,779	1,654	92.97	125	7.03
2.	Other than Permanent (E)	1,235	1,068	86.48	167	13.52
3.	**Total employees (D + E)**	**3,014**	**2,722**	**90.31**	**292**	**9.69**
	Workers					
4.	Permanent (F)	459	401	87.36	58	12.64
5.	Other than Permanent (G)	2,489	1,846	74.17	643	25.83
6.	**Total workers (F + G)**	**2,948**	**2,247**	**76.22**	**701**	**23.78**

b) Differently abled employees and workers

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/ A)	No. (C)	% (C/ A)
	Differently abled employees					
1.	Permanent (D)	NIL	NIL	NIL	NIL	NIL
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	**Total differently abled employees (D + E)**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Differently abled workers					
4.	Permanent (F)	2	2	100	NIL	NIL
5.	Other than permanent (G)	2	2	100	NIL	NIL
6.	**Total differently abled workers (F + G)**	**4**	**4**	**100**	**NIL**	**NIL**

21. Participation/ inclusion/ representation of women

Particulars	Total (A)	No. and % of Female	
		No. (B)	% (B/A)
Board of Directors	9	2	22.22
Key Management Personnel	3	1	33.33

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

(In %)

	F.Y. 2023-24			F.Y. 2022-23			F.Y. 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24.40	22.90	24.30	36.13	33.17	35.94	29.68	22.11	29.19
Permanent Workers	7.20	13.01	7.95	2.75	3.08	2.79	3.13	4.51	3.31

V. Holding, subsidiary and associate companies (including joint ventures)

23. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/ No)
1.	Nexustar Lighting Project Private Limited	Wholly-owned subsidiary	100	No
2.	Pinnacles Lighting Project Private Limited	Wholly-owned subsidiary	100	No
3.	Crompton CSR Foundation	Wholly-owned subsidiary	The Company is limited by guarantee and does not have share capital.	No
4.	Butterfly Gandhimathi Appliances Limited (**"Butterfly"**)	Subsidiary	75	No

VI. Corporate Social Responsibility ("CSR") details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/ No) - **Yes**

(ii) Turnover (in ₹) **6,388.38 Crore**

(iii) Net worth (in ₹) **3,205.48 Crore**

VII. Transparency and disclosures compliances

25. Complaints/ grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) *(If Yes, then provide web-link for grievance redress policy)*	F.Y. 2023-24			F.Y. 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities[1]	YES	NIL	NIL	NA	NIL	NIL	NA
Investors (other than shareholders)[2]	YES	NIL	NIL	NA	NIL	NIL	NA
Shareholders[2]	YES	4	NIL	NA	11	NA	NA
Employees and workers[3]	YES	NIL	NIL	Minor complaints are resolved by the respective SPOC, location-wise	NIL	NIL	Minor complaints are resolved by the respective SPOC, location-wise
Customers[4]	YES	27,74,927	3,322	NA	25,80,752	3,072	NA
Value Chain Partners[5]	YES	NIL	NIL	NA	NIL	NIL	NA
Other (please specify)	NIL	NIL	NIL	NA	NIL	NIL	NA

The Company is committed to encourage openness, promote transparency and reporting improvements without fear of rebuttal. The organisation is committed to creating a culture that encourages high standards of ethics and upholds decent and safe working conditions for the entire workforces.

[1]Communities while interacting during the community engagement programmes, can report their grievances

[2]Investors and stakeholders can correspond with the Company by sending an e-mail to crompton.investorrelations@crompton.co.in or by calling on 022 61678499

[3]Employees and workers can report any grievance by sending an e-mail to wbcrompton@crompton.co.in or a letter in a physical form in a sealed envelope

[4]Consumers can report grievances through the CRM system, the WhatsApp (+91 74287 13838) and the toll-free number (1800 419 0505)

[5]Value chain partners can reach us through the Partner Connect tab on the website

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Product	R	Products in compliance with regulatory requirements, meet highest quality parameters, environmentally sustainable and features innovative designs	Revamping all models by optimising processes to create energy-efficient designs that align with BEE regulations. Transitioning form driver to driver on board technology in LED bulb to reduce failure and waste. Enhancing product performance scores by leveraging various technological advancements and implementing rigorous quality checks. Strategising to embed sustainability into product development and maintaining a relentless focus on commercially viable innovations.	Negative
2.	Brand	R	Brand disruption due to negative feedback on social media, substandard service quality & prevalence of counterfeit product	Implemented system of social listening & sentiments analysis to handle feedback; Establish on-line response mechanism; PAN India network of authorised service centres to address customer complaints; Requisite training given to service teams to cater to consumer complaints; Information about counterfeit is obtained by way of monitoring through market intelligence and statutory methods such as publication of trademark journals; and All actions initiated basis methods defined in the IP policy of Company and legal action initiated as appropriate.	Negative
3.	EHS	R	Safety & Compliance issues	Ensuring adherence to statutory and regulatory compliances, encompassing E-waste management and Extended Producer Responsibility **("EPR")** policies, remains a priority. This involves meticulous monitoring and enforcement of Environmental, Health, and Safety **("EHS")** policies, both within our facilities and across vendor locations, through comprehensive audit mechanisms. These audits serve as crucial checkpoints to guarantee compliance with established guidelines, fostering a culture of responsibility and sustainability throughout our operations and supply chain.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Supply	R	Disruption in production due to dependency on single source, volatile commodity cost	The establishment of a phased strategy to develop local suppliers aims to reduce import dependency, while also expanding the supplier footprint for essential raw materials. This includes the identification and development of secondary vendors for critical SKUs, or in-house design development, thereby reducing reliance on single sources. Additionally, cost-saving initiatives are being implemented to counter the impact of commodity price fluctuations.	Negative
5.	IT Security & Data Protection	R	Cyber threats, Data breach, use of Company information	Active Directory (AD) and SAP HANA are hosted internally in the company's datacenters and are disaster recovery (DR) enabled. Strengthen the existing processes for data identification, retention, and disposal. Implement Data Leakage Prevention (DLP) and Cloud Access Security Broker (CASB), which are currently in progress. Conduct a Data Privacy GAP Assessment and ensure alignment with the DPDP Act.	Negative
6.	People	R	Attrition & Succession Planning	Various initiatives are underway to tackle attrition and bolster retention of key talents, encompassing efforts to promote work-life balance, organise bonding sessions, infuse fun into the workplace, and elevate festival celebrations. These endeavours are coupled with increased investment in training, rewards, and recognition programmes. Additionally, a structured approach to job rotation, succession planning, and talent calibration ensures seamless transitions in key positions. Furthermore, the implementation of a structured leadership programme aims to cultivate and empower future leaders, fostering organisational resilience and growth.	Negative
7.	Energy Efficient Products	O	Focus on producing energy efficient products, reducing emissions and optimising natural resources	Invested in green, sustainable & energy efficient technologies which will spur demand for energy efficient products; conservation of limited resources and minimising harmful emissions – energy reduction across product lines; eliminated plastic & thermocol during packaging as they are great danger to landfills; and all across manufacturing plants, we have increased % of renewable & clean energy in our energy mix, it allows us to decrease carbon footprint and helps in reducing our power costs.	Positive
8.	Government Initiatives	O	Government continues to drive initiatives like Har Ghar Nal Yojana, Pradhan Mantri Awas Yojana, PM KUSUM scheme etc. to address basic needs of the citizens. This creates growth opportunities for business	Government initiatives such as the Har Ghar Nal Yojana, which aims to provide piped water supply to households, are driving growth in the household pump sector. Similarly, the Pradhan Mantri Awas Yojana has created new opportunities to meet housing demand at competitive prices. Additionally, the PM KUSUM scheme, which focuses on installing solar pumps in rural India, is further boosting the solar pump business.	Positive
9.	New Technologies	O	Consumers looking for smart, easy-to-use, energy efficient, technologically advanced products	The Crompton brand has long been associated with well-engineered products featuring cutting-edge technology and smart solutions by prioritising deep understanding of consumer needs; 50,000 sq ft state-of-the-art research & development centre helps enhance our capabilities in enhancing world-class innovation and optimise product efficiencies; and the Company hasimplemented automation across its production lines, data analytics is deployed to gain critical insights manufacturing processes to identify areas for optimisation & improvement.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a) Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web-link of the Policies, if available	https://www.crompton.co.in/pages/corporate-governance#CodesPolicies								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	To emphasise the values of transparency and ethical behaviour, empowerment, and accountability, the Company has formalised the 'Code of Conduct' for the Directors and employees of the Company. The Code lays down principles and standards that govern the actions of the employees during the conduct of the Company's business. It covers all dealings with vendors, consumers, and other business partners.								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All the Company's manufacturing units are certified for ISO 14001, ISO 45001 & ISO 9001.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to the Chairman's Message, Management Discussion and Analysis Report **("MDA")** and Integrated Annual Report **("IAR")** for our management approach and commitments.								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Please refer to the Chairman's Message, MDA and the IAR for our management approach and commitments.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report. Highlighting Environmental, Social and Governance **("ESG")** related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure), The Company integrates ESG principles into its business strategy which is central to improving the quality of life of the communities it serves. As sustainable management is a crucial component of the Company's strategy across its entire value chain, it is constantly making adequate efforts to protect the environment. Throughout the course of the year, the Company remained committed to making its business operations more eco-friendly. Please refer to the Chairman's Message, MDA and the IAR for our management approach and commitments.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Mr. Promeet Ghosh Designation: MD & CEO E-mail Id: secretarial@crompton.co.in								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes/ No). If yes, provide details.	Yes, the Company's ESG Committee monitors the Company's ongoing commitment to environment, health and safety, social responsibility, governance, sustainability concerns, and other public policy matters. It has 3 (Three) Members.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically or on a need-based basis by the Board of Directors, department heads, and business heads. During this assessment, the efficacy of the policies is reviewed, and necessary changes to the policies and procedures are implemented.	Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	A Compliance report across all statutory requirements is submitted to the Audit Committee on a quarterly basis. In addition to this, the Control Manager tool (Beacon) is also used to track and ensure timely compliance.	Quarterly

Principles	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the 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								
12. If answer to question (1) above is "**No**" i.e. not all Principles are covered by a policy, reasons to be stated:									

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/ No)	NA as all principles are covered.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/ No)									
It is planned to be done in the next Financial Year (Yes/ No)									
Any other reason (please specify)									

List of Policies

Policies	Links
Code of Conduct	https://reports.crompton.co.in/shopify/public/files/JQyKgNOWmA_Code-of-Conduct_19May2023_updated.pdf
Vigil Mechanism and Whistle Blower Policy	https://reports.crompton.co.in/shopify/public/files/hxamy77St7_Vigil-Mechanism-and-WB-Policy_19-May_updated.pdf
Code of Conduct to Regulate, Monitor and Report trading by Insiders	https://reports.crompton.co.in/shopify/public/files/QVY7HjIK7R_Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Designated-Persons-1.pdf
Prevention of Sexual Harassment Policy	https://reports.crompton.co.in/shopify/public/files/UxKXXDfbtE_PoSH-at-Workplace-19May2023_updated.pdf
Environment, Health and Safety Policy	https://reports.crompton.co.in/shopify/public/files/hPXJY7RU1i_Crompton-EHS-Policy-1.pdf
Corporate Social Responsibility Policy	https://reports.crompton.co.in/shopify/public/files/U6kk0A8Uoy_Corporate-Social-Responsibility-Policy-1.pdf
Sustainability Policy	https://reports.crompton.co.in/shopify/public/files/yrBuqXsSV4_Sustainability%20Policy.pdf
Maternity Leave Policy	The policy is available on the Company's employee's portal
Product Service Policy	The policy is available internally in the Company and has been made available to the product service centres

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "**Essential**" and "**Leadership**". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	34	Familiarisation programmes are carried out by way of exhaustive presentations on various topics and areas like: 1. Strategy and Annual Budget of the Company; 2. Internal Financial Control Systems; 3. CSR Strategy Framework; 4. Environment; 5. Health and Safety; 6. ESG framework; and 7. Risk Management, and so on	100
Employees other than BoD and KMPs	36	Edge - A&B, Product Trainings, SDA, Lighting, Fans, LDA, Pumps, Rural, Code of Conduct **("COC")**, Prevention of Sexual Harassment **("POSH")** & Compliance, Personal Nutrition, Road Safety, Defensive Awareness, Excel, SAP, Financial Planning, ELDP, Outbound, Induction, FLDP, BEI, MEP, Udaan, Conversation Forum, Power of One, I am CEO, 3 laws of Performance, Grooming Session, Sales Pich & Negotiation Skills, Mediclaim Awareness, Yatra Portal Training, New Dealer & Channel Appointment, High-Mast, Pole & Deco Pole - B2B, Application Design - Lighting B2B, Freepay Training Session, Servicettude (Service Training), Vendor Code Creation, Business Presentation Skills, Evolve KT B2B, CIB workshop, Sales Pich & Negotiation Skills	68
Workers	9	POSH, COC, Safety, Awareness, Compliance, Quality, Maintenance, Operations, EHS	51

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	Assessment Unit, Income Tax Department	68,66,59,820	Disallowance of ESOP expenses, claim of provisions against warranty and after sale service and of depreciation on goodwill	Yes
		Excise & Taxation Officer, Ambala Ward, Haryana	40,03,10,199	Disallowance of input tax credit, imposition of tax on other income, sale of fixed assets and legal professional charges disclosed in financials and others	Yes

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL			
Settlement				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Disallowance of ESOP expenses, claim of provisions against warranty and after sale service and of depreciation on goodwill	Joint Commissioner (Appeals) or the Commissioner of Income-tax (Appeals)
Disallowance of input tax credit, imposition of tax on other income, sale of fixed assets and legal professional charges disclosed in financials and others	Joint Commissioner of State Tax (Appeals), Ambala

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

The anti-corruption and anti-bribery policies are included in the Company's COC Policy. All new hires are required to undergo training on the COC. The Company believes in maintaining high ethical and legal standards. It is committed to imbibing the appropriate regulatory framework to govern its business performance. The link to access policy is https://reports.crompton.co.in/shopify/public/files/JQyKgNOWmA_Code-of-Conduct_19May2023_updated.pdf

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	F.Y. 2023-24	F.Y. 2022-23
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	F.Y. 2023-24		F.Y. 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. NA

8. Number of days of accounts payables [Accounts payable *365]/ Cost of goods/ services procured) in the following format

	F.Y. 2023-24	F.Y. 2022-23
Number of days of accounts payables	98	83

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format

Parameter	Metrics		F.Y. 2023-24	F.Y. 2022-23
Concentration of Purchases	a)	Purchases from trading houses as % of total purchases	0.01%	0.01%
	b)	Number of trading houses where purchases are made from	9	13
	c)	Purchases from top 10 trading houses as % of total purchases from trading houses	100%	99.43%
Concentration of Sales	a)	Sales to dealers/ distributors as % of total sales	84.88%	89.08%
	b)	Number of dealers/ distributors to whom sales are made	6,044	5,760
	c)	Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	6.29%	6.78%
Share of Related Party Transactions (**"RPTs"**) in	a)	Purchases (Purchases with related parties/ Total Purchases)	0.22%	NIL
	b)	Sales (Sales to related parties/ Total Sales)	0.00%	NIL
	c)	Loans & advances (Loans & advances given to related parties/ total loans & advances)	NIL	NIL
	d)	Investments (Investments in related parties/ total Investments made)	NIL	NIL

Leadership indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

The Company has built a sustainable supply chain throughout its operations. It aims to improve suppliers' understanding of their legal obligations, sustainable business practices and the importance of employee health and safety through several programmes.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same

Yes, the COC encourages all its Board Members to refrain from participating in activities that could result in a conflict of interest

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

a) Enhancing capabilities by hiring futuristic talent.

b) Trained R&D manpower for an average of 20 manhours in the Financial Year 2023-24 in the identified competencies.

c) Setting up lab infrastructure with added research and testing equipments.

d) Digitalised R&D documentation processes and NPD innovation processes.

e) Digital change management system Implemented which replaces manual change notification with a digital workflow, facilitating faster approvals and execution.

The Company collaborated with various validation and testing agencies to enhance its R&D capabilities. Some of them are mentioned below:

a) Collaborated with ARAI Pune on project basis.

b) Organised the Startup India Design Challenge in partnership with Start-Up India. This helped to focus on critical areas of technology through project based engagements.

c) Two startups have submitted their prototypes enabling us to directly leapfrog to testing stage saving significant time and investment.

d) Access to 2 (Two) startups who are working on prototypes.

e) It has helped the company gain critical insights into new technology development and provided access to ready-to-test prototypes.

f) 70% of the R&D expenditure is directed towards sustainable technologies, specifically the energy efficiency of fans, lighting and appliances.

₹ in Crore

	F.Y. 2023-24	F.Y. 2022-23	Details of improvements in environmental and social impacts
R&D	38.14	29.20	-
Capex	33.23	48.52	-

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b) If yes, what percentage of inputs were sourced sustainably?

22.05%

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

The Company has authorisation for EPR E-Waste and plastic waste management and through Pollution Control Board **("PCB")** authorised recyclers are engaged in channelisation of such waste. For hazardous and non hazardous waste disposal the Company's units are engaged as well with PCB approved agencies and compling terms & conditions.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same?

Yes, the Company's has systematically made progress to comply with EPR obligations.

Leadership indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Not applicable, as we have not conducted LCA for any of our products.					

2. If there are any significant social or environmental concerns and/ or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same

Name of Product/Service	Description of the risk/concern	Action Taken
	Nil	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or re-used input material to total material	
	F.Y. 2023-24	F.Y. 2022-23
NA		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

	F.Y. 2023-24			F.Y. 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics including packaging)	NA	2,015.64	0	NA	1,234.82	1,234.82
E-waste	NA	15,816.60	0	NA	NA	90.2
Hazardous waste	NA	260	260	NA	NA	104.17
Other waste	NA	NA	NA	NA	0.00	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Damaged material comes to the depots and is disposed of as-is through the contracting process. The quantum of such material is almost negligible.	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential indicators

1. a) Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities**	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F /A)
Permanent employees											
Male	1,654	1,654	100	1,654	100	NA	NA	1,654*	100	Yes	Yes
Female	125	125	100	125	100	125	100	NA	NA	Yes	Yes
Total	**1,779**	**1,779**	**100**	**1,779**	**100**	**125**	**7.03**	**1,654**	**92.97**	**-**	**-**
Other than Permanent employees											
Male	1,068	1,068	100	1,068	100	NA	NA	NA	NA	Yes	Yes
Female	167	167	100	167	100	167	100	NA	NA	Yes	Yes
Total	**1,235**	**1,235**	**100**	**1,235**	**100**	**167**	**13.52**	**NA**	**NA**	**-**	**-**

*Employees can avail leave from their leave pool

**Available at applicable locations

b) Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities**	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F /A)
Permanent workers											
Male	401	401	100	401	100	NA	NA	401*	100	Yes	Yes
Female	58	58	100	58	100	58	100	NA	NA	Yes	Yes
Total	**459**	**459**	**100**	**459**	**100**	**58**	**12.64**	**401**	**87.36**	**-**	**-**
Other than Permanent workers											
Male	1,846	1,846	100	1,846	100	NA	NA	NA	NA	Yes	Yes
Female	643	643	100	643	100	643	100	NA	NA	Yes	Yes
Total	**2,489**	**2,489**	**100**	**2,489**	**100**	**643**	**25.83**	**NA**	**NA**	**-**	**-**

*Employees can avail leave from their leave pool

**Available at applicable locations

c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	F.Y. 2023-24	F.Y. 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.47%	0.42%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	F.Y. 2023-24			F.Y. 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/ N/ NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/ N/ NA)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	Eligibility as per ESIC Act			Eligibility as per ESIC Act		
Others – please specify - Employee compensation						

3. Accessibility of workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

The Company is implementing appropriate measures to provide its employees with a better, more accessible work Environment.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

The Company is committed to ensuring that existing employees, job applicants and workers are treated fairly in an environment free from discrimination based on race, gender, religion or beliefs, disability, age, sexual orientation, gender identity, gender expression, and so on. The Company promotes equal treatment and opportunities for all employees. The employee COC specifically prohibits discrimination in all its manifestations. The link to the policy is https://reports.crompton.co.in/shopify/public/files/JQyKgNOWmA_Code-of-Conduct_19May2023_updated.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	NA	NA
Female	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/ No *(If Yes, then give details of the mechanism in brief)*
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	The Company encourages transparency at all levels. Employees are urged to discuss their concerns with their managers, and employees who are engaged on a contractual basis are urged to discuss their issues with their managers. Workers are encouraged to share their issues with the worker representative, the respective primary manager, or the HR SPOC available in different locations. Workers who are engaged on a contractual basis can share their concerns with the contractor representative or the Company HR SPOC, such as supervisors and contractors. Appropriate actions are taken against any employee or workers whose actions are proved to be violating the COC.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	F.Y. 2023-24			F.Y. 2022-23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,779	0	0	1,693	0	0
- Male	1,654	0	0	1,582	0	
- Female	125	0	0	111	0	0
Total Permanent Workers	459	410	89.32	497	447	89.94
- Male	401	352	87.78	432	382	88.43
- Female	58	58	100	65	65	100

8. Details of training given to employees and workers*

Category	F.Y. 2023-24					F.Y. 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,654	1,440	87.06	1,226	74.12	1,582	1,313	82.99	1,286	81.29
Female	125	51	40.80	38	30.40	111	99	89.19	84	75.68
Total	**1,779**	**1,491**	**83.81**	**1,264**	**71.05**	**1,693**	**1,412**	**83.40**	**1,370**	**80.92**
Workers										
Male	401	401	100	401	100	432	432	100	355	82.18
Female	58	58	100	58	100	65	65	100	48	73.85
Total	**459**	**459**	**100**	**459**	**100**	**497**	**497**	**100**	**403**	**81.09**

*The above data pertains to Blue Collar and White Collar on roll employees

9. Details of performance and career development reviews of employees and worker

Category	F.Y. 2023-24			F.Y. 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,654	1,654	100	1,582	1,582	100
Female	125	125	100	111	111	100
Total	**1,779**	**1,779**	**100**	**1,693**	**1,693**	**100**
Workers						
Male	Salary revision happens as per the LTS terms			Salary revision happens as per the LTS terms		
Female						
Total						

10. Health and safety management system

(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company acknowledges the fact that the identification of work-related hazards is crucial for ensuring the safety of its people. Each plant implements Aspect Impact and HIRA, i.e. identifying hazards, assessing risks and defining controls, to ensure that EHS operations are conducted with care.

Every manufacturing location has an occupational health and safety management system that is compliant with ISO 45001, and all locations are ISO 45001 certified.

(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Process – Hazard Identification & Risk Assessment **("HIRA")** and Environmental Impact Assessment **("EIA")**

The organisation's EHS Manual (KAVACH) covers all EHS processes. Under KAVACH, the risk assessment process is elaborated with departmental and individual roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities, all in support of our goal of preventing incidents, injuries, occupational disease, emergency control and prevention, and business continuity. For all activities, whether routine or irregular (permit and project activities), a trained cross-functional team identifies hazards, and risk assessment and management are carried out using HIRA, Job Safety Analysis (JSA), Physical hazard analysis through check sheet (PHA), HAZOP for high risk and Standard Operating Procedures (SOP), which are referred to before beginning any activity. Apart from this organisation, the Company has undertaken its own self-assessments in areas such as electrical safety, fire safety, machine safety, and so on.

(c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks ? (Y/ N)

Yes, the Company urges its employees/ workers to record near-miss situations discovered during various operations, which are then classified, and an action plan is developed and implemented to prevent a recurrence. Each manufacturing facility has a specific protocol in place for reporting work-related hazards, injuries, hazardous conditions, and unsafe activities.

(d) Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under health insurance and ESI scheme.

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category*	F.Y. 2023-24	F.Y. 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

The Board-approved EHS Policy outlines the Company's philosophy and commitment to important EHS standards. It assists the Company in strengthening EHS performance by creating objectives and targets and monitoring key performance indicators, resulting in the organisation-wide promotion of a safety culture. A thorough EHS scorecard has been implemented across all units, and its performance is evaluated each month, following which preventive and Corrective actions are implemented as necessary. The Company adheres to the Work Permit System (WPS) and conducts daily toolbox discussions to promote a risk free work environment and culture. Safety-related performance is evaluated using a standard, data-driven method and lessons based on the current situation are delivered to employees in an effort to prevent similar incidents at work. Also, the Company is ISO 45001:2018 certified and other this facility conducts regular safety training programs for employees at all levels, Routine inspections of the workplace are carried out to identify and address potential hazards, Safety Equipment Provision etc.

13. Number of complaints on the following made by employees and workers

Benefits	F.Y. 2023-24			F.Y. 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	No complaints have been received			No complaints have been received		
Health Safety						

14. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions

The objective is to create an EHS-oriented mindset focused on engineering control, zero accidents, and behavior control, supported by people. The Company has a safety manual called Kavach covering all aspects of safety. Daily incident reporting, safety, behavior observations, and theme-based awareness campaigns are conducted. Safety compliance is ensured through gap analysis, warehouse safety evaluation, and OH&S management system compliance with ISO 45001:2018. Regular audits and legal compliance checks are conducted. The safety culture is promoted through zero-tolerance policies, leading and lagging indicators, and empowerment of safety officers.

Leadership indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

   A - Employees - **Yes**

   B- Workers - **Yes**

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**

   Yes, the Company has a compliance tool to track all the legal compliances with proper dates. Stakeholders are trained to ensure compliance.

3. **Provide the number of employees/ workers having suffered high consequence work related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment (Yes/ No)**

   The entity provides transition assistance programmes only in cases of retirement, and that too is need-based.

5. **Details on assessment of value chain partners**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

6. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners**

   The details of the corrective actions undertaken are as follows:

   i) A vendor handbook encompassing EHS and sustainability check points has been issued as a pre-qualification procedure addressing required law compliance.

   ii) The gap after assessment is communicated and an action plan for compliance is prepared and acted on.

   iii) The Company also carries out assessment as per the internal EHS audit procedures and all the observations and non conformances are properly recorded and notified.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential indicators

1. **Describe the processes for identifying key stakeholder groups of the entity**

   The Company adopts a systematic approach to identify key stakeholder groups vital for its operations. Initially, the Company consults extensively with its management team, following these steps:

   i) Compiling a comprehensive list of stakeholders.

   ii) Categorising stakeholders into internal and external groups.

   iii) Prioritising stakeholder groups based on their significance to the Company's operations and objectives.

   These primary stakeholders encompass consumers (both B2B and B2C), employees, shareholders/ investors, suppliers, the community, governments/ regulators.

   Moreover, the Company extends its stakeholder identification beyond primary groups through an in-depth analysis of its business environment, considering factors such as industry dynamics, market trends, and regulatory requirements. Through this process, the Company identifies other stakeholders closely linked to its operations, such as industry analysts, equity analysts, and the news media, serving as proxies for customers, shareholders, and society at large.

   Additionally, the Company has established organisation-wide processes to facilitate open and constructive dialogue with stakeholders regularly. Engaging in such communication channels enhances the Company's understanding of relevant issues and helps recognise the unique attributes of stakeholders contributing value. The Company consistently aims to understand their needs, expectations, and interests to improve business outcomes.

   Furthermore, the Company's stakeholder engagement strategy prioritises two-way communication, enabling the integration of diverse perspectives into business practices effectively. This approach ensures that stakeholders feel valued and heard, fostering mutual benefits and sustainable relationships.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ half yearly/ quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Meetings/ Town hall briefings • Employee engagement activities· and surveys • Team building, workshops, • capability building and training • Performance management system • Employee newsletters • Rewards and recognitions • CSR through employee engagement	Continuous	Employees are the most important assets of the Company and are essential to its long-term success. They are critical to increasing the Company's competitiveness and confirming its market leadership.
Community	Yes	• CSR initiatives • Volunteering	Continuous	Empowering the community is critical to the Company's long-term business sustainability. Through numerous upliftment projects and activities, the Company continues to develop enduring relationships with the communities and transform their lives.
Suppliers	No	• One to-one meetings • Regular operational reviews	Continuous	The Company collaborates with the suppliers to maintain seamless business operations by ensuring effective and efficient procurement practices.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ half yearly/ quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers (B2B), (B2C)	No	• Customer engagement surveys	Continuous	Consumers' purchasing habits have an influence on the Company, so it is critical to have continual contact with them to understand their needs and desires.
Investors/ Shareholders	No	• Annual general meeting • Financial result declarations • Media releases • Investor calls and meets • One-on-one interactions & calls • Group meetings • Investor Conferences	Ongoing	Investors are critical to our success and growth. The purpose of these engagements is to build mutual relationship with domestic & foreign investors, thereby enhancing their understanding of the business model as well as to provide updates on new business developments. The management spends significant time with Members, analysts and investors to communicate the strategic direction of the business, capital allocation priorities and address any other queries that they might have regarding operations or financial performance. During the year, the Company has substantially increased their investor engagement and have interacted with 450+ institutional investors in India & abroad (excluding quarterly earnings calls and specific event related calls) and 40+ sell-side research analysts from various broker houses. **Strategic priorities include:** - High Return on investment - Capital allocation - Higher investments towards Brand building, R&D and People capabilities under Crompton 2.0 strategy - ESG impact - Transparent disclosure for investors to take informed investment decisions

Leadership indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board**

   The contributions of stakeholders were utilised to determine the Company's material subjects. The outcome of this exercise in materiality was transformed into policies by utilising several other worldwide standards and needs. These help form a framework that is specific to the Company. Also, these frameworks are presented to the Board for discussion and approval.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity**

   After stakeholder consultation, the Company has identified significant environmental and social concerns. Material topics were shortlisted and prioritised according to their influence on stakeholders and businesses.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups**

   There are no reportable concerns of vulnerable marginalised groups. However, the Company undertakes various CSR activities in local areas that serve the vulnerable/ marginalised stakeholder group.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format**

   The Company operates in an open, fair, and transparent manner and is dedicated to upholding the highest ethical standards and practices. To expose unethical conduct and encourage professionalism and ethical behaviour among its staff, the whistle-blower and code of conduct policies are in place. Trainings conducted on COC policy.

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	F.Y. 2023-24					F.Y. 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**1,779**	**NA**	**NA**	**1,779**	**100**	**1,693**	**NA**	**NA**	**1,693**	**100**
Male	1,654	NA	NA	1,654	100	1,582	NA	NA	1,582	100
Female	125	NA	NA	125	100	111	NA	NA	111	100
Other than Permanent	**1,235**	**NA**	**NA**	**1,235**	**100**	**783**	**NA**	**NA**	**783**	**100**
Male	1,068	NA	NA	1,068	100	660	NA	NA	660	100
Female	167	NA	NA	167	100	123	NA	NA	123	100
Workers										
Permanent	**459**	**NA**	**NA**	**459**	**100**	**497**	**NA**	**NA**	**497**	**100**
Male	401	NA	NA	401	100	432	NA	NA	432	100
Female	58	NA	NA	58	100	65	NA	NA	65	100
Other than Permanent	**2,489**	**NA**	**NA**	**2,489**	**100**	**2,849**	**2,849**	**100**	**NA**	**NA**
Male	1,846	NA	NA	1,846	100	2,104	2,104	100	NA	NA
Female	643	NA	NA	643	100	745	745	100	NA	NA

3. **Details of remuneration/ salary/ wages**

   a) Median remuneration/ wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	9	29,08,142	2	24,75,000
Key Managerial Personnel*	4	3,85,99,998	1	72,64,956
Employees other than BoD and KMP	1,651	11,22,000	124	15,75,006
Workers	401	4,04,968	58	5,87,876

* 1. Remuneration paid to Mr. Mathew Job is considered only for his tenure as Executive Director and as Chief Executive Officer (CEO). Mr. Mathew Job, resigned from the position of Executive Director w.e.f. April 24, 2023 and from the position of CEO w.e.f. April 30, 2023

2. As on March 31, 2024, there were 9 (Nine) Directors
3. Mr. Shantanu Khosla was acting as Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then assumed the position of Non-Executive Vice Chairman till December 31, 2025
4. Mr. Hemant Nerurkar ceased to be Director w.e.f. October 20, 2023 pursuant to completion of his second term as a Director upon attaining the age of 75 (Seventy Five) years
5. Mr. Anil Chaudhry and Mr. Sanjiv Kakkar were appointed as the Non-Executive Independent Directors w.e.f. October 17, 2023
6. Mr. Promeet Ghosh was acting as Non-Executive Non-Independent Director till April 23, 2023 and was appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f May 1, 2023 till April 30, 2028

b) Gross wages paid to females as % of total wages paid by the entity, in the following format

	F.Y. 2023-24	F.Y. 2022-23
Gross wages paid to females as % of total wages	8.53	6.66

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No)**

No, the Company does not have a focal point responsible for addressing human rights impacts or issues whereas the Company is aware of how severe violations of human rights are. To maintain a safe and productive workplace, the Company has adopted a COC, POSH policy and a whistle-blower policy. To familiarise the employees with POSH and whistle-blower policies as well as the implications of human rights issues, the Company also offers training on these topics. Human rights are a sensitive topic, and the Company has zero tolerance for human rights violations. Human rights are one of the Company's key focus areas. Any human rights violation, wherever reported, shal be investigated by the Management following the COC policy of the Company.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues**

The Company is committed to supporting internationally accepted human rights principles and standards. It has also established procedures and processes to ensure that no human rights violations occur throughout the Company's operations. The Company's POSH and whistle-blower policies aid employees in reporting complaints. All grievances are addressed as and when received by the respective manufacturing unit heads, project managers, and business unit heads through admin/ IR in coordination with HR. All the grievances received are duly investigated, and appropriate actions are taken to resolve the issue or complaint. Whenever required, disciplinary actions are initiated as deemed fit, and assistance from regulatory authorities is sought.

6. **Number of Complaints on the following made by employees and workers**

Category	F.Y. 2023-24			F.Y. 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format**

	F.Y. 2023-24	F.Y. 2022-23
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 **("POSH")**	3	NIL
Complaints on POSH as a % of female employees/ workers	66.67 %*	NA
Complaints on POSH upheld	3	NIL

* Note: POSH policy of the Company is gender neutral

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

The Company's whistle-blower policy has clearly laid down the guidelines to prevent retaliation against a complainant. A complainant has the right to complete anonymity unless required by law enforcement agencies. The organisation prohibits retaliation against a complainant, such as threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/ No)**

No. However, the Company strongly believes that suppliers and vendors are an integral part of its business and contribute to its growth and viability. Regular engagement activities are organised with suppliers and vendors.

10. **Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Government officers from the respective locations come for inspection
Forced/ involuntary labour	Government officers from the respective locations come for inspection
Sexual harassment	Government officers from the respective locations come for inspection.
Discrimination at workplace	Government officers from the respective locations come for inspection
Wages	Government officers from the respective locations come for inspection
Others – please specify	NA

11. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above**

No complaints related to child labour, forced labour, involuntary labour, or discriminatory employment were received during the reporting year, and none are pending at the end of the reporting year.

Leadership indicators

1. **Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints**

The Company regularly updates its employees about the COC through various training programmes.

2. **Details of the scope and coverage of any Human rights due-diligence conducted**

None.

3. **Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the premises and offices are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. No specific assessment with respect to value chain partners has been carried out.
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above**

No corrective action pertaining to Question 4 was necessitated by the Company during the year under review.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment*

Essential indicators

1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format

Parameter	F.Y. 2023-24	F.Y. 2022-23
From renewable sources		
Total electricity consumption (A)	33.16 GJ	70.74 GJ
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	33.16 GJ	70.74 GJ
From non-renewable sources		
Total electricity consumption (D)	32,144.89 GJ	35,003.30 GJ
Total fuel consumption (E)	7,007.7 GJ	23,290.86 GJ
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	39,152.59 GJ	58,294.16 GJ
Total energy consumed (A+B+C+D+E+F)	39,185.75 GJ	58,364.90 GJ
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	6.13	10.15
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	NA	NA
Energy intensity in terms of physical output	0.00	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/ N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

This is not applicable to the Company as it does not fall under the PAT scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format

Parameter	F.Y. 2023-24	F.Y. 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	39,169	44,025
(iii) Third party water	28,561	24,742
(iv) Seawater/ desalinated water	NA	NA
(v) Others	0	NA
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	67,730	68,767
Total volume of water consumption (in kilolitres)	64,264	68,767
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations)	10.06	11.84
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	NA	NA
Water intensity in terms of physical output	0.00	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

* The data reported under Principle 6 only includes numbers of manufacturing facilities.

4. Provide the following details related to water discharged

Parameter	F.Y. 2023-24	F.Y. 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	3466 KL to CETP	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	30484 KL to Gardening & Toilet Flush	NA
Total water discharged (in kilolitres)		NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

At present, the Company does not have a zero-liquid discharge mechanism. However, all its facilities use 100% of the treated water from STP and ETP within the premises for horticulture and toilet use. The Company follows all the necessary applicable guidelines and directions on maintaining the standards of STP and ETP, as required by CPCB and SPCBs. Company is also working on reduction of water consumption at the facility by using the waterless urinal, identification of water leakage etc.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: (Unit for last year: KG)

Parameter	Please specify unit	F.Y. 2023-24	F.Y. 2022-23
NOx	NA	NA	NA
SOx	KG	22	28.89
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

Parameter	Please specify unit	F.Y. 2023-24	F.Y. 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,660.00	4,752.00 (Unit specified: tCO_2e)
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,927.02	4,053.50 (Unit specified: tCO_2e)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Metric tonnes of CO_2 equivalent/ Crore INR	1.14	0.82
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent/ product	0.00	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details**

The Company's innovative products (fans, lighting, pumps and appliances) help to avoid nearly 6% of its GHG emissions as compared to last year. At Baroda and the Kundiam Plant, the Company is using natural gas to reduce the GHG emissions, whereas in Ahmednagar and Goa we are using solar.

9. **Provide details related to waste management by the entity, in the following format***

Parameter	F.Y. 2023-24	F.Y. 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	249.92	895.98
E-waste **(B)**	295.13	453.55
Bio-medical waste **(C)**	0.01	0.00277
Construction and demolition waste **(D)**	31	0.00
Battery waste **(E)**	4.74	0.00
Radioactive waste **(F)**	0	0.00
Other Hazardous waste. Please specify, if any. **(G)**	1	104.17
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,052.75	1,682.67
Total (A+B+C+D+E+F+G+H)	**2,634.55**	**3,136.37**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.41	0.54
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	NA	NA
Waste intensity in terms of physical output	6.32	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)	NA	NA
Category of waste		
(i) Recycled	1,700.5	2,652.37
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**1,700.5**	**2,652.37**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	NA	NA
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	**NA**	**NA**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

** Numbers are based on the assumption that waste disposal is waste generated.*

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes**

Company is consistently making sincere efforts to improve its resource efficiency, eco-friendly packaging and trash recycling. It is implementing numerous well-thought-out measures to enhance its waste management initiatives. The Company has improved its material efficiency, which has resulted in a decrease in industrial waste and raw material consumption, helped in waste segregation and reduced greenhouse gas emissions. The Company makes consistent efforts to track and regulate the use of hazardous substances and considers it essential to manage its resources responsibly since it benefits the environment, reduces the price of its products and ensures consumer acceptance.

The Company's operational units are responsible for ensuring that all hazardous materials are delivered to a State Pollution Control Board-approved authorised disposal operator. The Company ensures responsible waste management practices involving 100% recycling of plastic waste as per EPR PWM. The disposal of e-waste is overseen by a licensed recycler who has been approved by the CPCB and awarded green certificates for the same. Moreover, the waste generated within the plant gets segregated at the source through colour-coded waste collection bins, awareness on waste management, disposal according to the law of the land, etc.

11. **If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No, the Company does not have any offices or plants located around ecologically sensitive areas.			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
NA					

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/ N). If not, provide details of all such non-compliances, in the following format**

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the Company complies with all the applicable environmental laws. No material fines were paid in F.Y. 2023-24.				

Leadership indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)**

For each facility/ plant located in areas of water stress, provide the following information:

(i) Name of the area - **NA**

(ii) Nature of operations - **NA**

(iii) Water withdrawal, consumption, and discharge in the following format: - **NA**

Parameter	F.Y. 2023-24	F.Y. 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	44,626
(iii) Third party water	NA	25,250
(iv) Seawater/ desalinated water	NA	Nil
(v) Others	NA	Nil
Total volume of water withdrawal (in kilolitres)	NA	69,876
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed/ turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**NA**	NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format**

Parameter	Unit	F.Y. 2023-24	F.Y. 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover	NA	NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency - **Yes, BDO India LLP**

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities**

NA

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
NA			

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link**

The Disaster Management Plan includes description of the institutional arrangements and discussions on various aspects of disaster management such as prevention, mitigation, preparedness, mainstreaming, capacity development and response. The Company, all manufacturing units has set of actions and recommendations for disaster risk reduction and effective response. Onsite & offsite emergency plan discloses any significant adverse impact to the environment, arising from the entity and mitigation or adaptation measures have been taken into consideration.

The Company, all manufacturing sites are well equipped with on-site emergency plan which deals with measures to prevent and control emergencies within the factory and not affecting outside public or environment. As per applicability of manufacturing site the off-site emergency plan is made available which deal with measures to prevent and control emergencies affecting public and the environment outside the premises. Disaster recovery mechanisms are in place for critical business systems and periodic Evacuation and Fire Drills are carried out to simulate such events and ensure that processes and systems work as desired.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard**

The Company has started EHS assessments for value chain partners under QA VPQ audits.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

The Company has started EHS assessments for value chain partners under QA VPQ audits.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential indicators

1. a) **Number of affiliations with trade and industry chambers/ associations**

The Company is well represented in several business and industry chambers and associations. The Company is affiliated with 16 (Sixteen) trade and industry chambers and associations.

b) **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1.	Consumer Electronics and Appliances Manufacturers Association	National
2.	Indian Pumps Manufacturers' Association	National
3.	The Southern India Engineering manufacturers association (SIEMA)	State
4.	Bureau of Indian Standards (BIS)	National
5.	Bureau of Energy Efficiency (BEE)	National
6.	Confederation of Indian Industry (CII)	National
7.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
8.	Bombay Chamber of Commerce & Industry	State
9.	The Advertising Standards Council of India (ASCI)	National
10.	Indian Society of Advertisers	National
11.	Indian Society of Lighting Engineers	National
12.	Electric Lamps and Components Manufacturers of India	National
13.	National Lighting Code	National
14.	Goa Chamber of Commerce & Industry (GCCI)	National
15.	Indian Fan Manufacturers Association (IFMA)	National
16.	IMA IP Ltd.	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
For the Financial Year under review, the Company has not received any adverse order from regulatory bodies; hence, no corrective actions were required.		

Leadership indicators

1. **Details of public policy positions advocated by the entity**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web-link, if available
The Company proactively engages with various stakeholders including industry chambers, associations, government and regulatory bodies like BIS, BEE etc. and provides its inputs on various areas such as IS standards for Pumps.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year**

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web-link
NA					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the F.Y. (In ₹)
NA						

3. **Describe the mechanisms to receive and redress grievances of the community**

The Company executes several community programmes to develop healthy relationships with the community. It regularly interacts with people and communities and tries to address their concerns. The Company ensures timely actions are taken to address the concerns raised by communities

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

	F.Y. 2023-24	F.Y. 2022-23
Directly sourced from MSMEs/ small producers	27	62
Directly from within India	97	55

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost***

Location	F.Y. 2023-24	F.Y. 2022-23
Rural	NA	NA
Semi-urban	37.43	39.93
Urban	NA	NA
Metropolitan	62.57	60.07

*Only permenant employees are considered

(Place to be categorised as per RBI Classification System – rural/ semi-urban/ urban/ metropolitan)

Leadership indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Rajasthan	Serohi	1.04 Crore

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/ vulnerable groups? (Yes/ No)

No

(b) From which marginalised/ vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the case	Corrective action taken
NA		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Water Conservation	40,000	100
2	Skill & Entrepreneurship Development	7,260	100
3	Community Care	5,922	100

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

Consumers are of utmost importance to the Company. It has established multiple channels for receiving and responding to customer complaints. The Company is using a customer relationship management system to ensure that all feedback is captured and assigned to the appropriate service associates for resolution. Also, WhatsApp bots streamline the process of registering service requests, and the Technician Mobile Application helps streamline the Company's complaint resolution process. Additionally, a toll-free number is provided on the website and also on the product labels.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	Plastic waste is 100% collected against CPCB targets.

3. Number of consumer complaints in respect of the following

	F.Y. 2023-24		Remarks	F.Y. 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	27,74,927	3,322	NA	25,80,752	3,702	NA

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

There were no product recalls because of safety issues. The Company has a well-defined system of registering the complaints through toll-free number & online portal for logging complaints for all the Company's products. The Complaints are escalated to Authorised service centres and resolved within the time bound period depending on nature of complaint.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy**

   The Company has a privacy policy in place that offers various security strategies to ensure the data security of users and devices.

   The policy is present on the Company's website and can be accessed using this link https://www.crompton.co.in/pages/privacy-policy

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services**

   Not applicable

7. **Provide the following information relating to data breaches**

   a) Number of instances of data breaches: **NIL**

   b) Percentage of data breaches involving personally identifiable information of customers: **NIL**

   c) Impact, if any, of the data breaches: **NIL**

Leadership Indicators

1. **Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available)**

Company website	https://www.crompton.co.in/
YouTube	https://youtube.com/c/CromptonGreavesConsumerElectricalsLimited

Social media handles

Instagram	https://www.instagram.com/crompton_india/
Facebook	https://www.facebook.com/Crompton.India/
LinkedIn	https://www.linkedin.com/company/cromptongreavesconsumerelectricalslimited/
X (Twitter)	https://twitter.com/Crompton_India

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services**

   This information is provided in the Instructions/ Installation Manual which is supplied with all products. Installation manual given along with the product covers SOP to install & safely operate the product. Updating the information on the Product Communication in the form of User Manual, Catalogue etc., Official website, Marketing Communication, Sales Training, Customer Education through Installation services personnel etc.

3. **Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services**

   There is a mechanism in place to release market circular to inform channel partners about Launch of New Products, Discontinuation of old Stock Keeping Units, Change in Authorised Listing Price etc.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No)**

   Yes, the Company ensures that the information required to be displayed in the product is mentioned on its labels or manuals.

   All the Company's products that need installation are sold with instruction manuals that contain detailed explanations on the safe installation and use of the products. It contains dos and don'ts to ensure the best usage. The Company also suggests optimum product ratings to be used in the case of fixtures that are sold without light sources. Also, mandatory information and information related to product usage are provided on the Company's website and through various documents (like catalogues, brochures, etc.). In B2B, due to the nature of working, which depends on the projects, the products display information required as per BIS and the Legal Metrology Act.

   The mandated product information is displayed on rating plate fixed on product. The instructions about how to operate the product safely are mentioned on the product.

   The additional information/ safety instructions mentioned on the product is as below:

   1. Direction of rotation of motor.
   2. Do not run the pump unless filled with water.
   3. Pour clean & dust free water through water filling plug.
   4. Check for 1mm lift after coupling the pump set.
   5. Fitted with Thermal overload protector.
   6. Run the pump for 30sec minimum daily.
   7. Do not install the pump without strainer.
   8. Do not use float ball cock valve in delivery pipe.

   The Company carries out the consumer immersion programs to understand the pain points of consumer & what improvement needs to be made in product which will add value to consumer.

Independent Auditor's Report

To the Members of Crompton Greaves Consumer Electricals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the Standalone Financial Statements for the year ended March 31, 2024. 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	**Assessment of recoverability of the carrying value of investments in subsidiary and other intangible assets** (Refer Notes 2D and 3A to the Standalone Financial Statements) As at March 31, 2024, the Company has ₹ 1,914.01 Crores of investments in its subsidiary company, Butterfly Gandhimathi Appliances Limited ("Butterfly") and carries Trademarks of ₹ 32.91 Crores with indefinite useful live purchased on acquisition of the said subsidiary. The Company's evaluation of impairment of its investments in Butterfly and recoverability of Trademarks involves a comparison of its expected recoverable values against its carrying values. The recoverable amount of the investment is based on Value in Use (ViU) calculations determined based on a Discounted Cash Flow with Exit Multiple Method. Determination of ViU involves significant estimates, assumptions and judgements as regards reasonableness of assumptions involved in developing projections of entity's financial performance, exit multiples, and discount rates to be considered. Considering the uncertainty involved in forecasting of cash flows and the judgement involved with respect to key assumptions used in computing the recoverable amount, this audit area is considered a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Obtained an understanding of the process and assessed the design, implementation and tested the operating effectiveness of internal controls over the Company's review of impairment analysis. b) Assessed reasonableness of the estimated revenue and margin projections, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. c) Involved our valuation experts ("auditor's expert") to assist in examining and challenging the reasonableness of the Company's valuation model and reviewing the underlying basis for key assumptions, including terminal growth rates, exit multiplier and discount rates. d) Reviewed sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook. e) Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management's calculations. f) Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements.
2	**Goodwill** (Refer Notes 2C and 34 to the Standalone Financial Statements) The goodwill balance as of March 31, 2024 of ₹ 779.41 Crores pertains to demerger of the Consumer Business from Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) and Crompton Greaves Consumer Electricals Limited in 2015. Carrying value of goodwill is material as at March 31, 2024 and inherent uncertainty is involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates for computing the value and the assessment of its recoverability. The Company has carried out an impairment assessment using the value-in-use (ViU) calculations which is based on Discounted Cash Flow with Exit Multiple Method. Determination of ViU involves significant estimates, assumptions and judgements as regards reasonableness of assumptions involved in developing projections of entity's financial performance, exit multiples, and discount rates to be considered. Considering the uncertainty involved in forecasting of cash flows and the judgement involved with respect to key assumptions used in computing the recoverable amount, this audit area is considered a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Obtained an understanding of the process and assessed the design, implementation and tested the operating effectiveness of internal controls over the accounting for goodwill arising out of business reconstruction transaction. b) Assessed reasonableness of the future revenue and margin projections, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. c) Involved our valuation experts ("auditor's expert") to assist in examining and challenging the reasonableness of the Company's valuation model and reviewing the underlying basis for key assumptions, including terminal growth rates and discount rates. d) Reviewed sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook. e) Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management's calculations. f) Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	**Estimates – Provision for Warranties** (Refer Note 13 to Standalone Financial Statements) The Company's business involves the sale of products under warranty. The Company also has back-to-back contractual arrangements with its vendors for reimbursement of cost relating to products supplied by the vendors. Warranty provisions, which are inherently judgmental in nature, are provided by the Company to record an appropriate estimate of the costs of repairing and replacing products and spares within the warranty period. The Company estimates and provides for liability for product warranties in the year in which the products are sold. Further, the timing of outflows will vary based on the actual warranty claims made during the warranty period in the future. The above estimations of warranty provision require significant judgement considering the nature and timing of the cash outflows. Also, there is estimation uncertainty as regards to the timing and the amount of the actual warranty claims that may devolve over the warranty period. Accordingly, provision for warranties has been determined by us to be a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Obtained an understanding of the warranty claims process and assessed the design and implementation and tested the operating effectiveness of internal controls over the provision for warranties. b) Reviewed the historical data of warranty costs incurred in regard to the product sales, the trend of claims over the warranty period and the comparison between provisions previously recognised and actual expenses. Also reviewed the historical data of recoveries from vendors against warranty claims and defective returns. c) Reviewed reconciliations of sales made during the year with sales register to determine completeness on which warranty obligation is determined. d) Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management (including cost of repairs and returns). e) Reviewed the recognition and appropriateness of provisions by verifying the computation of defect rates, vendors recovery and mathematical accuracy of management calculations and obtaining management statements, evidence and supporting documents. f) Assessed the adequacy and appropriateness of the relevant disclosures made in the Standalone Financial Statements.

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 information included in the Management Discussion and Analysis, Chairman's statement, Director's report but does not include the Standalone Financial Statements and our auditor's report thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial 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 management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (1) 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, whether 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.

   (2) 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, whether 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.

(3) 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 10(h) to the Standalone Financial Statements)

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. 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 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar

Partner

Place: Mumbai — Membership No.: 118247

Date: May 16, 2024 — UDIN: 24118247BKFOJD9871

ANNEXURE A

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2024 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

Vishal Vilas Divadkar

Partner

Place: Mumbai — Membership No.: 118247

Date: May 16, 2024 — UDIN: 24118247BKFOJD9871

ANNEXURE B

To Independent Auditors' Report of even date on the Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited for the year ended March 31, 2024

[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 and relevant details of right-of-use assets.

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

(b) Property, plant and equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all 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 assets. Pursuant to the programme, a portion of Property, plant and equipment have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

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

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year. Accordingly, the provisions stated under clause 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, as amended and rules made thereunder. Accordingly, the provisions stated under clause 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. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 Crores in aggregate from Banks and/ financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the Standalone Financial Statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.

iii. (a) According to the information and explanations given to us, the Company has not provided any loans or advances in the nature of loans or guarantee, or provided security to any entity during the year. Hence, the requirements under paragraph 3(iii)(a) of the Order are not applicable to the Company.

(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 during the year, prima facie, are not prejudicial to the interest of the Company.

(c) According to the information explanation provided to us, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Hence, the requirements under paragraph 3(iii) (c), (d), (e) and (f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, is applicable and accordingly, the provisions stated under clause 3(iv) of the Order to that extent are not applicable to the Company. In respect of the investments made by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other material statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount Demanded ₹ in Crores	Amount Paid ₹ in Crores	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Tax	89.33	23.28	FY 2010-11, 11-12, 13-14, 14-15, 15-16, 16-17, 17-18, 19-20, 20-21 21-22	Income Tax Appellate Tribunal (ITAT), Commissioner (Appeals)
The Central Excise Act, 1944	Tax, Penalty	1.37	-	FY 2000-01	Dy. Commissioner, Central Excise
The Central Excise Act, 1944	Tax	5.23	-	FY 2016-17 and 17-18	Commissioner of Central GST
Goods and Service Tax	Tax, Interest and penalty	51.02	0.38	FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21	Commissioner Appeals
The Customs Act, 1962	Duty and Surcharge	10.05	4.02	FY 2017-18 to 22-23	Commissioner Appeals
The Central Sales Tax Act, 1956, Local Sales Tax Act and works Contract Tax and Value added tax Acts, Local Body Tax	Tax and Penalty	138.33	14.96	FY 1998-99 to 1999-00, 2001-02, 2003-04 to 2017-18	Commissionerate (Appeals)
	Tax	2.47		FY 1996-97, 2000-01, 2002-03 to 05, 2008-09, 2011-12, 2013-14	Tribunal
	Tax	2.97		FY 1999-00	High Court

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 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 and the records of the Company examined by 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 explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation provided to us, there are no funds raised during the year. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to the Company.

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

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

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

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

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

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

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

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

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

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under 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. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under 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. Accordingly, the provisions stated under 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. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 38 to the Standalone Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Companies Act, 2013 the Act or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 the Act read with schedule VII to the Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

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

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar

Partner

Place: Mumbai | Membership No.: 118247

Date: May 16, 2024 | UDIN: 24118247BKFOJD9871

ANNEXURE C

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

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Crompton Greaves Consumer Electricals Limited on the Standalone Financial Statements for the year ended March 31, 2024]

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

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, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Opinion

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, 2024, 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 are 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

Vishal Vilas Divadkar
Partner
Membership No.: 118247
UDIN: 24118247BKFOJD9871

Place: Mumbai
Date: May 16, 2024

Standalone Balance Sheet

as at 31st March, 2024

₹ Crore

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2 A	217.92	223.49
(b) Capital work-in-progress	2 E	5.90	2.64
(c) Right-of-use assets	2 B	70.46	68.85
(d) Goodwill	2 C	779.41	779.41
(e) Other intangible assets	2 D	52.47	50.26
(f) Intangible assets under development	2 F	45.09	21.05
(g) Financial assets			
(i) Investments	3 A	1,928.21	1,928.21
(ii) Trade receivables	7 A	12.65	15.49
(iii) Other financial assets	4 A	12.56	12.07
(h) Deferred tax assets (net)	17	54.56	69.66
(i) Non-current tax assets (net)	17	8.62	8.62
(j) Other non-current assets	5 A	80.73	73.64
Total non-current assets		**3,268.58**	**3,253.39**
(2) Current assets			
(a) Inventories	6	698.00	618.75
(b) Financial assets			
(i) Investments	3 B	628.14	530.77
(ii) Trade receivables	7 B	580.12	529.80
(iii) Cash and cash equivalents	8	130.79	44.06
(iv) Bank balances other than (iii)above	9	84.48	3.74
(v) Other financial assets	4 B	19.86	21.63
(c) Current tax assets (net)	17	2.48	19.81
(d) Other current assets	5 B	162.03	123.73
Total current assets		**2,305.90**	**1,892.29**
TOTAL ASSETS		**5,574.48**	**5,145.68**

Standalone Balance Sheet (Contd.)

as at 31st March, 2024

₹ Crore

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	128.62	127.22
(b) Other equity	11	3,076.86	2,711.75
Total equity		**3,205.48**	**2,838.97**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 A	298.97	597.18
(ii) Lease liabilities	30	50.08	52.20
(iii) Trade payables	14 A		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14.03	13.19
(b) Provisions	13 A	191.05	131.23
Total non-current liabilities		**554.13**	**793.80**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 B	300.00	325.00
(ii) Lease liabilities	30	30.40	25.80
(iii) Trade payables	14 B		
(a) Total outstanding dues of micro enterprises and small enterprises		220.02	217.61
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		952.43	676.64
(iv) Other financial liabilities	15	67.10	68.30
(b) Other current liabilities	16	105.01	79.78
(c) Provisions	13 B	111.50	111.85
(d) Current tax liabilities (net)	17	28.41	7.93
Total current liabilities		**1,814.87**	**1,512.91**
Total liabilities		**2,369.00**	**2,306.71**
TOTAL EQUITY AND LIABILITIES		**5,574.48**	**5,145.68**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May 2024

For and on behalf of Board of Directors

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May 2024

Standalone Statement of Profit and Loss

for the year ended 31st March, 2024

₹ Crore

Particulars	Notes	2023-24	2022-23
Income			
I. Revenue from operations	18	6,388.38	5,809.31
II. Other income	19	60.34	74.41
III. Total Income (I+II)		**6,448.72**	**5,883.72**
IV. Expenses			
Cost of materials consumed	20	1,378.33	1,308.04
Purchase of stock-in-trade	21	3,135.17	2,815.34
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(100.59)	(113.93)
Employee benefits expense	23	474.21	439.63
Finance costs	24	72.77	102.69
Depreciation and amortisation expense	2	65.23	54.23
Other expenses	25	812.56	688.95
Total Expenses (IV)		**5,837.68**	**5,294.95**
V. Profit before exceptional items and tax (III-IV)		**611.04**	**588.77**
Exceptional items	26	-	(5.54)
VI. Profit before tax		611.04	594.31
VII. Tax expenses:	17		
Current tax		130.46	156.54
Adjustment of tax relating to earlier periods		(0.78)	(16.71)
Deferred tax charge / (credit)	17	14.91	(21.08)
Total Tax expenses (VII)		**144.59**	**118.75**
VIII. Profit for the year (VI-VII)		**466.45**	**475.56**
IX. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) on defined benefit plans		0.73	(1.75)
(ii) Income tax related to items that will not be reclassified to profit or loss	17	(0.18)	0.44
Other comprehensive income for the year (net of tax) (IX)		**0.55**	**(1.31)**
X. Total comprehensive income for the year (VIII + IX)		**467.00**	**474.25**
XI. Earnings per equity share (in ₹) of face value of ₹2 each	33		
1. Basic		7.29	7.49
2. Diluted		7.29	7.46

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May 2024

For and on behalf of Board of Directors

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May 2024

Standalone Statement of Changes In Equity

for the year ended 31st March, 2024

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount ₹ Crore	No. of Shares	Amount ₹ Crore
Balance as at the beginning of the reporting year	63,61,09,719	127.22	63,34,05,959	126.68
Changes in equity share capital during the year	69,97,260	1.40	27,03,760	0.54
Balance as at the end of the reporting year	**64,31,06,979**	**128.62**	**63,61,09,719**	**127.22**

(B) OTHER EQUITY

₹ Crore

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plans	
Balance as at 1st April, 2022	**0.05**	**144.87**	**138.63**	**75.00**	**1,967.19**	**3.23**	**2,328.97**
Profit for the year	-	-	-	-	475.56	-	475.56
Dividends paid	-	-	-	-	(158.41)	-	(158.41)
Securities premium received	-	41.06	-	-	-	-	41.06
Amount transferred to / (from) Securities premium	-	23.58	(23.58)	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	(1.81)	(75.00)	76.81	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	(1.31)	(1.31)
Employee compensation expense for the year (Refer Note 23)	-	-	25.88	-	-	-	25.88
Balance as at 31st March, 2023	**0.05**	**209.51**	**139.12**	**-**	**2361.15**	**1.92**	**2711.75**
Profit for the year	-	-	-	-	466.45	-	466.45
Dividends paid	-	-	-	-	(191.90)	-	(191.90)
Securities premium received	-	87.94	-	-	-	-	87.94
Amount transferred to / (from) Securities premium	-	64.03	(64.03)	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	(2.92)	-	2.92	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	0.55	0.55
Employee compensation expense for the year (Refer Note 23)	-	-	2.07	-	-	-	2.07
Balance as at 31st March, 2024	**0.05**	**361.48**	**74.24**	**-**	**2,638.62**	**2.47**	**3,076.86**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May 2024

For and on behalf of Board of Directors

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May 2024

Standalone Statement of Cash Flows

for the year ended 31st March, 2024

₹ Crore

Particulars	2023-24	2022-23
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**611.04**	**594.31**
Adjustments for:		
Depreciation and amortisation expense	65.23	54.23
Finance cost	72.77	102.69
Loss / (Gain) on sale of property, plant and equipment (net)	0.72	(3.66)
Share-based Payments to employees	2.07	25.88
Net gain on sale of or fair valuation of investments (net)	(24.33)	(15.26)
Interest income	(35.28)	(42.53)
Dividend received from subsidiaries	-	(9.21)
Unrealised exchange loss / (gain) (net)	0.58	(0.63)
Exceptional items	-	(5.54)
	81.76	**105.97**
Cash generated from operations before working capital changes	**692.80**	**700.28**
Adjustments for:		
Increase in trade receivables	(47.48)	(32.76)
Increase in inventories	(79.25)	(107.40)
Increase in other financial and non financial assets	(49.75)	(41.23)
Increase in trade payables	278.46	42.83
Increase / (Decrease) in other financial and non financial liabilities	29.20	(33.36)
Increase in provisions	60.20	18.06
	191.38	**(153.86)**
Cash generated from operations	**884.18**	**546.42**
Income tax paid (net of refunds)	(88.21)	(121.62)
Net cash generated from operating activities [A]	**795.97**	**424.80**
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	39.20	40.67
Dividend received from subsidiaries	-	9.21
Proceeds from sale of investment in subsidiary (net)	-	161.08
Proceeds from current investments (net)	-	95.14
Proceeds from sale of property, plant and equipment	2.73	4.60
	41.93	**310.70**
Less: Outflows from investing activities		
Investment in subsidiaries	-	672.96
Purchase of current investments (net)	73.04	-
Decrease / (Increase) in other bank balances and term deposits	80.00	(730.58)
Purchase of property, plant and equipment and intangible assets (including assets under development & capital advances)	64.48	69.17
	217.52	**11.55**
Net cash (used in) / generated from investing activities [B]	**(175.59)**	**299.15**

Standalone Statement of Cash Flows (Contd.)

for the year ended 31st March, 2024

₹ Crore

Particulars	2023-24	2022-23
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	89.34	41.60
Proceeds from issue of debentures	-	925.00
	89.34	**966.60**
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	191.16	157.78
Redemption of non-convertible debentures	325.00	150.00
Repayment of short-term borrowings	-	1,406.89
Repayment of lease liability	37.32	31.49
Interest paid	69.51	70.42
	622.99	**1,816.58**
Net cash used in financing activities (C)	**(533.65)**	**(849.98)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**86.73**	**(126.03)**
(a) Cash and cash equivalents at the beginning of the year	44.06	170.09
(b) Cash and cash equivalents at the end of the year	130.79	44.06
(c) Net increase / (decrease) in cash and cash equivalents (c = b-a)	**86.73**	**(126.03)**

Components of cash and cash equivalents at the end of the year are:

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance with banks:		
In current accounts	57.79	36.04
In deposit accounts with original maturity of 3 months or less	73.00	8.00
Cash on hand (including cash in transit)	-	0.02
Total cash and cash equivalents	**130.79**	**44.06**

Notes:

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

(ii) Changes in liabilities arising from financing activities:

Particulars	As at 1st April, 2023	Cash flow changes		Non-cash flow changes		As at 31st March, 2024
		Receipts	Payments	Unamortised expenses	Others	
Non-current borrowings (Refer Note 12A)	597.18	-	-	1.79	(300.00)	298.97
Current borrowings (Refer Note 12B)	325.00	-	(325.00)		300.00	300.00
	922.18	**-**	**(325.00)**	**1.79**	**-**	**598.97**

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

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May 2024

For and on behalf of Board of Directors

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May 2024

CORPORATE INFORMATION

Crompton Greaves Consumer Electricals Limited (the 'Company' or 'Crompton') is a public limited company domiciled in India and incorporated on 25th February, 2015 under the provisions of the Companies Act, 2013 and is limited by shares, having its registered office at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.

The Company is a leading brand dealing in consumer electrical goods, home appliances, electronic equipment, and instruments including fans, water heaters, kitchen appliances, lighting luminaires and pumps (domestic/ agriculture/ industrial).Its broad product range caters to residential, commercial, and industrial sectors, highlighting its versatility. With a focus on quality, innovation, and customer satisfaction, the Company maintains a strong reputation as a trusted industry leader.

The Company's operations are spread across strategic locations in India, encompassing Bethora and Kundaim in Goa, Baddi in Himachal Pradesh, Ahmednagar in Maharashtra, and Vadodara in Gujarat. Complementing these manufacturing endeavors is the Company's cutting-edge research and development facility, known as the 'Innovation Centre,' situated in Mumbai, Maharashtra. This integrated network of manufacturing and research facilities underscores the Company's commitment to excellence and its relentless pursuit of advancement and growth.

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, debt securities (non-convertible debentures) of the Company are also listed on National Stock Exchange of India Limited. The CIN of the Company is L31900MH2015PLC262254.

The standalone financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 16th May, 2024.

1. Material Accounting policies

1.1 Basis of preparation

a) Basis of preparation

i) Statement of compliance

The Company's standalone financial statements have been prepared on accrual and going concern basis, in accordance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Company's standalone financial statements consistently apply uniform accounting policies across all periods.

ii) Basis of measurement

The standalone 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:

- Financial instruments measured at fair value through profit or loss;
- Net defined benefit(asset)/ liability - Fair value of plan assets less present value of defined benefit obligation; and
- Share based payment transactions

iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind-AS 1 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle:
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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.

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

iv) Presentation currency and rounding-off

All amounts disclosed in these standalone financial statements and notes are presented in ₹ (in Crore), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

All values are rounded off to two decimals as per the requirement of Division II of Schedule III to the Act, unless otherwise indicated.

b) Basis of presentation

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in 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 standalone financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

1.2 Summary of material accounting estimates, assumptions and accounting policies

a) Material 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. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

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

i) 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 material assumptions, estimation and judgment. The estimation and judgments involve, but are not limited to, industry trends including pricing, estimating long-term revenues growth rates and operating results. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a discount rate in order to compute present values. An impairment loss recognized for goodwill is not reversed in subsequent periods as per Ind-AS 36 – 'Impairment of assets'.

ii) 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

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

The closing warranty provision is bifurcated into current and non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years. (Refer Note 13)

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, applied to the volume of product under warranty as on Reporting date. Supplier reimbursements are recognized as separate asset as expected recoverable from vendors against warranty as recovery from the vendors is considered to be virtually certain.

Expected recoverable from vendors against warranty is bifurcated into current and non-current based on the past recovery trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years. (Refer Note 5)

iii) Estimates related to Share-based payments

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

iv) Taxes

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

Recognition of deferred tax assets/ liability – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

v) 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. The salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. (Refer Note 31)

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

vi) Expected Credit Loss ('ECL')

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value Through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on ageing of receivables and the rates used in provision matrix. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

vii) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in current and future periods.

viii) Impairment of investments

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

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 material assumptions, estimation and judgment. The estimation and judgments involve, but are not limited to, industry trends including pricing, estimating long-term revenues growth rates, exit multiple and operating results. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a discount rate in order to compute present values.

ix) Contingent Liabilities

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

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

b) Property, plant and equipment ('PPE') and Capital Work-in-Progress

i) Recognition and initial measurement

Land

Freehold land is carried at historical cost. For freehold land, as no finite useful life can be determined, related carrying amounts are not amortised.

Leasehold land is carried at historical cost. For leasehold land, cost of land amortised over lease term as per lease agreement.

Other Tangible assets

PPE other than land, is initially recognised at acquisition cost or construction cost.

The cost of an item of PPE comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

Where cost of a part of an asset (asset component) is Material 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 Material part is determined separately, and such asset component is depreciated over its separate useful life.

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 recognised in the Statement of profit and loss.

ii) Subsequent expenditure

Subsequent costs are included in the carrying amount of asset or recognised 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 derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

iii) Subsequent measurement (depreciation method, useful lives, residual value, and impairment)

PPE are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

A 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) is 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 Part 'C' of Schedule II to the Companies Act, 2013 except in respect of following category of property, plant and equipment where the useful life is considered differently based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

Management believes that such estimated useful lives are realistic and reflect a 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
– Office Equipment – maximum 10 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 are 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. The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year, and the effect of any change in the estimates of useful life/ residual value is adjusted prospectively. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

iv) De-recognition

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is accordingly recognised in the Statement of Profit and Loss.

v) Capital Work-in-Progress

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting 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'.

c) Goodwill, other intangible assets and intangible assets under development

i) Recognition and initial measurement

Goodwill

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

Other Intangible assets

Other intangible assets are initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The cost of an intangible asset comprises:

- its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities)
- any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

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

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the statement of profit or loss as incurred.

iii) Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any.

Other intangible assets	Useful life (in years)
Product Development	Up to 5
Computer Software	5-10
Trademarks	Indefinite
Technical knowhow	Indefinite

All intangible assets with finite useful life are amortised on a straight-line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

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.

iv) De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

v) Research and development cost

- **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.

- **Development cost**

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the development of intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- How the asset will generate future economic benefits including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure the expenditure attributable to the intangible asset during the development reliably.

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

vi) Intangible assets under development

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

Advances paid for the acquisition/ development of intangible assets which are outstanding at the reporting date are classified under 'Capital Advances' under 'other non-current assets'.

d) 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:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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

The Company makes an assessment of 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 whether it will exercise an extension or a termination option.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

e) 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.

Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are expensed off in Statement of Profit and Loss. However, Company's trade receivables that do not contain a significant financial component are measured at transaction price under Ind-AS 115 "Revenue from Contracts with Customers". Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii) Classification

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

- those measured at amortised cost, and
- 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.

iii) 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.

All financial assets except for those at FVTPL or at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

- **Equity instruments**

  All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL.

  Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the- difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

- **Debt instruments**

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

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

  – 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.

  These are measured by applying the effective interest rate (EIR) method. The EIR method allocates interest income over the relevant period by applying the EIR (that is the interest rate that exactly discounts expected future cash flows to the gross carrying amount of the asset).

  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 EIR method.

- **Fair value through other comprehensive income ('FVOCI')**

  Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI).

  Interest income is measured using the EIR method and impairment losses, if any are recognised in the statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

- **Fair value through profit or loss ('FVTPL')**

  A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in 'other income' in the statement of profit and loss.

iv) 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 Recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

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

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

v) 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 Material 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 based on change in credit quality since initial recognition:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables using the simplified approach within Ind-AS 109, using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. This does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

In case the Company identifies any trade receivables as doubtful/bad, then it supersedes the above modus operandi, and the doubtful/bad receivables are provided to the extent is doubtful/bad.

ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the statement of profit and loss under the head 'Other expenses'.

vi) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a de-recognition event.

Financial liabilities

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

i) 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.

ii) 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.

iii) 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 an EIR. The EIR 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 are measured at fair value with all changes in fair value recognised in the Statement of profit and loss.

iv) De-recognition

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

Other financial liabilities 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 realise 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 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.

f) Fair Value Measurement:

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

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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;

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 estimates. 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.

For assets and liabilities that are recognised in the standalone financial statements regularly, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) 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 recognised in the 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.

j) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

Raw materials, packaging materials and stores and spare parts:

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, the weighted average cost method is used.

The aforesaid items are valued at the lower of cost and net realisable value. However, these inventories are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Work in progress, manufactured finished goods and traded goods:

The cost of work in progress and manufactured finished goods is determined on a weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. The cost of traded goods is determined on a weighted average basis.

The aforesaid items are valued at the lower of cost and net realisable value. Provision for obsolescence on

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

Net realisable 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 realisable value is made on an item-by-item basis.

k) 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.

l) 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 the 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.

m) Equity Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

n) 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 EIR 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 borrowing using the EIR.

o) Employee benefit plans

i) Short-term employee benefits:

A Short-term employee benefits including salaries, wages, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, performance incentives, bonuses payable and ex-gratia etc. are payable within twelve months after the end of the period in which the employees render the related services, and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

ii) Post-employment benefits:

- **Defined contribution plans:**

  A defined contribution plan is a plan under which the Company pays fixed contributions in respect of the employees into a separate fund. The Company has no legal or constructive obligation to pay further contributions after its payment of the fixed contribution. The contributions made by the Company towards defined contribution plans, namely, State governed provident fund, superannuation fund, employee state insurance scheme, employee pension scheme and labour welfare fund, are charged to the profit or loss in the period to which the contributions relate.

- **Defined benefit plans:**

The Company has an obligation towards gratuity and Post Retirement Medical Benefits (PRMB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside.

The Company's obligation towards defined benefit plans is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting 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 reporting 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 liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

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

iii) Other long-term employee benefits:

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the reporting date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

iv) Termination benefits:

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

v) 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.

p) 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, timing or amount of the outflow may still be uncertain. 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 recognised 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. In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, or disclosure is made.

Contingent assets are disclosed in the standalone 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.

Any reimbursement that the Company can be virtually certain to collect from a third party concerning the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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.

q) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax. It is recognised in the Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, the tax is also recognised in OCI or directly in equity. (Refer Note 17)

i) 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, and any adjustments to tax payable in respect of previous years.

Current tax assets and liabilities are offset only if:

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

ii) 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 corresponding tax bases used in the computation of taxable income. 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 on temporary differences associated with investments in subsidiary is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

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

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 realised.

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.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

r) Revenue from contract with customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company uses the principles laid down by the Ind-AS 115 to determine that how much and when revenue is recognised, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

The Company uses the principles laid down by Ind-AS as above to Recognise 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 are satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation and the progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue excludes goods and services tax which is recorded separately.

The Company uses the principles laid down by Ind-AS as above to recognize revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. Revenue is recognized 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 are satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation and the progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue excludes goods and services tax which is recorded separately.

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

In Cost Plus Contracts - Revenue is recognized by including eligible contractual items of expenditures plus proportionate margin as per contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

i) Sale of Goods

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

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Appropriate provisions are recorded for returns and discounts/incentives which are estimated on the basis of historical experience, market assessment and various discount programmes launched by the Company.

ii) 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 from services is recognised as and when services are rendered and there are no unfulfilled obligations. Revenue from services is measured at fair value of the consideration received or receivable, after deduction of any sort of discounts and any taxes or duties collected on behalf of the government such as goods and services tax.

s) Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying asset becomes ready for its intended use, are capitalised. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the EIR method.

t) 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 (after deducting attributable taxes) 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.

u) Exceptional items

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

v) Segment accounting

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

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

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

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

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

w) 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.

x) Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March 2023 to amend the following Ind-AS which are effective for annual periods beginning on or after 1st April 2023. The Company has applied these amendments for the first time in the standalone financial statements.

i) Amendments to Ind-AS 1 - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the standalone financial statements.

ii) Amendments to Ind-AS 8 - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these standalone financial statements.

iii) Amendments to Ind-AS 12 - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind-AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company has previously recognised deferred tax on leases on a net basis. As a result of these amendments, the Company has Recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since these balances qualify for offset as per the requirements of paragraph 74 of Ind-AS 12, there is no impact on the balance sheet. There was also no impact on the opening retained earnings as at 1st April 2022.

iv) New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective.

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

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

2 Property, plant and equipment and Intangible assets

₹ Crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2023	Additions	Deductions	As at March 31, 2024	As at 1st April, 2023	For the year*	Deductions	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
A. Property, plant and equipment										
Freehold land (Refer Note ii)	99.52	-	-	99.52	-	-	-	-	99.52	99.52
Leasehold land	2.69	-	-	2.69	0.82	0.03	-	0.85	1.84	1.87
Buildings (Refer Note ii)	52.08	0.10	-	52.18	12.25	2.54	-	14.79	37.39	39.83
Leasehold Improvements	5.95	-	0.15	5.80	1.89	1.35	0.01	3.23	2.57	4.06
Plant and equipment	118.97	16.20	6.65	128.52	60.80	18.38	4.65	74.53	53.99	58.17
Furniture and fixtures	6.75	0.02	-	6.77	3.80	0.74	-	4.54	2.23	2.95
Office equipment	24.24	3.47	1.27	26.44	14.53	5.39	1.12	18.80	7.64	9.71
Vehicles	10.55	9.13	2.72	16.96	3.17	2.61	1.56	4.22	12.74	7.38
Sub-total A	**320.75**	**28.92**	**10.79**	**338.88**	**97.26**	**31.04**	**7.34**	**120.96**	**217.92**	**223.49**
B. Right-of-Use assets (Refer Note 30)	121.36	33.16	17.26	137.26	52.51	31.55	17.26	66.80	70.46	68.85
Sub-total B	**121.36**	**33.16**	**17.26**	**137.26**	**52.51**	**31.55**	**17.26**	**66.80**	**70.46**	**68.85**
C. Goodwill (Refer Note 34)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total C	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
D. Other intangible assets										
Computer software	12.32	0.99	-	13.31	9.24	1.45	-	10.69	2.62	3.08
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Trademark and Patents	32.91	-	-	32.91	-	-	-	-	32.91	32.91
Product Development	16.45	8.04	-	24.49	2.19	5.37	-	7.56	16.93	14.26
Sub-total D	**63.58**	**9.03**	**-**	**72.61**	**13.32**	**6.82**	**-**	**20.14**	**52.47**	**50.26**
Total A + B + C + D	**1,285.10**	**71.11**	**28.05**	**1,328.16**	**163.09**	**69.41**	**24.60**	**207.90**	**1,120.26**	**1,122.01**

*During the year, the Company has capitalised depreciation of ₹ 4.18 Crore under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

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

₹ Crore

ASSETS	Gross block (Cost)				Depreciation /Amortisation				Net block	
	As at 1st April, 2022	Additions	Deductions	As at March 31, 2023	As at 1st April, 2022	For the year*	Deductions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
A. Property, plant and equipment										
Freehold land (Refer Note ii)	99.52	-	-	99.52	-	-	-	-	99.52	99.52
Leasehold land	2.69	-	-	2.69	0.81	0.01	-	0.82	1.87	1.88
Buildings (Refer Note ii)	50.04	2.56	0.52	52.08	9.83	2.53	0.11	12.25	39.83	40.21
Leasehold Improvements	5.79	0.16	-	5.95	0.55	1.34	-	1.89	4.06	5.24
Plant and equipment	97.94	24.95	3.92	118.97	44.77	18.94	2.91	60.80	58.17	53.17
Furniture and fixtures	6.22	0.57	0.04	6.75	3.06	0.75	0.01	3.80	2.95	3.16
Office equipment	18.62	6.40	0.78	24.24	11.15	4.51	1.13	14.53	9.71	7.47
Vehicles	6.94	4.92	1.31	10.55	2.39	1.67	0.89	3.17	7.38	4.55
Sub-total A	**287.76**	**39.56**	**6.57**	**320.75**	**72.56**	**29.75**	**5.05**	**97.26**	**223.49**	**215.20**

₹ Crore

ASSETS	Gross block (Cost)				Depreciation /Amortisation				Net block	
	As at 1st April, 2022	Additions	Deductions	As at March 31, 2023	As at 1st April, 2022	For the year*	Deductions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
B. Right-of-Use assets (Refer Note 30)	101.66	30.99	11.29	121.36	32.31	27.02	6.82	52.51	68.85	69.35
Sub-total B	**101.66**	**30.99**	**11.29**	**121.36**	**32.31**	**27.02**	**6.82**	**52.51**	**68.85**	**69.35**
C. Goodwill (Refer Note 34)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total C	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
D. Other intangibles assets										
Computer software	10.57	1.75	-	12.32	8.50	0.74	-	9.24	3.08	2.07
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Trademark and Patents	32.91	-	-	32.91	-	-	-	-	32.91	32.91
Product Development	0.68	15.77	-	16.45	0.64	1.55	-	2.19	14.26	0.04
Sub-total D	**46.06**	**17.52**	**-**	**63.58**	**11.03**	**2.29**	**-**	**13.32**	**50.26**	**35.03**
Total A + B + C + D	**1,214.89**	**88.07**	**17.86**	**1,285.10**	**115.90**	**59.06**	**11.87**	**163.09**	**1,122.01**	**1,098.99**

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

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

(i) CWIP movement

₹ Crore

Particulars	2023-24	2022-23
As at 1st April	**2.64**	**7.50**
Add: Additions during the year	5.10	15.68
Less: Capitalised during the year	1.84	20.54
As at 31st March	**5.90**	**2.64**

(ii) CWIP Ageing schedule

₹ Crore

As at 31st March, 2024	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	5.12	0.78	-	-	5.90
Projects temporarily suspended	-	-	-	-	-

₹ Crore

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

There are no projects which have exceeded their orignial timeline or budget (Previous year Nil)

F. Intangible assets under development ('IAUD')

(i) IAUD movement

₹ Crore

Particulars	2023-24	2022-23
As at 1st April	**21.05**	**-**
Add: Additions during the year	32.08	21.05
Less: Capitalised during the year	8.04	-
As at 31st March	**45.09**	**21.05**

(ii) IAUD Ageing schedule

₹ Crore

As at 31st March, 2024	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	26.74	18.35	-	-	45.09
Projects temporarily suspended	-	-	-	-	-

₹ Crore

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

There are no projects which have exceeded their orignial timeline or budget (Previous year Nil)

Notes:

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

(ii) There are no such title deeds of immovable property which are not held in name of the Company.

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

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

(v) In the opinion of the management, there are no events or changes in circumstances that indicate the impairment of Property, plant and equipment and Intangible Assets in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment has been made.

3 Investments

A Non-current investments

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investments in equity instruments (fully paid-up)		
In Subsidiary companies		
At Cost		
Quoted equity shares		
Butterfly Gandhimathi Appliances Ltd.*	1,914.01	1,914.01
{1,34,09,663 (31st March, 2023: 1,34,09,663) ordinary shares of ₹ 10 each}		
	1,914.01	**1,914.01**
Unquoted equity shares		
Pinnacles Lighting Project Private Limited	6.70	6.70
{67,00,000 (31st March, 2023: 67,00,000) ordinary shares of ₹ 10 each}		
Nexustar Lighting Project Private Limited	7.50	7.50
{75,00,000 (31st March, 2023: 75,00,000) ordinary shares of ₹ 10 each}		
	14.20	**14.20**
	1,928.21	**1,928.21**
Details of investments:		
Aggregate book value of:		
Quoted investments	1,914.01	1,914.01
Unquoted investments	14.20	14.20
	1,928.21	**1,928.21**
Aggregate market value of:		
Quoted investments	1,023.09	1,624.38
Unquoted investments	-	-
	1,023.09	**1,624.38**

Notes:

1. The investments are 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.
3. During the year ended March 31, 2024, the Company considered indicators of impairment such as decline in quoted value of Butterfly Gandhimathi Appliances Limited ("Butterfly").

   The recoverable value of investments held in Butterfly, a subsidiary of the Company, is higher of the value in use (VIU) of the underlying businesses and the fair value less cost to sell. The VIU computation uses cash flow forecasts based on most recently approved financial budgets and strategic forecasts which cover a period of five years. Key assumptions for the value in use computations are those regarding the discount rates, market multiple, market demand, sales volume and sales prices, cost to produce, margins etc. The projections are based on both past performance and the expectations of future performance and assumptions therein. The Company estimates discount rates using post-tax rates that reflect the current market rate adjusted for specific company risk. The weighted average post-tax discount rates used for discounting the cash flows projections is 15.50% and average revenue growth considered is 14%, which is aligned to the average growth rate for the industry.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

   The Company has conducted sensitivity analysis over key assumptions viz. revenue growth rates and discount rate used. While it is unlikely for assumptions to move adversely together, it would require over an 8% change in revenue growth or a 9% change in discount rate, for the recoverable amount of the investments to be equal to its carrying amount. These sensitivities are carried in isolation and also do not take account of potential mitigating actions.

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

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

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

Information about subsidiaries

Name of the Company	Country of incorporation	Principal activities	Proportion (%) of equity interest	
			As at 31st March, 2024	As at 31st March, 2023
Pinnacles Lighting Project Private Limited	India	Lighting business	100%	100%
Nexustar Lighting Project Private Limited	India	Lighting business	100%	100%
Butterfly Gandhimathi Appliances Limited	India	Kitchen appliances business	75%	75%

B Current investments

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	220.18	265.20
Investment in Mutual funds (Unquoted)	407.96	265.57
	628.14	**530.77**
Details of investments:		
Aggregate book value of:		
Quoted investments	220.18	265.20
Unquoted investments (accounted based on NAV)	407.96	265.57
	628.14	**530.77**
Aggregate market value of:		
Quoted investments	220.18	265.20
Unquoted investments	-	-
	220.18	**265.20**

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2024	Number of Bonds/ Units as at 31st March, 2023	As at 31st March, 2024 ₹ Crore	As at 31st March, 2023 ₹ Crore
Investment in Bonds (Quoted)					
Bajaj Finance Limited	10,00,000	240	-	25.08	-
HDB Financial Services INE756I07EF0	10,00,000	100	-	11.31	-
HDB Financial Services	10,00,000	-	400	-	39.15
HDB Financial Services	10,00,000	-	300	-	29.36
HDFC Limited	10,00,000	-	250	-	24.78
HDFC Limited	10,00,000	-	400	-	40.27
Housing Development Finance Corporation Limited	10,00,000	250	-	24.90	-
ISIN INE062A08173 of Perpetual Bonds of State Bank of India	10,00,000	-	100	-	10.09
Kotak Mahindra Prime Limited	10,00,000	-	250	-	24.57
Kotak Mahindra Prime Limited INE916DA7RC4	10,00,000	250	-	25.80	-
Kotak Mahindra Prime Limited INE916DA7RD2	10,00,000	200	-	21.04	-
L&T Finance Limited	10,00,000	-	250	-	24.93
LIC ZCB	10,00,000	400	400	44.89	41.45
Mahindra & Mahindra Financial Services Ltd INE774D07UL8	10,00,000	250	-	26.20	-
Mahindra & Mahindra Financial Services Ltd INE774D07UW5	4,00,000	2,000	-	19.75	-
Series 02-2021 ISIN INE535H07BJ8 of Market Linked Debentures of Fullerton India Credit Company Limited	10,00,000	-	100	-	10.99
ZCB HDB Financial Services Apr 2024 INE756I07DN6	10,00,000	180	180	21.21	19.61
Total (A)				**220.18**	**265.20**
Investment in Mutual funds (Unquoted)					
Aditya Birla SL Overnight Fund - Direct - Growth	100	-	41,445	-	5.02
Aditya Birla SL Liquid Fund - Direct - Growth	100	1,59,388	6,90,114	6.21	25.06
Aditya Birla SL Money Manager Fund - Direct - Growth	100	3,85,226	3,79,774	13.13	12.01
Axis Banking & PSU Debt Fund - Direct - Growth	1,000	-	53,976	-	12.35
Axis Overnight Fund - Direct - Growth	1,000	-	84,361	-	10.00
Axis Liquid Fund - Direct - Growth	1,000	30,200	20,004	8.11	5.00
Axis Money Market Fund - Direct - Growth	1,000	3,15,365	-	41.38	-
Bajaj Finserv Liquid Fund - Direct - Growth	1,000	1,66,482	-	17.54	-
Baroda BNP Paribas Liquid Fund - Direct - Growth	1,000	36,451	-	10.15	-
DSP Overnight Fund - Direct - Growth	1,000	-	1,66,665	-	20.01
DSP Savings Fund - Direct - Growth	10	69,49,778	-	34.39	-
Franklin India Liquid Fund - Super IP - Direct - Growth	1,000	13,962	-	5.06	-
HDFC Money Market Fund - Direct - Growth	1,000	72,387	20,317	38.37	10.00
HSBC Overnight Fund - Direct - Growth	1,000	-	1,70,640	-	20.02
HSBC Liquid Fund - Direct - Growth	1,000	34,063	-	8.20	-

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2024	Number of Bonds/ Units as at 31st March, 2023	As at 31st March, 2024 ₹ Crore	As at 31st March, 2023 ₹ Crore
ICICI Prudential Money Market - Direct - Growth	100	5,56,478	-	19.43	-
ICICI Pru Liquid Fund- Direct- Growth	100	3,10,705	1,98,288	11.10	6.61
IDFC Cash Fund- Growth-Direct Plan	1,000	-	14,732	-	4.01
Invesco India Liquid Fund - Direct - Growth	1,000	-	3,240	-	1.00
Invesco India Money Market Fund - Direct - Growth	1,000	-	601	-	0.16
Invesco India Treasury Advantage Fund - Direct - Growth	1,000	-	74,414	-	24.80
Invesco India Low Duration Fund - Direct - Growth	1,000	28,995	-	10.38	-
Kotak Corporate Bond Fund - Direct - Growth	1,000	42,015	98,825	14.85	32.38
Kotak Overnight Fund - Direct - Growth	1,000	-	83,686	-	10.01
Kotak Money Market Fund - Direct - Growth	1,000	1,01,549	-	41.87	-
L&T Banking & PSU Debt fund - Direct - Growth	10	-	-	-	-
Mirae Asset Liquid Fund - Direct - Growth	1,000	51,508	-	13.14	-
Nippon India Liquid Fund- Direct- Growth	1,000	27,598	9,085	16.31	5.00
Nippon India Money Market - Direct - Growth	1,000	1,13,416	28,396	43.35	10.07
Sundaram Liquid Fund - Direct - Growth	1,000	-	1,00,778	-	20.03
Tata Liquid Fund - Direct - Growth	1,000	13,215	28,169	5.04	10.00
Tata Money Market - Direct - Growth	1,000	-	46,991	-	19.03
UTI Overnight Fund - Direct - Growth	1,000	-	9,783	-	3.00
UTI Liquid Fund - Direct - Growth	1,000	21,608	-	8.55	-
UTI Money Market Fund - Direct - Growth	1,000	1,45,922	-	41.40	-
Total (B)				**407.96**	**265.57**
Total (A+B)				**628.14**	**530.77**

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

4 Other financial assets

A Other financial assets - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security deposits (unsecured, considered good)	12.56	12.07
	12.56	**12.07**

B Other financial assets - current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security deposits (unsecured, considered good)	19.70	18.67
Fair value of derivative assets	0.16	0.23
Other receivables - from related parties (Refer Note 32)	-	2.73
	19.86	**21.63**

5 Other assets

A Other assets - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital advances (net) (Refer Note 27)	9.89	7.97
Expected recoverable from vendors against warranty	48.56	43.39
Amount paid under protest	22.28	22.28
	80.73	**73.64**

B Other assets - Current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance to suppliers	23.62	27.03
Balances with Indirect tax authorities	4.43	4.43
Expected recoverable from vendors against warranty	45.93	27.03
Prepaid expenses	44.16	20.89
Others	43.89	44.35
	162.03	**123.73**

6 Inventories

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
(At lower of cost and net realisable value)		
Raw materials	82.97	102.42
Add: Goods-in-transit	0.37	1.25
	83.34	**103.67**
Work-in-progress	**34.33**	**37.70**
Finished goods	165.49	135.38
Add: Goods-in-transit	38.05	39.62
	203.54	**175.00**
Stock-in-trade	309.52	232.39
Add: Goods-in-transit	62.01	63.72
	371.53	**296.11**
Stores, spares and packing materials	5.26	6.27
	698.00	**618.75**

Note:

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

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

7 Trade receivables

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Considered good	12.65	15.49
	12.65	**15.49**

B Trade receivables - Current (valued at amortised cost)

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Considered good	541.95	513.97
Haiving significant increase in credit risk	42.31	34.09
Credit impaired	52.79	26.64
	637.04	**574.70**
Less: Allowance for credit losses	(56.92)	(44.90)
	580.12	**529.80**

Trade Receivables Ageing (Non-current and Current)

As at 31st March, 2024	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables—considered good	400.60	112.40	40.59	-	-	-	553.59
(ii) Undisputed Trade receivables—which have significant increase in credit risk	-	-	-	41.08	-	-	41.08
(iii) Undisputed Trade receivables—credit impaired	-	0.10	-	-	30.20	20.14	50.45
(iv) Disputed Trade receivables—considered good	0.45	0.26	0.30	-	-	-	1.01
(v) Disputed Trade receivables—which have significant increase in credit risk	-	-	-	1.23	-	-	1.23
(vi) Disputed Trade receivables—credit impaired	-	-	-	-	1.79	0.55	2.34
Allowance for credit losses							(56.92)
Total	**401.05**	**112.76**	**40.89**	**42.31**	**31.99**	**20.69**	**592.77**

As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables—considered good	436.22	63.34	29.57	-	-	-	529.13
(ii) Undisputed Trade receivables—which have significant increase in credit risk	-	-	-	33.39	-	-	33.39
(iii) Undisputed Trade receivables—credit impaired	-	-	-	-	18.89	7.62	26.51
(iv) Disputed Trade receivables—considered good	0.02	0.30	0.01	-	-	-	0.33

As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(v) Disputed Trade receivables—which have significant increase in credit risk	-	-	-	0.70	-	-	0.70
(vi) Disputed Trade receivables—credit impaired	-	-	-	-	0.13	-	0.13
Allowance for credit losses							(44.90)
Total	**436.24**	**63.64**	**29.58**	**34.09**	**19.02**	**7.62**	**545.29**

Notes:

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

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

(c) Refer Note 37 for information about the Company's exposure to financial risks, and details of impairment losses for trade receivables and fair values.

(d) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

(e) Trade receivables are non-interest bearing and are normally settled on 30 to 60 day terms.

8 Cash and cash equivalents

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance with banks:		
In current accounts	57.79	36.04
In deposit accounts with original maturity of 3 months or less	73.00	8.00
Cash on hand (including cash in transit)	-	0.02
	130.79	**44.06**

9 Bank balances (other than Cash and cash equivalents)

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deposits with original maturity more than 3 months but less than 12 months	80.00	-
Earmarked balances with banks		
Unclaimed dividend account	4.48	3.74
	84.48	**3.74**

10 Equity share capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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	64,31,06,979	128.62	63,61,09,719	127.22
	64,31,06,979	**128.62**	**63,61,09,719**	**127.22**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount ₹ Crore	Number	Amount ₹ Crore
Outstanding at the beginning of the year	63,61,09,719	127.22	63,34,05,959	126.68
Shares issued on account of exercising Employee stock option schemes	69,97,260	1.40	27,03,760	0.54
Outstanding at the end of the year	**64,31,06,979**	**128.62**	**63,61,09,719**	**127.22**

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, 2024		As at 31st March, 2023	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
HDFC Trustee Company Ltd- A/C HDFC MID - CAP Opportunities Fund	6,07,17,312	9.44%	3,55,50,615	5.59%
Mirae Asset Large Cap Fund	6,37,22,029	9.91%	3,19,62,928	5.02%

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount ₹ Crore	Number	Amount ₹ Crore
Crompton Stock Option Plan 2016 (ESOP 2016)	6,06,233	0.12	9,92,576	0.20
Crompton Performance Share Plan 1 2016 (PSP 1)	-	-	44,10,033	0.88
Crompton Performance Share Plan 2 2016 (PSP 2)	-	-	23,27,297	0.47
Crompton Stock Option Plan 2019 (ESOP 2019)	78,83,560	1.58	85,66,950	1.71

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

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

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

h. The Board of Directors have recommended payment of final dividend of ₹ 3 (Rupees Three only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2024.

i. Promoter Shareholding

Shares held by promoters at the end of the year 31st March, 2024

Promoter name	No. of shares	% of total shares	% change during the year
NIL			
Total		-	-

Shares held by promoters at the end of the year 31st March, 2023

Promoter name	No. of shares	% of total shares	% change during the year
NIL			
Total	-	-	

Note:

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

11 Other equity

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital reserve	0.05	0.05
Securities premium	361.48	209.51
Employee stock option outstanding account	74.24	139.12
Retained earnings	2,638.62	2,361.15
Other comprehensive income	2.47	1.92
	3,076.86	**2,711.75**

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.

12 Borrowings

The Company has categorised all borrowings at Amortised Cost in accordance with the requirements of Ind AS 109.

A Borrowings - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Measured at amortised cost		
Secured		
7.40% Redeemable Non Convertible Debentures Tranche 1	-	325.00
7.40% Series A Redeemable Non-Convertible Debentures Tranche 2	300.00	300.00
7.65% Series B Redeemable Non-Convertible Debentures Tranche 2	300.00	300.00
Unamortised Non-Convertible Debentures Issue Expenses	(1.03)	(2.82)
	598.97	**922.18**
Less: Current maturities of long-term borrowings	(300.00)	(325.00)
	298.97	**597.18**

B Borrowings - current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Measured at amortised cost		
Secured		
Current maturities of non-convertible debentures (Refer Note 12 A)	300.00	325.00
	300.00	**325.00**

Notes:

(a) Non-Convertible Debentures

(i) Terms of Debentures:

Particulars of Debentures	Tranche 1 (2022 issue)	Series A Tranche 2 (2022 issue)	Series B Tranche 2 (2022 issue)
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000
Date of allotment	12th July, 2022	22nd July, 2022	22nd July, 2022
As at 31st March, 2024 (₹ Crore)	-	300.00	300.00
As at 31st March, 2023 (₹ Crore)	325.00	300.00	300.00
Interest	7.40% p.a. payable annually	7.40% p.a. payable annually	7.65% p.a. payable annually
Terms of repayment	Due for redemption on 12-01-2024	Due for redemption on 22-07-2024	Due for redemption on 22-07-2025,with call option on 22-07-2024
Secured by charge	on 'Crompton' and 'Crompton Greaves Brand' (including assignment of license, agreements, if any)		

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

(iii) During the year, the Company redeemed Secured Non-Convertible Debentures amounting to ₹ 325 Crores, Tranche 1 (2022 issue), along with interest thereon, on 12th January, 2024.

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

(c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

13 Provisions

A Provisions - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Provision for post medical retirement benefits (Refer Note 31)	8.21	7.24
Provision for compensated absences (Refer Note 31)	15.48	15.35
Other provisions		
Provision for warranty	165.69	105.43
Provision for Statutory dues	1.67	3.21
	191.05	**131.23**

B Provisions - current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Provision for post medical retirement benefits (Refer Note 31)	0.33	0.31
Provision for compensated absences (Refer Note 31)	3.12	2.04
Other provisions		
Provision for warranty	95.22	96.77
Provision for Statutory dues	12.67	12.67
Provision for Other litigation Claims	0.16	0.06
	111.50	**111.85**

Notes:

₹ Crore

(1) Movement in provisions	Warranty	Statutory Dues	Other litigation claims
Carrying amount at the beginning of the year	202.20	15.88	0.06
Provision made during the year (net)	151.52	1.54	1.29
Amounts used during the year	(82.37)	(3.08)	(1.19)
Unused amounts reversed during the year	(10.44)	-	-
Carrying amount at the end of the year	**260.91**	**14.34**	**0.16**
Current	95.22	12.67	0.16
Non-Current	165.69	1.67	-

(2) Nature of provisions:

(a) **Provision for employee benefits** represents liability on account of post medical retirement benefits, compensated absences and gratuity as per statutory requirements.

(b) **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.

(c) **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.

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

14 Trade payables

A Trade payables - Non current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14.03	13.19
	14.03	**13.19**

B Trade payables - Current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Acceptances	156.81	66.17
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	220.02	217.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	795.62	610.47
	1,172.45	**894.25**

Notes:

(a) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2024. The disclosure pursuant to the said Act is as under:

₹ Crore

Particulars	31st March, 2024 /2023-24	31st March, 2023 /2022-23
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	220.02	217.61
Interest	0.02	0.00
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	3.28
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.02	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	-	0.00

(b) Identification of micro and small enterprises is basis intimation received from vendors.

(c) Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms.

Trade Payables Ageing (Non-current and Current)

As at 31st March, 2024	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	169.52	50.50	-	-	-	220.02
(ii) Others	623.31	283.77	41.47	5.98	11.93	966.46
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	792.83	**334.27**	**41.47**	**5.98**	**11.93**	**1186.48**

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

15 Current Financial liabilities - Others

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued but not due on borrowings	31.33	36.50
Security deposits	34.28	31.80
Other payables - to related parties (Refer Note 32)	1.49	-
	67.10	**68.30**

16 Other current liabilities

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances from customers	4.26	2.66
Statutory dues payables	46.62	30.62
Unclaimed dividend	4.48	3.74
Employee benefit payables	48.25	42.10
Others	1.40	0.66
	105.01	**79.78**

17 Income taxes

A. Tax expense recognised in Statement of profit and loss comprises:

₹ Crore

Particulars	2023-24	2022-23
Current tax	130.46	156.54
Adjustment of tax relating to earlier periods	(0.78)	(16.71)
Deferred tax charge / (credit)	14.91	(21.08)
Tax expense for the year	**144.59**	**118.75**

B. Amounts recognised in Other comprehensive income

₹ Crore

Particulars	2023-24			2022-23		
	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	0.73	(0.18)	0.55	**(1.75)**	**0.44**	**(1.31)**
	0.73	**(0.18)**	**0.55**	**(1.75)**	**0.44**	**(1.31)**

C. Reconciliation of effective tax rate

₹ Crore

Particulars	2023-24	2022-23
Profit before tax	**611.04**	**594.31**
Applicable tax rate	**25.17%**	**25.17%**
Computed tax expense	**153.79**	**149.58**
Adjustment of tax relating to earlier periods (Refer Note below)	(0.78)	(16.71)
Corporate social responsibility disallowance	3.47	3.40
Allowance of dividend received from subsidiaries	-	(2.32)
Impact of Share based payment expense	(10.04)	(9.39)
Others	(1.85)	(5.81)
Income tax expense for the current year	**144.59**	**118.75**
Effective tax rate	**23.66%**	**19.98%**

Notes:

a) Based on assessment order received during the year, the Company has written-back an amount of ₹ 2.00 Crore in respect of AY 21-22. Further, additional provision for taxes of ₹ 1.22 was made basis the return of income filed for AY 2023-24. Both the amounts are adjusted against tax expense for the year ended 31st March, 2024.

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

D. Components of deferred tax assets 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, 2024	As at 31st March, 2023	2023-24	2022-23
(a)	Employee stock option outstanding	17.22	32.81	(15.59)	0.58
(b)	"Provision allowed under tax on payment basis"	12.63	12.08	0.55	0.45
(c)	Provision for doubtful debts and advances	13.65	10.62	3.03	3.30
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(1.57)	(0.55)	(1.02)	0.38
(e)	Fair valuation of Investments	(3.37)	(2.26)	(1.11)	8.69
(f)	Impact of Revenue recognition	12.60	12.59	0.01	6.52
(g)	Impact of Right-of-use asset	24.94	17.01	7.94	6.80
(h)	Impact of lease liabilities	(22.13)	(14.41)	(7.72)	(6.31)
(i)	Other temporary differences (including tax related to items that will not be reclassified to profit or loss)	0.59	1.77	(1.18)	1.11
	Deferred tax (expense) / Income			**(15.09)**	**21.52**
	Net deferred tax assets	**54.56**	**69.66**		

E. Reconciliation of deferred tax assets:

₹ Crore

Sr. no.	Particulars	2023-24	2022-23
(a)	Opening balance as at 1st April	69.66	48.14
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of profit and loss in profit or loss	(14.91)	21.08
	(ii) Statement of profit and loss under OCI	(0.18)	0.44
	Closing balance as at 31st March	**54.56**	**69.66**

F. Tax assets and liabilities

₹ Crore

Sr. no.	Particulars	2023-24	2022-23
(a)	Non-current tax assets (net of tax provision)	8.62	8.62
(b)	Current tax assets (net of tax provision)	2.48	19.81
(c)	Current tax liabilities (net of tax assets)	28.41	7.93

During the current year, the Company has received income tax refunds including interest amounting to ₹ 43.89 Crores for FY 2017-18 and FY 2021-22. The appellate proceedings for the aforesaid years are underway and pending disposal by the income tax department.

18 Revenue from Operations

₹ Crore

Particulars	2023-24	2022-23
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	5,358.06	4,734.11
(ii) Lighting products	989.80	1,048.82
	6,347.86	**5,782.93**
Sale of services		
(i) Electric consumer durables	9.79	0.99
(ii) Lighting products	2.90	2.44
	12.69	3.43
	6,360.55	**5,786.36**
B. Other operating revenue		
Export benefits and other incentives	2.30	1.52
Scrap sales	24.96	20.90
Royalty Income	0.57	0.53
	27.83	**22.95**
	6,388.38	**5,809.31**

(For segment related information, Refer Note 36)

19 Other income

₹ Crore

Particulars	2023-24	2022-23
Interest income	35.28	42.53
Dividend income from subsidiaries	-	9.21
Income from subsidiaries	0.31	0.51
Fair value gain on investments measured at fair value through profit or loss	24.33	15.26
Others	0.42	6.90
	60.34	**74.41**

20 Cost of materials consumed

₹ Crore

Particulars	2023-24	2022-23
Opening inventories	103.67	111.83
Add: Purchases	1,312.29	1,257.58
Less: Closing inventories	(83.34)	(103.67)
Cost of raw materials consumed	1,332.62	1,265.74
Add: Sub-contracting charges	45.71	42.30
	1,378.33	**1,308.04**

21 Purchases of stock-in-trade

₹ Crore

Particulars	2023-24	2022-23
Electric consumer durables	2,624.19	2,311.05
Lighting products	510.98	504.29
	3,135.17	**2,815.34**

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

₹ Crore

Particulars	2023-24	2022-23
Opening inventories:		
Finished goods	175.00	134.73
Stock-in-trade	296.11	230.54
Work-in-progress	37.70	29.61
	508.81	**394.88**
Less:		
Closing inventories:		
Finished goods	203.54	175.00
Stock-in-trade	371.53	296.11
Work-in-progress	34.33	37.70
	609.40	**508.81**
Changes in inventories:		
Finished goods	(28.54)	(40.27)
Stock-in-trade	(75.42)	(65.57)
Work-in-progress	3.37	(8.09)
	(100.59)	**(113.93)**

23 Employee benefits expense

₹ Crore

Particulars	2023-24	2022-23
Salaries, wages, bonus and other benefits	420.64	371.38
Contribution to provident and other funds (Refer Note 31)	13.52	12.01
Gratuity (Refer Note 31)	3.25	2.72
Compensated absences (Refer Note 31)	4.93	3.30
Post retiral benefits (Refer Note 31)	0.86	0.65
Staff welfare expenses	28.94	23.69
Share-based Payments to employees (Refer Note 35)	2.07	25.88
	474.21	**439.63**

Notes:

(a) For remuneration paid to key management personnel Refer Note 32.

(b) During the year, the Company has capitalised Employee benefits expense of ₹ 12.47 Crore (Previous year ₹ 13.28 Crore) under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

24 Finance costs

₹ Crore

Particulars	2023-24	2022-23
Interest on borrowing	66.01	96.14
Interest on lease liability (Refer Note 30)	6.64	6.41
Interest others	0.12	0.14
	72.77	**102.69**

25 Other expenses

₹ Crore

Particulars	2023-24	2022-23
Consumption of stores and spares	15.05	13.97
Power and fuel	9.87	9.80
Rent	9.80	10.65
Repair to property, plant and equipment	4.07	3.54
Insurance	3.65	4.87
Rates and taxes	4.88	3.78
Freight and forwarding outward	194.96	164.66
Packing materials	82.84	76.97
After sales service	67.30	67.33
Sales promotion	81.11	48.94
Corporate social responsibility expenses (Refer Note 29)	13.81	13.56
Advertising	136.05	96.86
Legal and professional charges	87.52	84.22
Payment to the auditors (Refer Note below)	1.20	1.25
Bad Debts written off	8.86	6.54
Allowance for credit losses	12.02	14.69
Extended Producer's Responsibility	14.20	-
Miscellaneous expenses	65.37	67.22
	812.56	**688.95**

Notes

(a) Other expenses includes expenditure on research costs not eligible for capitalisation (Refer Note 28).

(b) During the year, the Company has capitalised Other expenses of ₹ 12.52 Crore (Previous year ₹ 5.90 Crore) under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

Payment to the auditors

₹ Crore

Particulars	2023-24	2022-23
Auditors' remuneration (excluding Goods and Service tax)		
Statutory Audit fees	0.59	0.56
Tax audit fees	0.09	0.09
Other services		
(i) Certification work	0.03	0.13
(ii) Others	0.37	0.41
Reimbursement of expenses	0.12	0.06
	1.20	**1.25**

26 Exceptional Items

₹ Crore

Particulars	2023-24	2022-23
Gain on Sale of Investment in subsidiary (net of expenses) (Refer Note a below)	-	(8.89)
Expenditure related to proposed merger (Refer Note b below)	-	3.35
	-	**(5.54)**

Notes:

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

(b) Expenses of ₹ 3.35 Crore represents one time cost pertaining to professional expenses such as consultancy, legal advisory, share valuation etc incurred for the proposed merger of the subsidiary "Butterfly" into the Company.

27 Contingent liabilities and commitments

₹ Crore

Sr no.	Particulars	As at 31st March, 2024	As at 31st March, 2023
A	**Contingent Liabilities:**		
	(to the extent not provided for)		
	(a) Claims against the Company not acknowledged as debts	20.72	24.23
	(b) Income tax liability that may arise in respect of matters in appeal	89.33	33.66
	(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	11.25	9.80
	(d) GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	166.41	117.78
	(e) Corporate and bank guarantees for debt given on behalf of subsidiary Company	249.00	249.00
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8.32	12.43

Notes:

(a) The Company does not expect any reimbursements in respect of the above contingent liabilities.

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

28 Expenditure on research and development

₹ Crore

Sr no.	Particulars	2023-24	2022-23
(a)	**Capital expenditure***	33.23	48.52
	Sub-total (a)	**33.23**	**48.52**
(b)	**Revenue expenditure**		
	Raw materials consumed	0.06	0.26
	Employee benefits	22.74	14.77
	Depreciation and amortisation	8.58	6.20
	Other expenses		
	Consumption of stores and spares	3.10	1.70
	Repairs and maintenance	0.01	0.01
	Miscellaneous expenses	3.65	6.26
	Sub-total (b)	**38.14**	**29.20**
	Total (a) + (b)	**71.37**	**77.72**

*includes ₹ 29.17 Crore (Previous year ₹ 36.82 Crore) capitalised under Product Development & IAUD as a Development cost as per Ind AS 38.

29 Expenditure on Corporate Social Responsibility (CSR)

₹ Crore

Particulars	2023-24	2022-23
Gross amount required to be spent by the Company during the year	13.81	13.56
Amount of expenditure incurred by the Company during the year		
(i) Construction / acquision of any asset	-	-
(ii) On purposes other than (i) above:		
Nature of CSR activities		
Community Development	2.38	2.05
Monitoring & Evaluation	0.23	0.40
Skill Development	5.76	3.79
Water Conservation	6.38	5.46
Transferred to Unspent account	-	1.45
Administration	0.50	0.43
Total CSR expenditure	**15.25**	**13.58**
Details of related party transactions- contribution to a trust controlled by the Company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Crompton (CSR) Foundation)	13.31	13.15

30 Leases

Company as lessee

A Right-of-Use assets

₹ Crore

Cost	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	121.36	101.66
Additions	33.16	30.99
Disposal / derecognised during the year	(17.26)	(11.29)
Closing Balance (a)	**137.26**	**121.36**

₹ Crore

Accumulated depreciation	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	52.51	32.31
Depreciation expense	31.55	27.02
Disposal / derecognised during the year	(17.26)	(6.82)
Closing Balance (b)	**66.80**	**52.51**
Closing Balance (a-b)	**70.46**	**68.85**

B Lease liabilities

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	78.00	77.17
Addition	33.16	30.99
Accredition of interest	6.64	6.41
Payments	(37.32)	(31.49)
Adjustments for disposals	-	(5.08)
Closing Balance	80.48	78.00
Current maturities of lease liabilities	**30.40**	**25.80**
Non-current lease liabilities	**50.08**	**52.20**

C Amounts recognised in Statement of profit and loss

₹ Crore

Particulars	2023-24	2022-23
Depreciation expense of Right-of-Use assets	31.55	27.02
Interest expense on lease liabilities	6.64	6.41
Short term and low value leases	9.80	10.65
	47.99	**44.08**

D Maturity analysis of lease liabilities (undiscounted)

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than one year	35.21	30.81
One to five years	54.97	56.11
More than five years	0.58	2.60
	90.76	**89.52**

E Amounts recognised in statement of Cash Flows

₹ Crore

Particulars	2023-24	2022-23
Total Cash outflow for leases	37.32	31.49

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

F (a) Company applied the exemption not to recognise 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.

(c) The Company has several lease contracts that include extension and termination options. Significant judgement is exercised by management in determining whether these extension and termination options are reasonably certain to be exercised.

31 Employee Benefits

(a) Defined contribution plans (Refer Accounting Policy Note 1.2(o))

Amount of ₹ 23.00 Crore (Previous year ₹ 19.25 Crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 23)

₹ Crore

Benefits (Contribution to)	2023-24	2022-23
Provident fund	11.40	10.34
Superannuation fund	1.10	1.27
Employee state insurance scheme	0.07	0.07
Labour welfare scheme	0.00	0.01
Gratuity	3.34	2.82
National Pension Scheme	1.30	0.79
Compensated Absences	4.93	3.30
Post retirement medical benefits	0.86	0.65
	23.00	**19.25**

Note:- During the year, the Company has capitalised employees benefits of ₹ 0.44 Crore (Previous year ₹ 0.57 Crore) under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.2(o)) as per Actuarial Valuation are as under:

₹ Crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2023-24 (Funded)	2022-23 (Funded)	2023-24 (Non funded)	2022-23 (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	29.24	26.82	7.55	7.11
Amount recognised in statement of profit and loss				
Interest cost	2.19	1.87	0.56	0.53
Current service cost	3.47	3.04	0.63	0.48
Past service cost	-	-	-	-
Amount recognised in other comprehensive income				
Actuarial loss / (gain)	1.83	0.82	0.13	(0.21)

₹ Crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2023-24 (Funded)	2022-23 (Funded)	2023-24 (Non funded)	2022-23 (Non funded)
Benefits paid	(4.05)	(3.31)	(0.33)	(0.36)
Present Value of defined benefit obligation at the end of the year	**32.68**	**29.24**	**8.54**	**7.55**
II Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	30.97	30.02	-	-
Expected return on plan assets	2.32	2.09	-	-
Contributions	-	-	-	-
Benefits paid from the fund	-	-	-	-
Amount recognised in other comprehensive income	-	-	-	-
Actuarial gain / (loss)	2.70	(1.14)	-	-
Fair value of plan assets at the end of the year	**35.99**	**30.97**	**-**	**-**
III Actual return on plan assets				
Expected return on plan assets	2.32	2.09	-	-
Actuarial gain / (loss)	2.70	(1.14)	-	-
Actual return on plan assets	**5.02**	**0.95**	**-**	**-**
IV Net asset / (liability) recognised in the balance sheet				
Present Value of defined benefit obligation at the end of the year	(32.68)	(29.24)	(8.54)	(7.55)
Fair value of plan assets at the end of the year	35.99	30.97	-	-
Asset / (Liability) recognised in the balance sheet	**3.31**	**1.73**	**(8.54)**	**(7.55)**
V Expenses recognised in the statement of profit and loss				
Current service cost	3.47	3.04	0.63	0.48
Interest cost	(0.13)	(0.22)	0.56	0.53
Past Service cost	-	-	-	-
	3.34	**2.82**	**1.19**	**1.01**
VI Expenses recognised in the Other comprehensive income				
Actuarial loss / (gain) on Obligation For the Period	1.83	0.82	0.13	(0.21)
Return on Plan Assets, Excluding Interest Income	(2.70)	1.14	-	-
Change in Asset Ceiling	-	-	-	-
Net (Income) / Expense For the Period Recognised in OCI	**(0.87)**	**1.96**	**0.13**	**(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:				
(Decrease) / Increase on present value of defined benefits obligation at the end of the year				
1% increase in discount rate	(1.72)	(1.58)	(1.18)	0.02
1% decrease in discount rate	1.92	1.76	1.51	2.98
1% increase in salary escalation rate	1.93	1.77	-	-
1% decrease in salary escalation rate	(1.76)	(1.62)	-	-
1% increase in employee turnover rate	0.01	0.05	-	-

₹ Crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2023-24 (Funded)	2022-23 (Funded)	2023-24 (Non funded)	2022-23 (Non funded)
1% decrease in employee turnover rate	(0.02)	(0.06)	-	-
1% increase in Medical inflation rate	-	-	1.53	1.31
1% decrease in Medical inflation rate	-	-	(1.20)	(1.03)
IX Maturity profile of defined benefit obligations				
Within the next 12 months	5.56	3.56	0.39	0.38
Between 1 and 5 years	12.33	12.46	1.65	1.58
Between 5 and 10 years	15.69	14.38	2.55	2.28
X Actuarial assumptions				
Discount rate (p.a.)	7.21%	7.49%	7.40%	7.40%
Expected Return on Plan Assets (p.a.)	7.21%	7.49%	N.A	N.A
Employee turnover rate	6.00%	6.00%	6.00%	6.00%
Salary escalation rate	6.00%	6.00%	N.A	N.A
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Medical premium inflation rate	N.A	N.A	2%	2%

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

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

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

(f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2024 and 31st March, 2023. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

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

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

Compensated absences

In respect of compensated absences, accrual is made on the basis of a year-end actuarial valuation as at balance sheet date. The actuarial valuation is done as per Project unit credit method.

The leave obligation cover the Company's liability for earned leave. The amount of the provision of ₹ 15.48 Crore (Previous year ₹ 15.35 Crore) is presented as non-current and ₹ 3.12 Crore (Previous year ₹ 2.04 Crore) is presented as current. The Company has recognised ₹ 4.93 Crore (Previous year ₹ 3.30 Crore) for compensated absences in the Statement of Profit and Loss.

32 Related Party Disclosures

i) List of related parties over which control exist:

Name of the subsidiary companies:

Pinnacles Lighting Project Private Limited

Nexustar Lighting Project Private Limited

Butterfly Gandhimathi Appliances Limited

Crompton (CSR) Foundation

ii) Other Related Parties:

Swaminathan Enterprises Private Limited (upto 3rd January, 2023; significant influence of Key management personnel)

Opera Gratia Pvt. Ltd (upto 30th April, 2023; significant influence of Key management personnel)

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

Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust

Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund

iv) Key Management Personnel:

Mr. H. M. Nerurkar, Chairman and Independent Director (upto 20th October, 2023)

Mr. D. Sundaram, Chairman and Independent Director

Mr. P. M. Murty, Independent Director

Ms. Smita Anand, Independent Director

Mr. P.R. Ramesh, Independent Director

Ms. Hiroo Mirchandani, Independent Director

Mr. Sanjiv Kakkar, Independent Director (from 17th October, 2023)

Mr. Promeet Ghosh, Non-Executive Director (upto 23rd April, 2023); Executive Director (From 24th April, 2023 to 30th April, 2023); Managing Director and Chief Executive Officer (from 1st May, 2023)

Mr. Shantanu Khosla, Managing Director (upto 30th April, 2023); Vice Chairman and Executive Director (from 1st May, 2023 to 30th April, 2024); Non executiveVice Chairman (from 1st May, 2024)

Mr. Mathew Job, Executive Director and Chief Executive Officer (upto 30th April, 2023)

Mr. Sandeep Batra, Chief Financial Officer (upto 30th May, 2022)

Mr. Kaleeswaran Arunachalam, Chief Financial Officer (from 5th September, 2022)

Ms. Pragya Kaul, Company Secretary & Compliance Officer (upto 15th September, 2022)

Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer (from 28th November, 2022)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

v) Details of related party transactions:

₹ Crore

Sr. No.	Nature of transaction	2023-24	2022-23
1	**Services received**		
	Butterfly Ganthimathi Appliances Limited	0.43	0.20
	Opera Gratia Pvt. Ltd	0.33	1.47
	Total	**0.76**	**1.67**
2	**Services rendered**		
	Pinnacles Lighting Project Private Limited	0.05	0.22
	Nexustar Lighting Project Private Limited	0.05	0.22
	Butterfly Ganthimathi Appliances Limited	6.61	6.61
	Swaminathan Enterprises Private Limited	-	0.08
	Total	**6.71**	**7.13**
3	**Purchase of products**		
	Butterfly Ganthimathi Appliances Limited	9.67	-
	Total	**9.67**	**-**
4	**Sales of products**		
	Butterfly Ganthimathi Appliances Limited	0.12	-
	Total	**0.12**	**-**
5	**Dividend received**		
	Pinnacles Lighting Project Private Limited	-	5.00
	Nexustar Lighting Project Private Limited	-	4.21
	Total	**-**	**9.21**
6	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.10	1.27
	Total	**1.10**	**1.27**
7	**Compensation to Key Management Personnel**		
	Short-term benefits*	125.01	71.54
	Share-based Payments (Refer Note b below)	(3.31)	9.71
	Director's sitting fees	0.41	0.48
	Commission	1.60	1.60
	Total	**123.71**	**83.33**
8	**Donations paid**		
	Crompton (CSR) Foundation	13.31	13.15
	Total	**13.31**	**13.15**

*Short-term benefits for the current year include ₹ 101.6 Crore (previous year: ₹ 48.62 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, 2024	As at 31st March, 2023
1	**Other Receivable**		
	Butterfly Ganthimathi Appliances Limited	-	2.73
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.31	1.73
	Total	**3.31**	**4.46**
2	**Other Payable**		
	Butterfly Ganthimathi Appliances Limited	1.49	-
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.09	0.09
	Commission Payable to Key Management Personnel	1.60	1.60
	Total	**3.18**	**1.69**

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end with related parties are unsecured and interest free, and will be settled/ recovered in cash.

The Company has not made any allowance for bad or doubtful debts in respect of related party trade receivables nor has any guarantee been given or received during the year ended 31st March 2024 and 31st March 2023 relating to related party transactions.

33 Earnings Per Share (EPS)

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

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

₹ Crore

Particulars		2023-24	2022-23
(a) Basic earnings per share			
Numerator for earnings per share			
Profit after tax	₹ Crore	466.45	475.56
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	Nos	63,97,21,335	63,49,86,510
Earnings per share - Basic (one equity share of ₹ 2 each)	₹	7.29	7.49
(b) Diluted earnings per share			
Numerator for earnings per share			
Profit after tax	₹ Crore	466.45	475.56
Denominator for earnings per share			
Weighted number of equity shares outstanding for basic EPS during the year	Nos	63,97,21,335	63,49,86,510
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes (refer note below)	Nos	-	22,16,124
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,97,21,335	63,72,02,634
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	7.29	7.46

Note:

84,89,793 number of share options are outstanding as on 31st March, 2024 which are anti-dilutive in nature

34 Impairment testing of Goodwill

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
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 exit multiple and 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 2024 and 31st March, 2023 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 (revenue growth and EBITDA margin) and discount rate applied. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the cash generating units would decrease below its carrying amount.

35 Share-based Payments

Employee stock options - equity settled

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

Disclosures:

₹ Crore

Particulars	31st March, 2024/ 2023-24	31st March, 2023/ 2022-23
Share-based Payments to employee	2.07	25.88
Employee Stock option outstanding	74.24	139.12

(b) The position of the existing schemes is summarised as under:

Particulars	31st March, 2024				31st March, 2023			
	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 and amended on 06-01-2021	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.		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.		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	2023-24				2022-23			
	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	85,66,950	9,92,576	44,10,033	23,27,297	82,64,317	18,93,854	55,38,176	30,79,392
No. of options granted during the year	25,55,000	-	-	-	15,25,000	-	-	-
No. of options forfeited / lapsed during the year	32,38,390	1,26,413	-	-	11,21,867	1,78,256	-	-
No. of options vested during the year	10,01,558	89,978	-	-	10,30,631	1,98,669	-	-
No. of options exercised during the year	-	2,59,930	44,10,033	23,27,297	1,00,500	7,23,022	11,28,143	7,52,095
Money realised by exercise of options (₹)	-	5,19,53,343	40,93,83,363	43,20,85,961	2,59,94,325	14,56,88,852	10,47,25,515	13,96,33,958
No. of options outstanding at the end of the year	78,83,560	6,06,233	-	-	85,66,950	9,92,576	44,10,033	23,27,297
No. of options exercisable at the end of the year	25,48,560	6,06,233	-	-	17,15,881	8,40,076	44,10,033	23,27,297
Weighted Average Remaining Contractual Life (in years)	5.81	2.25	-	-	6.53	3.01	2.26	2.16

(d) Weighted average information for year:

Particulars	2023-24				2022-23			
	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 (₹)	268.09	-	-	-	330.95	-	-	-
Exercise price is greater than market price (₹)	294.65	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-
Weighted average fair value of options granted during the year whose								
Exercise price equals market price (₹)	108.59	-	-	-	138.21	-	-	-
Exercise price is greater than market price (₹)	102.80	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-

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

₹ Crore

Particulars	2023-24	2022-23
	ESOP 2019	ESOP 2019
Price of the underlying share in market at the time of the option grant (₹)	261.84	330.95
Exercise price (₹)	261.84	330.95
Risk free interest rate (based on government securities)	6.93%	7.21%
Expected life (years)	5.56	5.81
Expected volatility	33.06%	32.61%
Dividend yield	0.95%	0.76%

(f) Number and Weighted Average Exercise Price of Options

₹ Crore

Particulars	2023-24		2022-23	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,62,96,856	274.51	1,87,75,739	257.07
Granted during the year	25,55,000	259.09	15,25,000	369.12
Forefeited during the year	33,64,803	391.73	13,00,123	384.42
Exercised during the year	69,97,260	127.68	27,03,760	153.88
Expired during the year	-	-	-	-
Outstanding at the end of the year	84,89,793	345.19	1,62,96,856	274.51
Exercisable at the end of the period	31,54,793	371.36	92,93,287	185.59

(g) Weighted average share price of options exercised during the year is ₹ 276.20 (Previous year ₹ 378.99).

36 Operating Segments

A. General Information

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

a) Electric Consumer Durables
b) Lighting Products

The above business segments have been identified considering:

a) the nature of products and services
b) the differing risks and returns
c) the internal organisation and management structure, and
d) the internal financial reporting systems.

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

B. Information about reportable segments

₹ Crore

2023-24	Reportable segments		
Particulars	Electric Consumer Durables	Lighting Products	Total
Revenue			
External Customers	5,392.18	996.20	6,388.38
Inter-segment	-	-	-
Total revenue	**5,392.18**	**996.20**	**6,388.38**
Segment profit	**774.65**	**105.36**	**880.01**
Segment profit includes:			
Depreciation and amortisation expense	17.81	7.93	25.74
Segment assets	**1,433.19**	**353.19**	**1,786.38**
Segment liabilities	**1,251.44**	**357.30**	**1,608.74**
Other disclosures			
Capital expenditure	57.63	10.41	68.04

₹ Crore

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

Notes to the Standalone Financial Statements
for the year ended 31st March, 2024

C. Reconciliations of information on reportable segments

₹ Crore

Particulars	2023-24	2022-23
(a) Income		
Total income for reportable segments	6,388.38	5,809.31
Total income (Refer Note 18)	**6,388.38**	**5,809.31**

₹ Crore

Particulars	2023-24	2022-23
(b) Profit before exceptional items and tax		
Total profit before exceptional items and tax for reportable segments	880.01	889.44
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(2.07)	(25.88)
Finance costs	(72.77)	(102.69)
Other unallocable expenditure net of unallocable Income	(194.13)	(172.10)
Total profit before exceptional items and tax from operations as reported in Statement of profit and loss	**611.04**	**588.77**

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
(c) Assets		
Total assets for reportable segments	1,786.38	1,567.00
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	2,954.13	2,729.61
Deferred tax assets (net)	54.56	69.66
Total assets as reported in Balance sheet	**5,574.48**	**5,145.68**

₹ Crore

Particulars	2023-24	2022-23
(d) Liabilities		
Total liabilities for reportable segments	1,608.74	1,271.01
Other unallocated amounts		
Borrowings	598.97	922.18
Other liabilities	161.29	113.52
Total liabilities as reported in Balance sheet	**2,369.00**	**2,306.71**

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

₹ Crore

Particulars	2023-24	2022-23
Revenue as per contracted price	6,879.13	6,232.90
Less: Adjustments*	(518.58)	(446.54)
Total revenue from contract with customers	**6,360.55**	**5,786.36**

* includes discounts, schemes, sales return & others.

The Company does not have any contract asset or liability as at 31st March, 2024 (Previous year: nil)

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.

37 Financial instruments – Disclosures

A. Accounting classification and fair values

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

₹ Crore

As at 31st March, 2024	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Trade receivables	-	12.65	12.65	-	-	-	-
Other non-current financial assets	-	12.56	12.56	-	-	-	-
Current financial assets							
Current investments	628.14	-	628.14	628.14	-	-	628.14
Trade receivables	-	580.12	580.12	-	-	-	-
Cash and cash equivalents	-	130.79	130.79	-	-	-	-
Bank balance other than cash and cash equivalents	-	84.48	84.48	-	-	-	-
Derivative Assets	0.16	-	0.16	0.16	-	-	0.16
Other current financial assets	-	19.70	19.70	-	-	-	-
	628.30	**840.30**	**1,468.60**	**628.30**	**-**	**-**	**628.30**
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	298.97	298.97	-	-	-	-
Lease Liabilities	-	50.08	50.08	-	-	-	-
Trade payables	-	14.03	14.03	-	-	-	-
Current financial liabilities							
Borrowings	-	300.00	300.00	-	-	-	-
Lease Liabilities	-	30.40	30.40	-	-	-	-
Trade payables	-	1,172.45	1,172.45	-	-	-	-
Other current financial liabilities	-	67.10	67.10	-	-	-	-
	-	**1,933.03**	**1,933.03**	**-**	**-**	**-**	**-**

₹ Crore

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

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

B. Fair value heirarchy

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

The categories used are as follows:

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

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

D. Financial risk management

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

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

Risk management framework

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

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

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

i. Credit risk

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

Trade receivables

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

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Not past due	401.05	436.24
Past due 1–360 days	153.65	93.22
Past due 361- 720 days	42.31	34.09
more than 720 days	52.68	26.64
	649.69	**590.19**

Expected credit loss assessment

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

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

Particulars	₹ Crore
Balance as at 1st April, 2022	**30.21**
Impairment loss recognised	21.23
Write off of bad debts	(6.54)
Balance as at 1st April, 2023	**44.90**
Impairment loss recognised	20.88
Write off of bad debts	(8.86)
Balance as at 31st March, 2024	**56.92**

Cash and cash equivalents and bank deposits

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

Derivatives

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

Investment in mutual funds

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

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

ii. Liquidity risk

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

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

Exposure to liquidity risk

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

₹ Crore

As at 31st March, 2024	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings (including interest)	298.97	-	298.97	-	-
Lease liabilities (undiscounted)	55.55	-	25.17	29.80	0.58
Trade payables	14.03	3.79	6.05	4.19	-
Current financial liabilities					
Short term Borrowings (including interest)	331.33	331.33	-	-	-
Lease liabilities (undiscounted)	35.21	35.21	-	-	-
Trade payables	1,172.45	1,172.45	-	-	-
Other financial liabilities	35.77	35.77	-	-	-

₹ Crore

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

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company

is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, Company's exposure to market risk is a function of investing and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

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

a) Currency risk

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

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

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

Category	Instrument	Currency	Cross Currency	Amounts ($ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	3.51	Buy	As at 31st March, 2024
Hedges of recognised liabilities	Forward Contract	USD	INR	0.07	Buy	As at 31st March, 2024

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, 2024	As at 31st March, 2023
Financial assets		
Trade receivables	17.57	7.89
	17.57	**7.89**
Financial liabilities		
Trade payables	31.48	55.53
	31.48	**55.53**
Net foreign currency exposure	**(13.91)**	**(47.64)**

Sensitivity analysis

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

₹ Crore

Effect in ₹ Crore	Movement	Profit or loss	
		Strengthening	Weakening
31st March, 2024			
USD	5%	(0.70)	0.70
		(0.70)	**0.70**

₹ Crore

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

b) Interest rate risk

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

Exposure to Interest Rate Risk / Sensitivity

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed-rate instruments		
Financial assets		
Bank deposits	153.00	8.00
Total	**153.00**	**8.00**
Financial liabilities		
Non-current borrowings	298.97	597.18
Current borrowings	300.00	325.00
	598.97	**922.18**

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.

38 Financial performance ratios

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023	Variance	Refer Note
A. Performance Ratios						
Net Profit Margin (in %)	Profit after tax	Total Income	7.23%	8.08%	(10.51%)	
Net Capital Turnover ratio (in times)	Revenue from operations	Working Capital	8.08	8.25	(2.08%)	
Return on Capital Employed (in %)	Earnings before interest and taxes	Tangible Capital Employed	26.78%	31.03%	(13.72%)	
Return on equity (in %)	Net Profit after Taxes	Average Shareholder's Equity	15.43%	17.96%	(14.08%)	
Return on Investment (in %)	Net gain on investment	Weighted average investments	7.52%	5.69%	32.16%	(a)
Debt Service Coverage Ratio (in times)	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	1.52	2.50	(39.20%)	(b)
B. Leverage Ratio						
Debt-Equity Ratio (in times)	Total Debt	Equity	0.19	0.32	(42.47%)	(b)
C. Liquidity Ratio						
Current ratio (in times)	Current Assets	Current liabilities excl. current Borrowings	1.52	1.59	(4.44%)	
D. Activity Ratios						
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	6.70	7.10	(5.63%)	
Debtors Turnover (in times)	Revenue from operations	Avg. Trade Receivables	11.23	10.98	2.28%	
Trade Payables Turnover ratio (in times)	Cost of goods sold	Avg. Accounts payables	4.20	4.38	(4.11%)	

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

(a) Return on inventment increased due to improved yield and duration of investment.

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

39 Assets Pledged as Security

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
a) Inventories		
Raw Material	88.60	109.94
FG	575.07	471.11
WIP	34.33	37.70
b) Trade receivables	592.77	545.29
Total assets pledged as security (a+b)	**1,290.77**	**1,164.04**

Notes:

(a) Borrowings were applied for the purpose for which they were obtained. Bank returns/ stock statements filed by the Company with its bankers are in agreement with books of accounts.

(b) According to the sanction terms laid out by the consortium lenders, there is exclusive first pari passu charge on stock of raw materials, semi-finished and finished goods, stores and spares, bills receivables and book debts, both present and future.

40 Details of relationship with struck-off companies

Name of the struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31st March, 2024 (₹ Crore)	Balance outstanding as at 31st March, 2023 (₹ Crore)	Relationship with the struck off Company, if any, to be disclosed
Air Temp Solutions Private Limited	Advance from customer	0.00	0.00	Customer
Alif Trading Company	Receivables	0.00	0.00	Customer
Federro Electronics Private Limited*	Advance from customer	0.00	0.00	Customer
H.K. Power Corporation Private Limited	Advance from customer	0.01	0.01	Customer
Hammer Head Technologies Private Limited	Advance from customer	0.00	0.00	Customer
Kapson Power Technology Private Limited	Advance from customer	0.00	0.00	Customer
Kiapco Infrastructure Private Limited	Advance from customer	0.01	0.01	Customer

Name of the struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31st March, 2024 (₹ Crore)	Balance outstanding as at 31st March, 2023 (₹ Crore)	Relationship with the struck off Company, if any, to be disclosed
Ncs Infocomm Private Limited	Advance from customer	0.01	0.01	Customer
Revive Industries Private Limited*	Advance from customer	0.00	0.00	Customer
S.S. Electro Works Private Limited*	Advance from customer	0.00	0.00	Customer
Seven Hills Impex Limited*	Advance from customer	0.01	0.01	Customer
Shakedi Shengtai Electrics Private Limited	Advance from customer	0.00	0.00	Customer
Shreeskanda Systems Private Limited	Receivables	0.01	0.01	Customer
Super Market Grocery Supplies Private Limited*	Advance from customer	0.00	0.00	Customer
Suzusons Care Private Limited	Advance from customer	0.00	0.00	Customer
Takkar Interna.Trademart Private Limited	Advance from customer	0.00	0.00	Customer
Techno India Wtr & Waste Wtr Private Limited	Advance from customer	0.00	0.00	Customer
Triveni Machinery Private Limited*	Receivables	4.15	1.72	Customer
Venus Dealmark Private Limited	Advance from customer	0.00	0.00	Customer

*The company was struck off or under the process of striking off as at 31st March, 2024

41 Capital Management

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

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

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

The Company's adjusted net debt-to-equity ratio at 31st March, 2024 was as follows:

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total equity	**3,205.48**	**2,838.97**
Total borrowings (including current portion of long-term debts)	598.97	922.18
Less: cash and cash equivalents	130.79	44.06
Less: other bank balances	84.48	3.74
Net debt	**383.70**	**874.38**
Overall financing	3,589.18	3,713.35
Gearing ratio	**0.11**	**0.24**

No changes were made in the objectives, policies or processes for managing capital during the current and previous year.

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the current and previous year.

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

43 The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income-tax Act, 1961.

44 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

45 Utilisation of Borrowed funds and share premium

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

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

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

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

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

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

46 The Board of Directors of the Company, at its meeting on 25th March, 2023, had approved the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 (the 'Scheme'), for merger of its subsidiary Butterfly Gandhimathi Appliances Limited ("Butterfly") with the Company. Pursuant to the meeting of equity shareholders, secured creditors and unsecured creditors of Butterfly, convened as per the directions of Chennai Bench of the Hon'ble National Company Law Tribunal on 28th October, 2023, the approval of majority of the public shareholders of the Butterfly was not received in favour of the Scheme. Accordingly, the Scheme is not acted upon.

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

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

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

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

For and on behalf of Board of Directors

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May 2024

Mumbai
16th May 2024

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, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information 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 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated total comprehensive income (comprising of profit and other comprehensive income) consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2024. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Impairment of and Other Intangible Assets with Indefinite Useful Lives** (Refer Notes 2 and 36 to the Consolidated Financial Statements) The goodwill balance as of 31^{st} March, 2024 of ₹ 1,285.46 crores pertains to: (i) ₹ 779.41 crores on account demerger of the Consumer Business from Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) and Crompton Greaves Consumer Electricals Limited in 2015; and (ii) ₹ 506.05 crores on account of business acquisition of Butterfly Gandhimathi Appliances Limited ("Subsidiary"). Other Intangible assets with indefinite useful lives pertains to brand and trademarks purchased on account of acquisition of subsidiary. Carrying value of goodwill and other intangible assets with indefinite useful lives is material as at March 31, 2024 and inherent uncertainty is involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates for computing the Value in use and the assessment of its recoverability. The Company has carried out an impairment assessment using the value-in-use (ViU) calculations which is based on Discounted Cash Flow with Exit Multiple Method. Determination of ViU involves significant estimates, assumptions and judgements as regards reasonableness of assumptions involved in developing projections of entity's financial performance, exit multiples, and discount rates to be considered. Considering the uncertainty involved in forecasting of cash flows and the judgement involved with respect to key assumptions used in computing the recoverable amount, this audit area is considered a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Obtained an understanding of the process and assessed the design, implementation and tested the operating effectiveness of internal controls over the accounting for goodwill and other intangible assets with indefinite useful lives arising out of business reconstruction transaction. b) Assessed reasonableness of the future revenue and margin projections, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. c) Involved our valuation experts ("auditor's expert") to assist in examining the reasonableness of the Company's valuation model and analysing the underlying key assumptions, including discount rates. d) Evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, and historic performance. e) Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management's calculations. f) Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements.
2	**Provision for Warranties** (Refer Note 16 to Consolidated Financial Statements) The Company's business involves the sale of products under warranty. The Company also has back-to-back contractual arrangements with its vendors for reimbursement of cost relating to products supplied by the vendors. Warranty provisions, which are inherently judgemental in nature, are provided by the Company to record an appropriate estimate of the costs of repairing and replacing products and spares within the warranty period. The Company estimates and provides for liability for product warranties in the year in which the products are sold. Further, the timing of outflows will vary based on the actual warranty claims made during the warranty period in the future. The above estimations of warranty provision require significant judgement considering the nature and timing of the cash outflows. Also, there is estimation uncertainty as regards to the timing and the amount of the actual warranty claims that may devolve over the warranty period. Accordingly, provision for warranties has been determined by us to be a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Obtained an understanding of the warranty claims process and assessed the design and implementation and tested the operating effectiveness of internal controls over the provision for warranties. b) Reviewed the historical data of warranty costs incurred in regard to the product sales, the trend of claims over the warranty period and the comparison between provisions previously recognised and actual expenses. Also reviewed the historical data of recoveries from vendors against warranty claims and defective returns. c) Reviewed reconciliations of sales made during the year with sales register to determine completeness on which warranty obligation is determined. d) Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management (including cost of repairs and returns). e) Reviewed the recognition and appropriateness of provisions by verifying the computation of defect rates, vendors recovery and mathematical accuracy of management calculations and obtaining management statements, evidence and supporting documents. f) Assessed the adequacy and appropriateness of the relevant disclosures made in the Consolidated Financial Statements.

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 information included in the Management Discussion and Analysis, Chairman's statement, Director's report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we 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 and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective 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 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 Board of 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 also responsible for overseeing the financial reporting process of each company.

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 Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 580.52 crores as at March 31, 2024, total revenues of ₹ 940.36 crores and net cash flows amounting to ₹ 8.49 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable, that:

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

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

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash 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 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, 2024 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, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

      i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the Consolidated Financial Statements.

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

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

      iv. (1) 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, whether 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.

      (2) 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, whether 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.

      (3) 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, associates and joint ventures 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, we report that:

         a. the final dividend paid by the Holding 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.

b. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 12(h) to the Consolidated Financial Statements)

vi. Based on our examination which included test checks, the Holding Company and its three subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. 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 read with Schedule V of the Act and the rules thereunder.

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

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

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar

Partner

Membership No.: 118247

UDIN: 24118247BKFOJD9871

Place: Mumbai

Date: May 16, 2024

Annexure A

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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, 2024 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

Vishal Vilas Divadkar

Partner

Place: Mumbai

Membership No.: 118247

Date: May 16, 2024

UDIN: 24118247BKFOJD9871

Annexure B

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Crompton Greaves Consumer Eleectricals Limited on the Consolidated Financial Statements for the year ended March 31, 2024]

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, 2024, we have audited the internal financial controls reference to Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company's and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, 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, 2024, based on the internal financial controls 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 and 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 and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements 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. Our opinion is not modified in respect of this matter.

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

Vishal Vilas Divadkar
Partner
Membership No.: 118247
UDIN: 24118247BKFOJD9871

Place: Mumbai
Date: May 16, 2024

Consolidated Balance Sheet

as at 31st March, 2024

₹ Crore

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2 A	399.06	408.02
(b) Capital work-in-progress	2 E	11.42	5.46
(c) Right-of-use assets	2 B	76.23	75.95
(d) Goodwill	2 C	1,285.46	1,285.46
(e) Other intangible assets	2 D	1,436.08	1,480.51
(f) Intangible assets under development	2 F	47.06	21.05
(g) Financial assets			
(i) Investments	3 A	-	0.35
(ii) Trade receivables	7 A	12.65	15.49
(iii) Other financial asset	4 A	19.10	18.73
(h) Non-current tax assets (net)	20	8.62	9.36
(i) Other non-current assets	5 A	81.22	75.76
Total non-current assets		**3,376.90**	**3,396.14**
(2) Current assets			
(a) Inventories	6	830.44	743.85
(b) Financial assets			
(i) Investments	3 B	689.10	547.83
(ii) Trade receivables	7 B	720.89	670.56
(iii) Cash and cash equivalents	8	172.06	76.84
(iv) Bank balances other than (iii) above	9	88.71	32.64
(v) Loans	10	0.36	0.66
(vi) Other financial assets	4 B	20.02	18.97
(c) Current tax assets (net)	20	3.25	19.81
(d) Other current assets	5 B	178.97	147.13
(e) Assets held for sale	11	1.00	-
Total current assets		**2,704.80**	**2,258.29**
TOTAL ASSETS		**6,081.70**	**5,654.43**

Consolidated Balance Sheet (Contd.)

as at 31st March, 2024

₹ Crore

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	128.62	127.22
(b) Other equity	13	2,871.00	2,532.77
Equity attributable to equity holders of parent company		**2,999.62**	**2,659.99**
(c) Non-controlling interests	14	449.35	447.71
Total equity		**3,448.97**	**3,107.70**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 A	298.97	597.18
(ii) Lease liabilities	32	52.79	55.93
(iii) Trade payables	17 A		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		14.03	13.19
(b) Deferred tax liabilities (net)	20	9.94	12.27
(c) Provisions	16 A	193.73	131.23
Total non-current liabilities		**569.46**	**809.80**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 B	300.00	325.00
(ii) Lease liabilities	32	31.43	27.00
(iii) Trade payables	17 B		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		261.57	245.18
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,052.89	790.20
(iv) Other financial liabilities	18	72.12	73.50
(b) Other current liabilities	19	117.90	96.37
(c) Provisions	16 B	203.97	170.48
(d) Current tax liabilities (net)	20	23.39	9.20
Total current liabilities		**2,063.27**	**1,736.93**
Total liabilities		**2,632.73**	**2,546.73**
TOTAL EQUITY AND LIABILITIES		**6,081.70**	**5,654.43**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May, 2024

For and on behalf of Board of Directors

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May, 2024

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2024

₹ Crore

Particulars	Notes	2023-24	2022-23
Income			
I. Revenue from operations	21	7,312.81	6,869.61
II. Other income	22	67.39	66.78
III. Total Income (I+II)		**7,380.20**	**6,936.39**
IV. Expenses			
Cost of materials consumed	23	1,829.03	1,734.96
Purchase of stock-in-trade	24	3,288.84	3,011.32
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(117.56)	(65.93)
Employee benefits expense	26	589.87	540.80
Finance costs	27	79.19	109.18
Depreciation and amortisation expense	2	128.82	115.92
Other expenses	28	1,008.94	877.99
Total Expenses (IV)		**6,807.13**	**6,324.24**
V. Profit before tax		**573.07**	**612.15**
VI. Tax expenses:	20		
Current tax		134.30	178.62
Adjustment of tax relating to earlier periods		(0.78)	(16.71)
Deferred tax credit		(2.23)	(26.16)
Total Tax expenses (VI)		**131.29**	**135.75**
VII. Profit for the year (V-VI)		**441.78**	**476.40**
VIII. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain/(loss) on defined benefit plans		(0.40)	(3.33)
(ii) Income tax related to items that will not be reclassified to profit or loss	20	0.10	0.99
Other comprehensive income for the year (net of tax) (VIII)		**(0.30)**	**(2.34)**
IX. Total comprehensive income for the year (VII+VIII)		**441.48**	**474.06**
Profit attributable to:			
Owners of the Holding Company		439.92	463.21
Non-controlling interests		1.86	13.19
Other Comprehensive income attributable to:			
Owners of the Holding Company		(0.09)	(2.17)
Non-controlling interests		(0.21)	(0.17)
Total Comprehensive income attributable to:			
Owners of the Holding Company		439.83	461.04
Non-controlling interests		1.65	13.02
X. Earnings per equity share (in ₹) of face value of ₹ 2 each	35		
1. Basic		6.88	7.29
2. Diluted		6.88	7.27

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May, 2024

For and on behalf of Board of Directors

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May, 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2024

(A) EQUITY SHARE CAPITAL

	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount ₹ Crore	No. of Shares	Amount ₹ Crore
Balance as at the beginning of the reporting year	63,61,09,719	127.22	63,34,05,959	126.68
Changes in equity share capital during the year	69,97,260	1.40	27,03,760	0.54
Balance as at the end of the reporting year	**64,31,06,979**	**128.62**	**63,61,09,719**	**127.22**

(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 1st April,2022	**0.05**	**144.87**	**138.63**	**75.00**	**1,964.50**	**3.23**	**2,326.28**	**782.45**	**3,108.73**
Profit for the year	-	-	-	-	463.21	-	463.21	13.19	476.40
Dividends paid	-	-	-	-	(158.41)	-	(158.41)	-	(158.41)
Securities premium received	-	41.06	-	-	-	-	41.06	-	41.06
Amount transferred to/(from) Securities premium	-	23.58	(23.58)	-	-	-	-	-	-
Amount transferred to/(from) Retained earnings	-	-	(1.81)	(75.00)	79.32	-	2.51	-	2.51
Movement in Other comprehensive income for the year	-	-	-	-	-	(2.16)	(2.16)	(0.18)	(2.34)
Employee compensation expense for the year (Refer Note 26)	-	-	27.17	-	-	-	27.17	-	27.17
Adjustment for changes in ownership interests	-	-	-	-	(166.89)	-	(166.89)	(347.75)	(514.64)
Balance as at 31st March, 2023	**0.05**	**209.51**	**140.41**	**-**	**2,181.73**	**1.07**	**2,532.77**	**447.71**	**2,980.48**
Profit for the year	-	-	-	-	439.92	-	439.92	1.86	441.78
Dividends paid	-	-	-	-	(191.90)	-	(191.90)	-	(191.90)
Securities premium received	-	87.94	-	-	-	-	87.94	-	87.94
Amount transferred to/(from) Securities premium	-	64.03	(64.03)	-	-	-	-	-	-
Amount transferred to/(from) Retained earnings	-	-	(2.92)	-	2.92	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	(0.09)	(0.09)	(0.21)	(0.30)
Employee compensation expense for the year (Refer Note 26)	-	-	2.36	-	-	-	2.36	-	2.36
Balance as at 31st March, 2024	**0.05**	**361.48**	**75.82**	**-**	**2,432.67**	**0.98**	**2,871.00**	**449.35**	**3,320.35**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May, 2024

For and on behalf of Board of Directors

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

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Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May, 2024

Consolidated Statement of Cash Flows

for the year ended 31st March, 2024

₹ Crore

Particulars	2023-24	2022-23
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**573.07**	**612.15**
Adjustments for:		
Depreciation and amortisation expense	128.82	115.92
Finance cost	79.19	109.18
Loss/(gain) on sale of property, plant and equipment	0.57	(3.75)
Share-based payments to employees	2.36	27.17
Net gain on sale or fair valuation of investments (net)	(26.77)	(15.75)
Interest income	(38.61)	(45.92)
Unrealised exchange loss/(gain) (net)	0.51	(2.69)
	146.07	**184.16**
Cash generated from operations before working capital changes	**719.14**	**796.31**
Adjustments for:		
Increase in trade receivables	(47.49)	(70.62)
Increase in inventories	(86.59)	(22.81)
Increase in other financial and non financial assets	(45.73)	(14.89)
Increase in trade payables	281.53	33.49
Increase/(Decrease) in other financial and non financial liabilities	25.32	(33.62)
Increase in provisions	95.59	4.59
	222.63	**(103.86)**
Cash generated from operations	**941.77**	**692.45**
Income tax paid (net of refunds)	(98.36)	(139.86)
Net cash generated from operating activities [A]	**843.41**	**552.59**
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	43.17	43.18
Proceeds from sale of Investment in subsidiary (net)	-	161.08
Proceeds from non-current investments (net)	0.35	-
Proceeds from current investments (net)	-	91.75
Proceeds from sale of property, plant and equipment	3.28	8.28
	46.80	**304.29**
Less: Outflows from investing activities		
Investment in subsidiaries	-	672.96
Purchase of current investments (net)	114.50	-
Decrease/(Increase) in other bank balances and term deposits	55.40	(710.93)
Purchase of property, plant and equipment and intangible assets (including assets under development & capital advances)	83.79	79.10
	253.69	**41.13**
Net cash (used in)/generated from investing activities [B]	**(206.89)**	**263.16**

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March, 2024

₹ Crore

Particulars	2023-24	2022-23
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	89.34	41.60
Proceeds from issue of debentures	-	925.00
	89.34	966.60
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	191.24	157.78
Redemption of non-convertible debentures	325.00	150.00
Repayment of other long-term borrowings	-	9.36
Repayment of short-term borrowings	-	1,449.80
Repayment of lease liabilities	39.01	33.72
Interest paid	75.39	76.47
	630.64	**1,877.13**
Net cash used in financing activities [C]	**(541.30)**	**(910.53)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**95.22**	**(94.78)**
(a) Cash and cash equivalents at beginning of the year	76.84	171.62
(b) Cash and cash equivalents at end of the year	172.06	76.84
(c) Net increase/(decrease) in cash and cash equivalents (c = b-a)	95.22	(94.78)

Components of cash and cash equivalents at the end of the year are:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance with banks:		
In current accounts	60.78	68.74
In deposit accounts with original maturity of 3 months or less	111.28	8.00
Cash on hand (including cash in transit)	-	0.10
Total cash and cash equivalents	**172.06**	**76.84**

Notes:

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

Standalone Statement of Cash Flows (Contd.)

for the year ended 31st march, 2024

(ii) Changes in liabilities arising from financing activities:

₹ Crore

Particulars	As at 1st April, 2023	Cash flow changes		Non-cash flow changes		As at 31st March, 2024
		Receipts	Payments	Unamortised expenses	Others	
Non-current borrowings (Refer Note 15A)	597.18	-	-	1.79	(300.00)	298.97
Current borrowings (Refer Note 15B)	325.00	-	(325.00)	-	300.00	300.00
Total	**922.18**	**-**	**(325.00)**	**1.79**	**-**	**598.97**

₹ Crore

Particulars	As at 1st April, 2022	Cash flow changes		Non-cash flow changes		As at 31st March, 2023
		Receipts	Payments	Unamortized expenses	Others	
Non-current borrowings (Refer Note 15A)	4.56	925.00	(4.56)	(2.82)	(325.00)	597.18
Current borrowings (Refer Note 15B)	1,602.95	-	(1,604.60)	1.65	325.00	325.00
Total	**1,607.51**	**925.00**	**(1,609.16)**	**(1.17)**	**-**	**922.18**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May, 2024

For and on behalf of Board of Directors

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Chairman
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DIN: 01915274

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Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May, 2024

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

CORPORATE INFORMATION

Crompton Greaves Consumer Electricals Limited (the 'Company' or 'Crompton' or 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), domiciled in India and incorporated under the provisions of the Companies Act, 2013.

The Group is a leading brand dealing in consumer electrical goods, home appliances, electronic equipment, and instruments including fans, water heaters, kitchen appliances, lighting luminaires and pumps (domestic/ agriculture/ industrial). Its broad product range caters to residential, commercial, and industrial sectors, highlighting its versatility. With a focus on quality, innovation, and customer satisfaction, the Group maintains a strong reputation as a trusted industry leader.

The Group's operations are spread across strategic locations in India, encompassing Bethora and Kundaim in Goa, Baddi in Himachal Pradesh, Ahmednagar in Maharashtra, Vadodara in Gujarat and Chennai in Tamil Nadu. Complementing these manufacturing endeavors is the Company's cutting-edge research and development facility, known as the 'Innovation Centre,' situated in Mumbai, Maharashtra. This integrated network of manufacturing and research facilities underscores the Company's commitment to excellence and its relentless pursuit of advancement and growth.

The shares of the Group are listed on National Stock Exchange of India Limited and BSE Limited. Further, debt securities (non-convertible debentures) of the Company are also listed on National Stock Exchange of India Limited. The CIN of the Company is L31900MH2015PLC262254.

These consolidated financial statements comprise the financial statements of Crompton Greaves Consumer Electricals Limited (the 'Company') and its subsidiaries (collectively, the 'Group'). Refer Note 45 for list of subsidiaries.

These consolidated financial statements of the Group for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 16th May, 2024.

1. Material Accounting policies

1.1 Basis of preparation and consolidation

a) Basis of preparation

i) Statement of compliance

The Group's consolidated financial statements have been prepared on accrual and going concern basis, in accordance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Group's consolidated financial statements consistently apply uniform accounting policies across all periods, aligning them with those used by the Holding Company.

ii) Basis of measurement

These 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:

- Financial instruments measured at fair value through profit or loss;
- Net defined benefit(asset)/ liability - Fair value of plan assets less present value of defined benefit obligation; and
- Share based payment transactions

iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle, paragraph 66 and 69 of Ind-AS 1 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle:
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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.

iv) Presentation currency and rounding-off

All amounts disclosed in these consolidated financial statements and notes are presented in ₹ (in Crore), 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').

All values are rounded off to two decimals as per the requirement of Division II of Schedule III to the Act, unless otherwise indicated.

b) Basis of presentation and consolidation

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

Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024.

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present:

(a) power over the investee,

(b) exposure to variable returns from the investee, and

(c) the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Procedure

i) 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 the previous year.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Holding Company, i.e., the year ended on 31st March.

ii) 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, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

iii) The excess 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 Reporting date and the impairment loss, if any, is provided for.

iv) Non-controlling interests ('NCI') in the net assets of consolidated subsidiaries are identified and

presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to the interests which is not owned, directly or indirectly, by the Holding Company.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

1.2 Summary of material accounting estimates, assumptions and accounting policies

a) Material estimates and assumptions

The preparation of consolidated financial statements requires the management to make judgements, 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. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

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

i) 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 material assumptions, estimation and judgment. The estimation and judgments involve, but are not limited to, industry trends including pricing, estimating long-term revenues growth rates and operating results. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a discount rate in order to compute present values. An impairment loss recognized for goodwill is not reversed in subsequent periods as per Ind-AS 36 – 'Impairment of assets'.

ii) 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.

The 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 16)

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, applied to the volume of product under warranty as on Reporting date. Supplier reimbursements are recognized as separate asset as expected recoverable from vendors against warranty. Recovery from the vendors is considered to be virtually certain.

Expected recoverable from vendors against warranty is bifurcated into current and non-current based on the past recovery trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years. (Refer Note 5)

iii) **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 37)

iv) **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 20)

Recognition of deferred tax assets/liability – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

v) **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. The salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. (Refer Note 33)

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

vi) **Expected Credit Loss ('ECL')**

The Group recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value Through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Group measures loss allowance at an amount equal to lifetime expected credit losses. The Group computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on ageing of receivables and the rates used in provision matrix. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

vii) **Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in current and future periods.

viii) **Contingent Liabilities**

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

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

required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

b) Property, plant and equipment ('PPE') and Capital Work-in-Progress

i) **Recognition and initial measurement**

Land

Freehold land is carried at historical cost. For freehold land, as no finite useful life can be determined, related carrying amounts are not amortized.

Leasehold land is carried at historical cost. For leasehold land, cost of land amortised over lease term as per lease agreement.

Other Tangible assets

PPE other than land, is initially recognised at acquisition cost or construction cost.

The cost of an item of PPE comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

Where cost of a part of an asset (asset component) is Material 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 Material part is determined separately, and such asset component is depreciated over its separate useful life.

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 recognised in the Statement of profit and loss.

ii) **Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognised 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 de-recognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

iii) **Subsequent measurement (depreciation method, useful lives, residual value, and impairment)**

PPE are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

A 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) is 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 Part 'C' of Schedule II to the Companies Act, 2013 except in respect of following category of property, plant and equipment where the useful life is considered differently based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

Management believes that such estimated useful lives are realistic and reflect a 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
- Office Equipment – maximum 10 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 are 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. The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year, and the effect of any change in the estimates of useful life/residual value is adjusted prospectively. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

iv) De-recognition

An item of PPE and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is accordingly recognised in the Statement of Profit and Loss.

v) Capital Work-in-Progress

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting 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'.

c) Goodwill, Other Intangible assets and Intangible assets under development

i) Recognition and initial measurement

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses. (Refer Note 36 for a description of impairment testing procedures)

Other Intangible assets

Other intangible assets are initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The cost of an intangible asset comprises:

- 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.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

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

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit or loss as incurred.

iii) Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any.

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

* Intangible assets acquired through Business combination

All intangible assets with finite useful life are amortised on a straight-line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

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 indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

iv) De-recognition

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

v) Research and development cost

- **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.

- **Development cost**

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

  - the technical feasibility of completing the intangible asset so that it will be available for use or sale;
  - its intention to complete the development of intangible asset and use or sell it;
  - its ability to use or sell the intangible asset;
  - How the asset will generate future economic benefits including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
  - the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
  - its ability to measure the expenditure attributable to the intangible asset during the development reliably.

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

vi) Intangible assets under development

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

Advances paid towards the acquisition/development of Intangible assets which are outstanding at each reporting date are classified as capital advances under 'other non-current assets'.

d) 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:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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

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

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

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

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

e) 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.

Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are expensed off in Statement of Profit and Loss. However, the Group's trade receivables that do not contain a significant financial component are measured at transaction price under Ind-AS 115 'Revenue from Contracts with Customers'. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii) Classification

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

- those measured at amortised cost, and
- 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.

iii) Subsequent measurement

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

All financial assets except for those at FVTPL or at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

- **Equity instruments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL.

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

- **Debt instruments**

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

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

- **Amortized 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.

These are measured by applying the effective interest rate ('EIR') method. The EIR method allocates interest income over the relevant period by applying the EIR (that is the interest rate that exactly discounts expected future cash flows to the gross carrying amount of the asset).

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 de-recognised or impaired. Interest income from these financial assets is included in finance income using the EIR method.

- **Fair value through other comprehensive income ('FVOCI')**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI).

Interest income is measured using the EIR method and impairment losses, if any, are recognised in the consolidated statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the consolidated statement of profit and loss.

- **Fair value through profit or loss ('FVTPL')**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in 'other income' in the consolidated statement of profit and loss.

iv) De-recognition

A financial asset (or where applicable, a part of a financial asset or part of similar assets) is primarily de-recognised (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 recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred assets 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 de-recognised, and the proceeds received are recognised as a collateralised borrowing.

v) 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 Material 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 based on change in credit quality since initial recognition:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables using the simplified approach within Ind-AS 109, using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. This does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

  In case the Group identifies any trade receivables as doubtful/bad, then it supersedes the above modus operandi, and the doubtful/bad receivables are provided to the extent is doubtful/bad.

  ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the consolidated statement of profit and loss under the head 'Other expenses'.

vi) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a de-recognition event.

Financial liabilities

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

i) 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.

ii) 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.

iii) 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 EIR. The EIR 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 are measured at fair value with all changes in fair value recognised in the Statement of profit and loss.

iv) De-recognition

Financial liability is de-recognised 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

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

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

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

f) Fair Value Measurement:

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

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Financial instruments measured using quoted prices (unadjusted) in an 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 maximise the use of observable market data and rely as little as possible on entity-specific estimates. 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.

For assets and liabilities that are recognised in the consolidated financial statements regularly, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) 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 recognised in the 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 assets, 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.

j) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

Raw materials, packaging materials and stores and spare parts:

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, the weighted average cost method is used.

The aforesaid items are valued at the lower of cost and net realisable value. However, these inventories are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Work in progress, manufactured finished goods and traded goods:

The cost of work in progress and manufactured finished goods is determined on a weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. The cost of traded goods is determined on a weighted average basis.

The aforesaid items are valued at the lower of cost and net realisable value. Provision for obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realisable 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 realisable value is made on an item-by-item basis.

k) 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.

l) Business Combination

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

Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the 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.

m) Equity Share Capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

n) 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 EIR method.

Amortized 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 EIR.

o) Employee benefit plans

i) Short-term employee benefits:

A Short-term employee benefits including salaries, wages, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, performance incentives, bonuses payable and ex-gratia etc. are payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

ii) Post-employment benefits:

- **Defined contribution plans:**

  A defined contribution plan is a plan under which the Company pays fixed contributions in respect of the employees into a separate fund. The Company has no legal or constructive obligation to pay further contributions after its payment of the fixed contribution. The contributions made by the Group towards defined contribution plans, namely, State governed provident fund, superannuation fund, employee state insurance scheme, employee pension scheme and labour welfare fund, are charged to the profit or loss in the period to which the contributions relate.

- **Defined benefit plans:**

  The Group has an obligation towards gratuity and Post Retirement Medical Benefits (PRMB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside.

The Group's obligation towards defined benefit plans is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting 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 reporting 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 liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

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

iii) Other long-term employee benefits:

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the reporting date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

iv) Termination benefits:

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

v) 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.

p) 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. Timing or amount of the outflow may still be uncertain. 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 recognised 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. In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, or disclosure is made.

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.

Any reimbursement that the Group can be virtually certain to collect from a third party concerning the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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.

q) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in the Statement of Profit and Loss, except when it relates to an item that is recognized in OCI or directly in equity, in which case, the tax is also recognized in OCI or directly in equity. (Refer Note 20)

i) Current tax

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

Current tax assets and liabilities are offset only if:

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

ii) 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 corresponding tax bases used in the computation of taxable income. 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 on temporary differences associated with investments in subsidiary is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

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 realised.

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 realised.

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.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

r) Revenue from contract with customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The Group uses the principles laid down by the Ind-AS 115 to determine that how much and when revenue is recognised, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognize revenue when a performance obligation is satisfied.

The Company uses the principles laid down by Ind-AS as above to recognize revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. Revenue is recognized 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 are satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation and the progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue excludes goods and services tax which is recorded separately.

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

In Cost Plus Contracts - Revenue is recognized by including eligible contractual items of expenditures plus proportionate margin as per contract.

In Fixed Price Contracts – Revenue is recognized on the basis of the stage of completion of the contract. The Group has assessed that the stage of completion is determined as the proportion of the total time expected to complete the performance obligation to that has lapsed at the end of the reporting period, which is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind-AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

i) Sale of Goods

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

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Appropriate provisions are recorded for returns and discounts/incentives which are estimated on the basis of historical experience, market assessment and various discount programmes launched by the Group.

ii) Rendering of services

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

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

Revenue from services is recognised as and when services are rendered and there are no unfulfilled obligations. Revenue from services is measured at fair value of the consideration received or receivable, after deduction of any sort of discounts and any taxes or duties collected on behalf of the government such as goods and services tax.

iii) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arise when the Group satisfies a performance obligation but does not have an unconditional right to consideration. Receivables represent the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment.

s) Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying asset becomes ready for its intended use, are capitalised. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the EIR method.

t) 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 (after deducting attributable taxes) 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.

u) 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.

v) Segment accounting

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

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

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

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

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

w) 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.

x) Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March 2023 to amend the following Ind-AS which are effective for annual periods beginning on or after 1st April 2023. The Group has applied these amendments for the first time in these consolidated financial statements.

i) Amendments to Ind-AS 1 - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

ii) Amendments to Ind-AS 8 - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these consolidated financial statements.

iii) Amendments to Ind-AS 12 - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind-AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind-AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1st April 2022.

iv) New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective.

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

2 Property, plant and equipment and Intangible assets

₹ Crore

ASSETS	Gross block (Cost)				Depreciation/Amortisation				Net Block	
	As at 1st April, 2023	Additions	Deductions	31st March, 2024	As at 1st April, 2023	For the year@	Deductions	31st March, 2024	31st March, 2024	As at 31st March, 2023
A. Property, plant and equipment										
Freehold land (Refer Note ii)	178.95	-	-	178.95	-	-	-	-	178.95	178.95
Leasehold land	2.69	-	-	2.69	0.82	0.03	-	0.85	1.84	1.87
Buildings (Refer Note ii)	98.28	0.28	0.42	98.14	14.29	4.62	0.15	18.76	79.38	83.99
Leasehold Improvements	5.95	-	0.15	5.80	1.89	1.35	0.01	3.23	2.57	4.06
Plant and equipment (Including Tools & Dies)	173.59	25.80	11.95	187.44	64.34	27.83	7.15	85.02	102.42	109.25
Furniture and fixtures	9.87	0.65	0.03	10.49	4.34	1.64	0.01	5.97	4.52	5.53
Electrical Installations and Equipment	5.22	0.58	0.11	5.69	0.65	0.85	0.07	1.43	4.26	4.57
Office equipment	26.71	6.77	1.34	32.14	14.87	7.16	1.19	20.84	11.30	11.84
Vehicles	9.48	10.07	3.52	16.03	1.52	2.68	1.99	2.21	13.82	7.96
Sub-total A	**510.74**	**44.15**	**17.52**	**537.37**	**102.72**	**46.16**	**10.57**	**138.31**	**399.06**	**408.02**
B. Right-of-Use assets (Refer Note 32)	128.79	33.16	18.11	143.84	52.84	32.03	17.26	67.61	76.23	75.95
Sub-total B	**128.79**	**33.16**	**18.11**	**143.84**	**52.84**	**32.03**	**17.26**	**67.61**	**76.23**	**75.95**
C. Goodwill (Refer Note 36)	1,285.46	-	-	1,285.46	-	-	-	-	1,285.46	1,285.46
Sub-total C	**1,285.46**	**-**	**-**	**1,285.46**	**-**	**-**	**-**	**-**	**1,285.46**	**1,285.46**
D. Other intangible assets										
Computer software	13.48	1.35	-	14.83	9.40	1.97	-	11.37	3.46	4.08
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Trademark and Patents	32.91	-	-	32.91	-	-	-	-	32.91	32.91
Brand	1,163.06	-	-	1,163.06	-	-	-	-	1,163.06	1,163.06
Non-Compete	108.45	-	-	108.45	21.69	21.69	-	43.38	65.07	86.76
Distribution Networks	205.06	-	-	205.06	25.63	25.63	-	51.26	153.80	179.43
Product Development	16.45	9.03	-	25.48	2.19	5.52	-	7.71	17.77	14.26
Sub-total D	**1,541.31**	**10.38**	**-**	**1,551.69**	**60.80**	**54.81**	**-**	**115.61**	**1,436.08**	**1,480.51**
Total A + B + C + D	**3,466.30**	**87.69**	**35.63**	**3,518.36**	**216.36**	**133.00**	**27.83**	**321.53**	**3,196.83**	**3,249.94**

@ During the year, the Group has capitalised depreciation of ₹ 4.18 Crore under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

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

₹ Crore

ASSETS	Gross block (Cost)				Depreciation/Amortisation				Net Block	
	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 1st April, 2022	For the year	Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
A. Property, plant and equipment										
Freehold land (Refer Note ii)	178.40	0.55	-	178.95	-	-	-	-	178.95	178.40
Leasehold land	2.69	-	-	2.69	0.81	0.01	-	0.82	1.87	1.88
Buildings (Refer Note ii)	94.18	4.63	0.53	98.28	9.83	4.59	0.13	14.29	83.99	84.35
Leasehold Improvements	5.79	0.16	-	5.95	0.55	1.34	-	1.89	4.06	5.24
Plant and equipment (Including Tools & Dies)	150.17	33.23	9.81	173.59	44.77	28.34	8.77	64.34	109.25	105.40
Furniture and fixtures	9.27	0.71	0.11	9.87	3.06	1.37	0.09	4.34	5.53	6.21
Electrical Installations and Equipment	4.47	0.85	0.10	5.22	-	0.70	0.05	0.65	4.57	4.47
Office equipment	20.70	7.21	1.20	26.71	11.16	5.20	1.49	14.87	11.84	9.54
Vehicles	11.42	4.92	6.86	9.48	2.38	2.08	2.94	1.52	7.96	9.04
Sub-total A	**477.09**	**52.26**	**18.61**	**510.74**	**72.56**	**43.63**	**13.47**	**102.72**	**408.02**	**404.53**
B. Right-of-Use assets (Refer Note 32)	103.41	36.66	11.28	128.79	32.31	27.35	6.82	52.84	75.95	71.10
Sub-total B	**103.41**	**36.66**	**11.28**	**128.79**	**32.31**	**27.35**	**6.82**	**52.84**	**75.95**	**71.10**
C. Goodwill (Refer Note 36)	1,285.46	-	-	1,285.46	-	-	-	-	1,285.46	1,285.46
Sub-total C	**1,285.46**	**-**	**-**	**1,285.46**	**-**	**-**	**-**	**-**	**1,285.46**	**1,285.46**
D. Other intangible assets										
Computer software	11.35	2.13	-	13.48	8.50	0.90	-	9.40	4.08	2.85
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Trademark and Patents	32.91	-	-	32.91	-	-	-	-	32.91	32.91
Brand	1,163.06	-	-	1,163.06	-	-	-	-	1,163.06	1,163.06
Non-Compete	108.45	-	-	108.45	-	21.69	-	21.69	86.76	108.45
Distribution Networks	205.06	-	-	205.06	-	25.63	-	25.63	179.43	205.06
Product Development	0.68	15.77	-	16.45	0.64	1.55	-	2.19	14.26	0.04
Sub-total D	**1,523.41**	**17.90**	**-**	**1,541.31**	**11.03**	**49.77**	**-**	**60.80**	**1,480.51**	**1,512.38**
Total A + B + C + D	**3,389.37**	**106.82**	**29.89**	**3,466.30**	**115.90**	**120.75**	**20.29**	**216.36**	**3,249.94**	**3,273.47**

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

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

(i) CWIP Movement

₹ Crore

Particulars	2023-24	2022-23
As at 1st April	**5.46**	**13.00**
Add: Additions during the year	17.87	23.36
Less: Capitalized during the year	11.91	30.90
As at 31st March	**11.42**	**5.46**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

(ii) CWIP Ageing schedule

₹ Crore

As at 31st March, 2024	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	8.88	1.01	-	-	9.89
Projects temporarily suspended	-	1.07	0.46	-	1.53
	8.88	**2.08**	**0.46**	**-**	**11.42**

₹ Crore

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

There are no projects which have exceeded their orignial timeline or budget (Previous year Nil)

F. Intangible Assets under Development ('IAUD')

(i) IAUD Movement

₹ Crore

Particulars	2023-24	2022-23
As at 1st April	**21.05**	**-**
Add: Additions during the year	35.41	21.05
Less: Capitalized during the year	9.40	-
As at 31st March	**47.06**	**21.05**

(ii) IAUD Ageing schedule

₹ Crore

As at 31st March, 2024	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	28.71	18.35	-	-	47.06
Projects temporarily suspended	-	-	-	-	-
	28.71	**18.35**	**-**	**-**	**47.06**

₹ Crore

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

There are no projects which have exceeded their orignial timeline or budget (Previous year Nil)

Notes:

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

(ii) There are no such title deeds of immovable property which are not held in name of the Group.

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

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

3 Investments

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
A Non-current investments		
Measured at Fair value through Profit and Loss		
Investment in Mutual funds (Quoted)	-	0.35
	-	**0.35**
Details of investments:		
Aggregate amount of quoted investments:		
Book value	-	0.20
Market value	-	0.35
B Current investments		
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	220.18	265.20
Investment in Mutual funds (Quoted)	32.17	-
Investment in Mutual funds (Unquoted)	436.75	282.63
	689.10	**547.83**
Details of investments:		
Aggregate book value of:		
Quoted investments	32.17	265.20
Unquoted investments (accounted based on NAV)	248.97	282.63
	281.14	**547.83**
Aggregate market value of:		
Quoted investments	660.31	265.20
Unquoted investments	-	-
	660.31	**265.20**

Notes:

1. The investments is in compliance with Section 186(4) of the Companies Act, 2013.
2. The Group has complied with the number of layers prescribed under the Companies Act, 2013.
3. Refer Note 39 A for information about fair value measurement and Note 39 D (i) for credit risk of investments.

4 Other financial assets

A Other financial assets - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security deposits (unsecured, considered good)	19.10	18.73
	19.10	**18.73**

B Other financial assets - current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security deposits (unsecured, considered good)	20.02	18.97
	20.02	**18.97**

5 Other assets

A Other assets - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital advances (net) (Refer Note 29)	10.38	10.09
Expected recoverable from vendors against warranty	48.56	43.39
Amount paid under protest	22.28	22.28
	81.22	**75.76**

B Other assets - Current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance to suppliers	29.51	33.85
Balances with Indirect tax authorities	11.05	11.97
Expected recoverable from vendors against warranty	45.93	27.03
Prepaid expenses	47.45	24.24
Contract Assets	0.26	3.88
Others	44.77	46.16
	178.97	**147.13**

6 Inventories

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
(At lower of cost and net realisable value)		
Raw materials	86.92	116.45
Add: Goods-in-transit	1.93	1.25
	88.85	**117.70**
Work-in-progress	**43.52**	**48.68**
Finished goods	206.33	170.13
Add: Goods-in-transit	38.05	39.62
	244.38	**209.75**
Stock-in-trade	351.46	261.66
Add: Goods-in-transit	62.01	63.72
	413.47	**325.38**
Stores, spares and packing materials	40.22	42.34
	830.44	**743.85**

Note:

Inventories are hypothecated with the bankers against working capital facilities (Refer Note 15)

7 Trade receivables

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Considered good	12.65	15.49
	12.65	**15.49**

B Trade receivables - Current (valued at amortised cost)

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Considered good	683.59	655.14
Haiving significant increase in credit risk	42.41	38.69
Credit impaired	63.66	33.13
	789.66	**726.96**
Less: Allowance for doubtful trade receivables	(68.77)	(56.40)
	720.89	**670.56**

Trade Receivables Ageing (Non-current and Current)

As at 31st March, 2024	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables–considered good	453.38	185.20	53.72	2.93	-	-	695.23
(ii) Undisputed Trade receivables–which have significant increase in credit risk	-	-	-	41.08	0.09	-	41.17
(iii) Undisputed Trade receivables–credit impaired	-	0.10	-	-	30.20	20.83	51.13
(iv) Disputed Trade receivables–considered good	0.45	0.26	0.30	-	-	-	1.01
(v) Disputed Trade receivables–which have significant increase in credit risk	-	-	-	1.23	0.01	-	1.24
(vi) Disputed Trade receivables–credit impaired	-	-	-	-	1.79	10.74	12.53
Allowance for doubtful trade receivables							(68.77)
	453.83	**185.56**	**54.02**	**45.24**	**32.09**	**31.57**	**733.54**

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

Notes:-

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

(b) Book debts are hypothecated with the bankers against Working capital demand loan & Term Bank loan.(Refer Note 15)

(c) Refer Note 39 for information about the Group's exposure to financial risks, and details of impairment losses for trade receivables and fair values.

(d) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

(e) Trade receivables are non-interest bearing and are normally settled on 30 to 60 day terms.

8 Cash and cash equivalents

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance with banks:		
In current accounts	60.78	68.74
In deposit accounts with original maturity of 3 months or less	111.28	8.00
Cash on hand (including cash in transit)*	-	0.10
	172.06	**76.84**

*Includes INR equivalent of Foreign Currency

9 Bank balances (other than Cash and cash equivalents)

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deposits with original maturity more than 3 months but less than 12 months	80.00	25.00
Earmarked balances with banks		
Unclaimed dividend account	4.77	4.10
Bank Balance as Margin money	3.94	3.54
	88.71	**32.64**

10 Loans

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured considered good		
Others (to employees)	0.36	0.66
	0.36	**0.66**

Note - In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

11 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

(i) decision has been made to sell;

(ii) the assets are available for immediate sale in its present condition;

(iii) the assets are being actively marketed; and

(iv) sale has been agreed or is expected to be concluded within 12 month of the Balance sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured as the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

The Group has decided to move from inhouse to outsourcing within some of the non-core activities and classified certain assets as 'asset held for sale' and consequently provided an impairment loss of ₹ 2.12 Crores. The details of whereas as under:

₹ Crore

Groups of assets held for sale	WDV as at 31st March, 2024	Impairment value as at 31st March, 2024	Asset value as at 31st March, 2024
Plant & Machinery	2.81	1.82	0.99
Electrical equipment	0.04	0.03	0.01
Lease hold improvements	0.27	0.27	-
Total	**3.12**	**2.12**	**1.00**

12 Equity share capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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	64,31,06,979	128.62	63,61,09,719	127.22
	64,31,06,979	**128.62**	**63,61,09,719**	**127.22**

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount ₹ Crore	Number	Amount ₹ Crore
Outstanding at the beginning of the year	63,61,09,719	127.22	63,34,05,959	126.68
Shares issued on account of exercising Employee stock option schemes	69,97,260	1.40	27,03,760	0.54
Outstanding at the end of the year	**64,31,06,979**	**128.62**	**63,61,09,719**	**127.22**

b. Rights, preferences and restrictions on shares

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

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
HDFC Trustee Company Ltd.- A/C HDFC MID - CAP Opportunities Fund	6,07,17,312	9.44%	3,55,50,615	5.59%
Mirae Asset Large Cap Fund	6,37,22,029	9.91%	3,19,62,928	5.02%

d. Shares reserved for issuance under Stock Option Plans of the Group at face value of ₹ 2 (Also Refer Note 37)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount ₹ Crore	Number	Amount ₹ Crore
Crompton Stock Option Plan 2016 (ESOP 2016)	6,06,233	0.12	9,92,576	0.20
Crompton Performance Share Plan 1 2016 (PSP 1)	-	-	44,10,033	0.88
Crompton Performance Share Plan 2 2016 (PSP 2)	-	-	23,27,297	0.47
Crompton Stock Option Plan 2019 (ESOP 2019)	78,83,560	1.58	85,66,950	1.71

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

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

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

h. The Board of Directors have recommended payment of final dividend of ₹ 3 (Rupees three only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2024.

i. Promoter Shareholding

Shares held by promoters at the end of the year 31st March, 2024

Promoter name	No. of shares	% of total shares	% change during the year
NIL			
Total	-	-	

Shares held by promoters at the end of the year 31st March, 2023

Promoter name	No. of shares	% of total shares	% change during the year
NIL			
Total	-	-	

Note:

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.

13 Other equity

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital reserve	0.05	0.05
Securities premium	361.48	209.51
Employee stock option outstanding account	75.82	140.41
Retained earnings	2,599.56	2,348.62
Other comprehensive income	0.98	1.07
Equity - Loss on acquisition of NCI	(166.89)	(166.89)
	2,871.00	**2,532.77**

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.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

Equity - Loss on acquisition of NCI

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

14 Non-controlling interest

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	447.71	782.45
Adjustment for changes in ownership interests	-	(347.75)
Profit attributable during the year	1.86	13.19
Other comprehensive income attributable during the year	(0.21)	(0.18)
Balance at the end of the year	**449.35**	**447.71**

The table below provides information in respect of subsidiary as at 31st March, 2024:

Name of Subsidiary	Country of incorporation and operation	% of NCI	NCI
Butterfly Gandhimathi Appliances Limited	India	25%	449.35

15 Borrowings

The Group has categorised all borrowings at Amortised Cost in accordance with the requirements of Ind AS 109.

A Borrowings - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Measured at amortised cost		
Secured		
7.40% Redeemable Non Convertible Debentures Tranche 1	-	325.00
7.40% Series A Redeemable Non-Convertible Debentures Tranche 2	300.00	300.00
7.65% Series B Redeemable Non-Convertible Debentures Tranche 2	300.00	300.00
Unamortised Non-Convertible Debentures Issue Expenses	(1.03)	(2.82)
	598.97	**922.18**
Less: Current maturities of long-term borrowings	(300.00)	(325.00)
	298.97	**597.18**

B Borrowings - current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Measured at amortised cost		
Secured		
Current maturities of non-convertible debentures (Refer Note 15 A)	300.00	325.00
	300.00	**325.00**

Notes:

(a) Non-Convertible Debentures

(i) Terms of Debentures:

Particulars of Debentures	Tranche 1 (2022 issue)	Series A Tranche 2 (2022 issue)	Series B Tranche 2 (2022 issue)
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000
Date of allotment	12th July, 2022	22nd July, 2022	22nd July, 2022
As at 31st March, 2024 (₹ Crore)	-	300.00	300.00
As at 31st March, 2023 (₹ Crore)	325.00	300.00	300.00
Interest	7.40% p.a. payable annually	7.40% p.a. payable annually	7.65% p.a. payable annually
Terms of repayment	Due for redemption on 12-01-2024	Due for redemption on 22-07-2024	Due for redemption on 22-07-2025,with call option on 22-07-2024
Secured by charge	on 'Crompton' and 'Crompton Greaves Brand' (including assignment of license, agreements, if any)		

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

(iii) During the year, the Group redeemed Secured Non-Convertible Debentures amounting to ₹ 325 Crores, Tranche 1 (2022 issue), along with interest thereon, on 12th January, 2024.

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

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

16 Provisions

A Provisions - Non-current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Provision for post medical retirement benefits (Refer Note 33 A)	8.21	7.24
Provision for compensated absences (Refer Note 33)	18.16	15.35
Other provisions		
Provision for warranty	165.69	105.43
Provision for Statutory dues	1.67	3.21
	193.73	**131.23**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

B Provisions - current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Provision for post medical retirement benefits (Refer Note 33 A)	0.33	0.31
Provision for compensated absences (Refer Note 33)	3.41	4.04
Provision for gratuity (Refer Note 33 B)	2.65	2.88
Other provisions		
Provision for warranty	106.24	108.04
Provision for Statutory dues	12.67	12.67
Provision for Other litigation Claims	0.16	0.06
Others	78.51	42.48
	203.97	**170.48**

Notes:

(1) Movement in provisions

₹ Crore

	Warranty	Statutory Dues	Other litigation claims
Carrying amount at the beginning of the year	213.47	15.88	0.06
Provision made during the year (net)	154.55	-	0.10
Amounts used during the year	(85.65)	-	-
Unused amounts reversed during the year	(10.44)	(1.54)	-
Carrying amount at the end of the year	**271.93**	**14.34**	**0.16**
Current	106.24	12.67	0.16
Non-Current	165.69	1.67	-

₹ Crore

Movement of provisions	Others	Total
Carrying amount at the beginning of the year	42.48	271.89
Provision made during the year (net)	36.03	190.68
Amounts used during the year	-	(85.65)
Unused amounts reversed during the year	-	(11.98)
Carrying amount at the end of the year	**78.51**	**364.94**
Current	78.51	197.58
Non-Current	-	167.36

(2) Nature of provisions:

(a) **Provision for employee benefits** represents liability on account of post medical retirement benefits, compensated absences and gratuity as per statutory requirements.

(b) **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.

(c) **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.

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

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

17 Trade payables

A Trade payables - Non current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below)	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	14.03	13.19
	14.03	**13.19**

B Trade payables - Current

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Acceptances	156.81	66.17
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	261.57	245.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	896.08	724.03
	1,314.46	**1,035.38**

Notes:

(a) Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2024. The disclosure pursuant to the said Act is as under:

₹ Crore

Particulars	31st March, 2024 /2023-24	31st March, 2023 /2022-23
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	261.57	245.18
Interest	0.02	0.00
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	18.51	4.15
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.09	0.09
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	0.02	0.00

(b) Identification of micro and small enterprises is basis intimation received from vendors.

(c) Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms.

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for the year ended 31st March, 2024

Trade Payables Ageing (Non-current and Current)

As at 31st March, 2024	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	210.93	50.64	-	-	-	261.57
(ii) Others	671.69	317.73	59.53	6.04	11.93	1,066.92
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	882.62	**368.37**	**59.53**	**6.04**	**11.93**	**1,328.49**

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

18 Current Financial liabilities - Others

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued but not due on borrowings	31.33	36.50
Security deposits	36.97	34.76
Creditors for capital goods and services	0.56	0.81
Financial guarantee liability	0.02	0.32
Fair value of derivative liabilities	3.24	1.11
	72.12	**73.50**

19 Other current liabilities

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances from customers	9.62	7.13
Statutory dues payables	48.64	36.21
Unclaimed dividend	4.77	4.10
Employee benefit payables	52.91	47.78
Others	1.96	1.15
	117.90	**96.37**

20 Income taxes

A. Tax expense recognised in Statement of profit and loss comprises:

₹ Crore

Particulars	2023-24	2022-23
Current tax	134.30	178.62
Adjustment of tax relating to earlier periods	(0.78)	(16.71)
Deferred tax credit	(2.23)	(26.16)
Tax expense for the year	**131.29**	**135.75**

B. Amounts recognised in Other comprehensive income

₹ Crore

Particulars	2023-24			2022-23		
	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	(0.40)	0.10	(0.30)	(3.33)	0.99	(2.34)
	(0.40)	**0.10**	**(0.30)**	**(3.33)**	**0.99**	**(2.34)**

C. Reconciliation of effective tax rate

₹ Crore

Particulars	2023-24	2022-23
Profit before tax	**573.07**	**612.15**
Applicable tax rate	**25.17%**	**25.17%**
Computed tax expense	**144.23**	**154.07**
Adjustment of tax relating to earlier periods (Refer Note below)	(0.78)	(16.71)
Corporate social responsibility disallowance	3.47	3.43
Allowance of dividend received from subsidiaries	-	(2.32)
Impact of Share based payment expense	(10.04)	(9.39)
Effect of differential tax rates & unutilised tax credits used to reduce tax expense	-	0.44
Others	(5.59)	6.23
Income tax expense for the current year	**131.29**	**135.75**
Effective tax rate	**22.91%**	**22.18%**

Notes:

a) Based on assessment order received during the year, the Group has written-back an amount of ₹ 2.00 Crore in respect of tax liability of AY 21-22. Further, additional provision for taxes of ₹ 1.22 Crore made basis the return of income filed for AY 2023-24. Both the amounts are adjusted against tax expense for the year ended 31st March, 2024.

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

D. Components of deferred tax 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, 2024	As at 31st March, 2023	2023-24	2022-23
(a)	Employee stock option outstanding	17.22	32.81	(15.59)	0.58
(b)	"Provision allowed under tax on payment basis"	14.97	14.82	0.15	2.14
(c)	Provision for doubtful debts and advances	15.93	13.66	2.27	2.83
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(11.75)	(17.57)	5.82	0.99
(e)	Fair valuation of Investments	(3.60)	(2.26)	(1.34)	8.69
(f)	Impact of Revenue recognition	12.60	12.59	0.01	6.52
(g)	Impact of Right-of-use asset	23.49	14.53	8.96	4.93
(h)	Impact of lease liabilities	(21.19)	(12.69)	(8.50)	(4.96)
(i)	Difference between fair value & book value of Property, plant and equipment and Intangible assets acquired through Business Combination	(58.51)	(70.61)	12.10	12.10
(j)	Provision for Advances	0.31	0.58	(0.27)	0.25
(k)	Financial Guarantee	-	0.11	(0.11)	0.01
(l)	MAT Credit Entitlement	-	-	-	(7.97)
(m)	Other temporary differences (including tax related to items that will not be reclassified to profit or loss)	0.59	1.76	(1.17)	1.04
	Deferred tax income			**2.33**	**27.15**
	Net deferred tax liabilities	**(9.94)**	**(12.27)**		

E. Reconciliation of deferred tax liabilities

₹ Crore

Sr. no.	Particulars	2023-24	2022-23
(a)	Opening balance as at 1st April	(12.27)	(39.43)
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of profit and loss in profit or loss	2.23	26.16
	(ii) Statement of profit and loss under OCI	0.10	0.99
	Closing balance as at 31st March	**(9.94)**	**(12.27)**

F. Tax assets and liabilities

₹ Crore

Sr. no.	Particulars	2023-24	2022-23
(a)	Non-current tax assets (net of tax provision)	8.62	9.36
(b)	Current tax assets (net of tax provision)	3.25	19.81
(c)	Current tax liabilities (net of tax assets)	23.39	9.20

During the current year, the Group has received income tax refunds including interest amounting to ₹ 43.89 Crores for FY 2017-18 and FY 2021-22. The appellate proceedings for the aforesaid years are underway and pending disposal by the income tax department.

21 Revenue from Operations

₹ Crore

Particulars	2023-24	2022-23
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	5,378.42	4,734.11
(ii) Lighting products	989.81	1,051.60
(iii) Butterfly Products	911.20	1,041.71
	7,279.43	**6,827.42**
Sale of services		
(i) Electric consumer durables	(10.58)	0.99
(ii) Lighting products	4.87	4.14
	(5.71)	**5.13**
	7,273.72	**6,832.55**
B. Other operating revenue		
Export benefits and other incentives	2.30	1.52
Scrap sales	36.79	35.54
	39.09	**37.06**
	7,312.81	**6,869.61**

(For segment related information, Refer Note 38)

22 Other income

₹ Crore

Particulars	2023-24	2022-23
Interest income	38.61	45.92
Fair value gain on investments measured at fair value through profit or loss	26.77	15.75
Others	2.01	5.11
	67.39	**66.78**

23 Cost of materials consumed

₹ Crore

Particulars	2023-24	2022-23
Opening inventories	117.70	198.32
Add: Purchases	1,754.47	1,612.04
Less: Closing inventories	(88.85)	(117.70)
Cost of raw materials consumed	**1,783.32**	**1,692.66**
Add: Sub-contracting charges	45.71	42.30
	1,829.03	**1,734.96**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

24 Purchases of stock-in-trade

₹ Crore

Particulars	2023-24	2022-23
Electric consumer durables	2,615.92	2,311.05
Lighting products	512.58	507.11
Butterfly Products	160.34	193.16
	3,288.84	**3,011.32**

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

₹ Crore

Particulars	2023-24	2022-23
Opening inventories:		
Finished goods	209.75	206.89
Stock-in-trade	325.38	264.83
Work-in-progress	48.68	46.16
Less:	**583.81**	**517.88**
Closing inventories:		
Finished goods	244.38	209.75
Stock-in-trade	413.47	325.38
Work-in-progress	43.52	48.68
	701.37	**583.81**
Changes in inventories:		
Finished goods	(34.63)	(2.86)
Stock-in-trade	(88.09)	(60.55)
Work-in-progress	5.16	(2.52)
	(117.56)	**(65.93)**

26 Employee benefits expense

₹ Crore

Particulars	2023-24	2022-23
Salaries, wages, bonus and other benefits	519.77	457.63
Contribution to provident and other funds (Refer Note 33)	16.93	15.45
Gratuity (Refer Note 33)	4.93	3.88
Compensated absences (Refer Note 33)	6.67	4.05
Post retiral medical benefits (Refer Note 33)	0.86	0.65
Staff welfare expenses	38.35	31.97
Share-based Payments to employees (Refer Note 37)	2.36	27.17
	589.87	**540.80**

Notes:

(a) For remuneration paid to key management personnel Refer Note 34.

(b) During the year, the Group has capitalised Employee benefits expense of ₹ 14.20 Crore (Previous year ₹ 13.28 Crore) under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

27 Finance costs

₹ Crore

Particulars	2023-24	2022-23
Interest on borrowing	71.27	102.00
Interest on lease liability (Refer Note 32)	7.18	6.85
Interest other	0.12	0.12
Others finance cost	0.62	0.21
	79.19	109.18

28 Other expenses

₹ Crore

Particulars	2023-24	2022-23
Consumption of stores and spares	15.05	13.97
Power and fuel	19.57	19.25
Rent	14.76	15.63
Repair to property, plant and equipment	7.44	7.93
Insurance	5.03	6.23
Rates and taxes	6.62	5.29
Freight and forwarding outward	248.27	223.41
Packing materials	82.84	76.97
After sales service	76.54	76.15
Sales promotion	161.14	109.62
Corporate social responsibility expenses (Refer Note 31)	14.93	13.81
Advertising	136.05	96.86
Legal and professional charges	94.74	105.07
Payment to the auditors (Refer Note below)	1.57	1.64
Bad Debts written off	9.21	7.89
Allowance for doubtful debt	12.37	13.34
Extended Producer's Responsibility	15.40	-
Miscellaneous expenses	87.41	84.93
	1,008.94	877.99

Notes:

(a) Includes expenditure on research and costs not eligible for capitalisation (Refer Note 30)

(b) During the year, the Group has capitalised Other expenses of ₹ 13.92 Crore (Previous year ₹ 5.90 Crore) under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

Payment to the auditors

₹ Crore

Particulars	2023-24	2022-23
Auditors' remuneration (excluding Goods and Service tax)		
Statutory Audit fees	0.81	0.80
Tax audit fees	0.19	0.17
Other services		
(i) Certification work	0.06	0.17
(ii) Others	0.39	0.43
Reimbursement of expenses	0.13	0.07
	1.57	1.64

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

29 Contingent liabilities and commitments

₹ Crore

Sr no.	Particulars	As at 31st March, 2024	As at 31st March, 2023
A	**Contingent Liabilities:**		
	(to the extent not provided for)		
	(a) Claims against the Company not acknowledged as debts	20.72	24.71
	(b) Income tax liability that may arise in respect of matters in appeal	89.33	33.66
	(c) Excise duty/customs duty/service tax liability that may arise in respect of matters in appeal	11.92	10.46
	(d) GST/Entry Tax/Sales tax/VAT liability that may arise in respect of matters in appeal	170.18	119.22
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9.11	15.88

Notes:

(a) The Group does not expect any reimbursements in respect of the above contingent liabilities.

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

30 Expenditure on research and development

₹ Crore

Sr no.	Particulars	2023-24	2022-23
(a)	**Capital expenditure***	36.47	48.96
	Sub-total (a)	33.67	48.96
(b)	**Revenue expenditure**		
	Raw materials consumed	0.23	0.57
	Employee benefits	23.58	16.67
	Depreciation and amortisation	8.58	6.20
	Other expenses		
	Consumption of stores and spares	3.10	1.70
	Repairs and maintenance	0.01	0.01
	Miscellaneous expenses	4.17	7.49
	Sub-total (b)	39.67	32.64
	Total (a) + (b)	76.14	81.60

*includes ₹ 30.33 Crore (Previous year ₹ 36.82 Crore) capitalised under Product Development & IAUD as a Development cost as per Ind AS 38.

31 Expenditure on Corporate Social Responsibility (CSR)

₹ Crore

Particulars	2023-24	2022-23
Gross amount required to be spent by the Group during the year	**14.89**	**13.81**
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	3.50	2.30
Monitoring & Evaluation	0.23	0.40
Skill Development	5.76	3.79
Water Conservation	6.38	5.46
Transferred to Unspent account	-	1.45
Administration	0.50	0.43
Total CSR expenditure	**16.37**	**13.83**
Details of related party transactions- contribution to a trust controlled by the Group in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Crompton (CSR) Foundation)	13.31	13.15

Note:

During the year,the Group's subsidiary "Butterfly" has transferred ₹ 0.01 Crore to prime minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on 18th July 2023.

32 Leases

Group as lessee

A Right-of-Use assets

₹ Crore

Cost	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	128.79	103.41
Additions	33.16	36.66
Disposal/derecognised during the year	(18.11)	(11.28)
Closing Balance (a)	**143.84**	**128.79**

₹ Crore

Accumulated depreciation	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	52.84	32.31
Depreciation expense	32.03	27.35
Disposal/derecognised during the year	(17.26)	(6.82)
Closing Balance (b)	**67.61**	**52.84**
Closing Balance (a-b)	**76.23**	**75.95**

B Lease liabilities

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	82.93	78.22
Addition	33.16	36.66
Accredition of interest	7.18	6.85
Payments	(39.01)	(33.72)
Adjustments for disposals	(0.04)	(5.08)
Closing Balance	**84.22**	**82.93**
Current maturities of lease liabilities	**31.43**	**27.00**
Non-current lease liabilities	**52.79**	**55.93**

C Amounts recognised in Statement of profit and loss

₹ Crore

Particulars	2023-24	2022-23
Depreciation expense of Right-of-Use assets	32.03	27.35
Interest expense on lease liabilities	7.18	6.85
Short term and low value leases	11.04	35.02
Total	**50.25**	**69.22**

D Maturity analysis of lease liabilities (undiscounted)

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than one year	36.64	32.55
One to five years	57.48	60.70
More than five years	1.23	2.60
Total	**95.35**	**95.85**

E Amounts recognised in statement of Cash Flows

₹ Crore

Particulars	2023-24	2022-23
Total Cash outflow for leases	39.01	33.72

F

(a) The Group applied the exemption not to recognise 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 and plant & equipments 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.

(c) The Group has several lease contracts that include extension and termination options. Significant judgement is exercised by management in determining whether these extension and termination options are reasonably certain to be exercised.

33 Employee Benefits

A Holding Company (Crompton)

(a) Defined contribution plans (Refer Accounting Policy Note 1.2 (o))

Amount of ₹ 23.00 Crore (Previous year ₹ 19.25 Crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 26)

₹ Crore

Benefits (Contribution to)	2023-24	2022-23
Provident fund	11.40	10.34
Superannuation fund	1.10	1.27
Employee state insurance scheme	0.07	0.07
Labour welfare scheme	0.00	0.01
Gratuity	3.34	2.82
National Pension Scheme	1.30	0.79
Compensated absences	4.93	3.30
Post retirement medical benefits	0.86	0.65
Total	**23.00**	**19.25**

Note:- During the year, the Holding Company has capitalised employees benefits of ₹ 0.44 Crore (previous year - ₹ 0.57 Crore) under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.2 (o)) as per Actuarial Valuation are as under:

₹ Crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2023-24 (Funded)	2022-23 (Funded)	2023-24 (Non funded)	2022-23 (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	29.24	26.82	7.55	7.11
Amount recognised in statement of profit and loss				
Interest cost	2.19	1.87	0.56	0.53
Current service cost	3.47	3.04	0.63	0.48
Past service cost	-	-	-	-
Amount recognised in other comprehensive income				
Actuarial losses / (gains)	1.83	0.82	0.13	(0.21)
Benefits paid	(4.05)	(3.31)	(0.33)	(0.36)
Present Value of defined benefit obligation at the end of the year	**32.68**	**29.24**	**8.54**	**7.55**
II Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	30.97	30.02	-	-
Expected return on plan assets	2.32	2.09	-	-
Contributions	-	-	-	-
Benefits paid from the fund	-	-	-	-
Amount recognised in other comprehensive income	-	-	-	-
Actuarial gain/(loss)	2.70	(1.14)	-	-
Fair value of plan assets at the end of the year	**35.99**	**30.97**	**-**	**-**

₹ Crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2023-24 (Funded)	2022-23 (Funded)	2023-24 (Non funded)	2022-23 (Non funded)
III Actual return on plan assets				
Expected return on plan assets	2.32	2.09	-	-
Actuarial gain/(loss)	2.70	(1.14)	-	-
Actual return on plan assets	**5.02**	**0.95**	**-**	**-**
IV Net asset/(liability) recognised in the balance sheet				
Present Value of defined benefit obligation at the end of the year	(32.68)	(29.24)	(8.54)	(7.55)
Fair value of plan assets at the end of the year	35.99	30.97	-	-
Asset/(Liability) recognised in the balance sheet	**3.31**	**1.73**	**(8.54)**	**(7.55)**
V Expenses recognised in the statement of profit and loss				
Current service cost	3.47	3.04	0.63	0.48
Interest cost	(0.13)	(0.22)	0.56	0.53
Past Service cost	-	-	-	-
	3.34	**2.82**	**1.19**	**1.01**
VI Expenses recognised in the Other comprehensive income				
Actuarial losses / (gains) on Obligation For the Period	1.83	0.82	0.13	(0.21)
Return on Plan Assets, Excluding Interest Income	(2.70)	1.14	-	-
Change in Asset Ceiling	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	**(0.87)**	**1.96**	**0.13**	**(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	(1.72)	(1.58)	(1.18)	0.02
1% decrease in discount rate	1.92	1.76	1.51	2.98
1% increase in salary escalation rate	1.93	1.77	-	-
1% decrease in salary escalation rate	(1.76)	(1.62)	-	-
1% increase in employee turnover rate	0.01	0.05	-	-
1% decrease in employee turnover rate	(0.02)	(0.06)	-	-
1% increase in Medical inflation rate	-	-	1.53	1.31
1% decrease in Medical inflation rate	-	-	(1.20)	(1.03)
IX Maturity profile of defined benefit obligations	-	-	-	-
Within the next 12 months	5.56	3.56	0.39	0.38
Between 1 and 5 years	12.33	12.46	1.65	1.58
Between 5 and 10 years	15.69	14.38	2.55	2.28
X Actuarial assumptions				
Discount rate (p.a.)	7.21%	7.49%	7.40%	7.40%
Expected Return on Plan Assets (p.a.)	7.21%	7.49%	N.A	N.A
Employee turnover rate	6.00%	6.00%	6.00%	6.00%
Salary escalation rate	6.00%	6.00%	N.A	N.A
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Medical premium inflation rate	N.A	N.A	2%	2%

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

(d) The Company makes contributions to the Gratuity Trust, which manages the investment. The Trust is a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Compant'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, 2024 and 31st March, 2023. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

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

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

Compensated absences

In respect of compensated absences, accrual is made on the basis of a year-end actuarial valuation as at balance sheet date. The actuarial valuation is done as per Project unit credit method.

The leave obligation cover the Holding Company's liability for earned leave. The amount of the provision of ₹ 15.48 Crore (Previous year ₹ 15.35 Crore) is presented as non-current and ₹ 3.12 Crore (Previous year ₹ 2.04 Crore) is presented as current. The Holding Company has recognised ₹ 4.93 Crore (Previous year ₹ 3.30 Crore) for compensated absences in the Statement of Profit and Loss.

B Subsidiary Company (Butterfly)

(a) Defined contribution plans (Refer Accounting Policy Note 1.2 (o))

Amount of ₹ 6.71 Crore (Previous year ₹ 5.35 Crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 26)

₹ Crore

Benefits (Contribution to)	2023-24	2022-23
Provident fund	2.90	2.87
Employee deposit linked insurance scheme	0.47	0.56
Labour welfare scheme	0.01	0.01
Gratuity	1.59	1.16
Compensated absences	1.74	0.75
Total	**6.71**	**5.35**

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.2 (o)) as per Actuarial Valuation are as under:

₹ Crore

	Particulars	Gratuity	
		2023-24 (Funded)	2022-23 (Funded)
I	**Change in present value of defined benefit obligation during the year**		
	Present value of defined benefit obligation at the beginning of the year	10.35	10.93
	Amount recognised in statement of profit and loss		
	Interest cost	0.68	0.65
	Current service cost	1.44	1.22
	Past service cost	0.05	-
	Amount recognised in other comprehensive income		
	Actuarial losses	1.03	1.70
	Benefits paid	(1.94)	(4.15)
	Present Value of defined benefit obligation at the end of the year	**11.61**	**10.35**
II	**Change in fair value of plan assets during the year**		
	Fair value of plan assets at the beginning of the year	7.47	10.79
	Expected return on plan assets	0.58	0.64
	Contributions	2.95	0.07
	Benefits paid from the fund	(1.94)	(4.15)
	Amount recognised in other comprehensive income	-	-
	Actuarial (loss) / gain	(0.10)	0.12
	Fair value of plan assets at the end of the year	**8.96**	**7.47**
III	**Actual return on plan assets**		
	Expected return on plan assets	0.58	0.64
	Actuarial (loss) / gain	(0.10)	0.12
	Actual return on plan assets	**0.48**	**0.76**
IV	**Net liability recognised in the balance sheet**		
	Present Value of defined benefit obligation at the end of the year	(11.61)	(10.35)
	Fair value of plan assets at the end of the year	8.96	7.47
	Liability recognised in the balance sheet	**(2.65)**	**(2.88)**
V	**Expenses recognised in the statement of profit and loss**		
	Current service cost	1.44	1.22
	Interest cost	0.10	0.01
	Past Service cost	0.05	-
		1.59	**1.23**
VI	**Expenses recognised in the Other comprehensive income**		
	Actuarial Losses on Obligation For the Period	1.03	1.70
	Return on Plan Assets, Excluding Interest Income	0.10	(0.12)
	Change in Asset Ceiling	-	-
	Net Expense For the Period Recognized in OCI	**1.13**	**1.58**
VII	**The major categories of plan assets as a percentage of total plan**		
	Insurer managed funds	100%	100%

₹ Crore

Particulars	Gratuity	
	2023-24 (Funded)	2022-23 (Funded)
VIII Sensitivity analysis for significant assumptions:		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
0.50% increase in discount rate	(0.58)	(0.57)
0.50% decrease in discount rate	0.63	0.62
0.50% increase in salary escalation rate	0.63	0.61
0.50% decrease in salary escalation rate	(0.59)	(0.57)
0.50% increase in employee turnover rate	-	-
0.50% decrease in employee turnover rate	-	-
IX Maturity profile of defined benefit obligations	-	-
Within the next 12 months	0.57	0.44
Between 1 and 5 years	2.31	2.33
Between 5 and 10 years	5.15	4.42
X Actuarial assumptions		
Discount rate (p.a.)	6.97%	7.22%
Expected Return on Plan Assets (p.a.)	6.97%	7.22%
Employee turnover rate	3.00%	3.00%
Salary escalation rate	7.00%	7.00%

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

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

(e) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2024 and 31st March, 2023. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(f) Discount rate has been determined by reference to market yields on 31st March, 2024 on government bonds of term consistent with estimated term of the obligations as per para 83 of Ind AS 19. The source of determining the market yields is the Zero Coupon Sovereign Rupee Yield Curve estimated by the Clearing Corporation of India Limited (CCIL) as on 31st March, 2024.

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

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

Compensated absences

In respect of compensated absences, accrual is made on the basis of a year-end actuarial valuation as at balance sheet date. The actuarial valuation is done as per Project unit credit method.

The leave obligation cover the Holding Company's liability for earned leave. The amount of the provision of ₹ 2.68 Crore (Previous year NIL) is presented as non-current and ₹ 0.29 Crore (Previous year ₹ 2.00 Crore) is presented as current. The Company has recognised ₹ 1.74 Crore (Previous year ₹ 0.75 Crore) for compensated absences in the Statement of Profit and Loss.

34 Related Party Disclosures

i) List of related parties over which control exist:

Name of the subsidiary companies:

Crompton (CSR) Foundation

ii) Other Related Parties:

Swaminathan Enterprises Private Limited (upto 3rd January, 2023; significant influence of Key management personnel)
Opera Gratia Pvt. Ltd. (upto 30th April, 2023; significant influence of Key management personnel)

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
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 (upto 20th October, 2023)
Mr. D. Sundaram, Chairman and 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)
Mr. Sanjiv Kakkar, Independent Director (from 17th October, 2023)
Mr. Promeet Ghosh, Non-Executive Director (upto 23rd April, 2023); Executive Director (From 24th April, 2023 to 30th April, 2023); Managing Director and Chief Executive Officer (from 1st May, 2023)
Mr. Shantanu Khosla, Managing Director (upto 30th April, 2023); Vice Chairman and Executive Director (from 1st May, 2023 to 30th April, 2024); Non executive Vice Chairman (from 1st May, 2024)
Mr. Mathew Job, Executive Director and Chief Executive Officer (upto 30th April, 2023)
Mr. Sandeep Batra, Chief Financial Officer (upto 30th May, 2022)
Mr. Kaleeswaran Arunachalam, Chief Financial Officer (from 5th September, 2022)
Ms. Pragya Kaul, Company Secretary & Compliance Officer (upto 15th September, 2022)
Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer (from 28th November, 2022)

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
Ms. Maheshwari Mohan, Independent Director
Mr. K.E. Ranganathan , Independent Director (from 04th April, 2024)
Mr. Rangarajan Sriram, Managing Director (from 30th March, 2022)
Mr. R. Nagarajan, Chief Financial Officer (upto 05th April, 2023)
Ms. Priya Varshinee V M, Company Secretary & Compliance Officer (upto 03th February, 2023)
Mr. P.M.Murty - Chairman, Non- Executive Director (from 01st April,2022)
Mr. P.R.Ramesh, Independent Director (from 01st April,2022 to 09th November, 2022)
Mr. Shantanu Khosla - Non- Executive Director (from 30th March, 2022)
Mr. Promeet Ghosh, Non-Executive Director (from 12th May, 2023)

Mr. Mathew Job - Non- Executive Director (upto 30th March, 2023)
Ms. Smita Anand, Independent Director (from 01st April,2022)
Mr. Kaleeswaran Arunachalam, Non-Executive Director (from 09th November, 2023)
Mr. Nithiyanandam Anandkumar , Non-Executive Director (from 09th November, 2023)
Mr. Viral Sarvaiya - Company Secretary & Compliance Officer (from 25th March, 2023)
Mr. V A Joseph - Chief Financial Officer (from 09th November, 2023)
Ms. Ananda Shalini - Chief Financial Officer (from 06th April, 2023 to 20th October, 2023)
Mr. R Nagarajan - Chief Financial Officer (upto 05th April, 2023)

v) Details of related party transactions:

₹ Crore

Sr. No.	Nature of transaction	2023-24	2022-23
1	**Services received**		
	Opera Gratia Pvt. Ltd.	0.33	1.47
	Total	**0.33**	**1.47**
2	**Services rendered**		
	Swaminathan Enterprises Private Limited	-	0.08
	Total	**-**	**0.08**
2	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.10	1.27
	Total	**1.10**	**1.27**
3	**Compensation to Key Management Personnel**		
	Short-term benefits*	127.39	74.34
	Share-based Payments (Refer Note b below)	(3.31)	9.71
	Director's sitting fees	0.90	1.01
	Commission	1.68	2.40
	Total	**126.66**	**87.46**
4	**Donations paid**		
	Crompton (CSR) Foundation	13.31	13.15
	Total	**13.31**	**13.15**

*Short-term benefits for the current year include ₹ 101.60 Crore (previous year: ₹ 48.62 Crore) on account of exercise of stock options

Notes:

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

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

vi) Amount due to/from related parties

₹ Crore

Sr. No.	Nature of transaction	As at 31st March, 2024	As at 31st March, 2023
1	**Other Receivable**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.31	1.73
	Total	**3.31**	**1.73**
2	**Other Payable**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.09	0.09
	Commission Payable to Key Management Personnel	1.68	2.40
	Total	**1.77**	**2.49**

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end with related parties are unsecured and interest free, and will be settled/recovered in cash.

The Group has not made any allowance for bad or doubtful debts in respect of related party trade receivables nor has any guarantee been given or received during the year ended 31st March 2024 and 31st March 2023 relating to related party transactions.

35 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		2023-24	2022-23
(a) Basic earnings per share			
Numerator for earnings per share			
Profit after tax	₹ Crore	439.92	463.21
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	Nos	63,97,21,335	63,49,86,510
Earnings per share - Basic (one equity share of ₹ 2 each)	₹	6.88	7.29
(b) Diluted earnings per share			
Numerator for earnings per share			
Profit after tax	₹ Crore	439.92	463.21
Denominator for earnings per share			
Weighted number of equity shares outstanding for basic EPS during the year	Nos	63,97,21,335	63,49,86,510
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	-	22,16,124
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,97,21,335	63,72,02,634
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	6.88	7.27

Note: 84,89,793 number of share options are outstanding as on 31st March, 2024 which are anti-dilutive in nature.

36 Impairment testing of Goodwill

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Electric Consumer Durables	590.10	590.10
Lighting Products	189.31	189.31
Butterfly	506.05	506.05
Total	**1,285.46**	**1,285.46**

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

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

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

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

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the cash generating unit as at 31st March 2024 and 31st March, 2023 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 (revenue growth and EBITDA margin) and discount rate applied. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the cash generating units would decrease below its carrying amount.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2024

37 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	As at 31st March, 2024	As at 31st March, 2023
Share-based Payments to employee	2.36	27.17
Employee Stock option outstanding	75.82	140.41

(b) The position of the existing schemes is summarised as under:

Particulars	31st March, 2024/2023-24				31st March, 2023/2022-23			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19th January, 2020 and amended on 06th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016	19th January, 2020 and amended on 6th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016
Total number of options approved under ESOS	98,00,000	40,00,000	1,09,68,057	31,33,731	98,00,000	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-5 Years	1-10 Years	1-10 Years	1-5 Years	1-5 Years	1-10 Years	1-10 Years
Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.		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.		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	2023-24				2022-23			
	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	85,66,950	9,92,576	44,10,033	23,27,297	82,64,317	18,93,854	55,38,176	30,79,392
No. of options granted during the year	25,55,000	-	-	-	15,25,000	-	-	-
No. of options forfeited/lapsed during the year	32,38,390	1,26,413	-	-	11,21,867	1,78,256	-	-
No. of options vested during the year	10,01,558	89,978	-	-	10,30,631	1,98,669	-	-
No. of options exercised during the year	-	2,59,930	44,10,033	23,27,297	1,00,500	7,23,022	11,28,143	7,52,095
Money realised by exercise of options (₹)	-	5,19,53,343	40,93,83,363	43,20,85,961	2,59,94,325	14,56,88,852	10,47,25,515	13,96,33,958
No. of options outstanding at the end of the year	78,83,560	6,06,233	-	-	85,66,950	9,92,576	44,10,033	23,27,297
No. of options exercisable at the end of the year	25,48,560	6,06,233	-	-	17,15,881	8,40,076	44,10,033	23,27,297
Weighted Average Remaining Contractual Life (in years)	5.81	2.25	-	-	6.53	3.01	2.26	2.16

(d) Weighted average information for year:

Particulars	2023-24				2022-23			
	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 (₹)	268.09	-	-	-	330.95	-	-	-
Exercise price is greater than market price (₹)	294.65	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-
Weighted average fair value of options granted during the year whose								
Exercise price equals market price (₹)	108.59	-	-	-	138.21	-	-	-
Exercise price is greater than market price (₹)	102.80	-	-	-	-	-	-	-
Exercise price is less than market price (₹)		-	-	-	-	-	-	-

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

Particulars	2023-24	2022-23
	ESOP 2019	ESOP 2019
Price of the underlying share in market at the time of the option grant (₹)	261.84	330.95
Exercise price (₹)	261.84	330.95
Risk free interest rate (based on government securities)	6.93%	7.21%
Expected life (years)	5.56	5.81
Expected volatility	33.06%	32.61%
Dividend yield	0.95%	0.76%

(f) Number and Weighted Average Exercise Price of Options

Particulars	2023-24		2022-23	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,62,96,856	274.51	1,87,75,739	257.07
Granted during the year	25,55,000	259.09	15,25,000	369.12
Forefeited during the year	33,64,803	391.73	13,00,123	384.42
Exercised during the year	69,97,260	127.68	27,03,760	153.88
Expired during the year	-	-	-	0.00
Outstanding at the end of the year	84,89,793	345.19	1,62,96,856	274.51
Exercisable at the end of the period	31,54,793	371.36	92,93,287	185.59

(g) Weighted average share price of options exercised during the year is ₹ 276.20 (Previous year ₹ 378.99).

38 Operating Segments

A. General Information

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

a) Electric Consumer Durables

b) Lighting Products

c) Butterfly (acquisition through business combination)

The above business segments have been identified considering:

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

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

B. Information about reportable segments

₹ Crore

2023-24	Reportable segments			
Particulars	**Electric Consumer Durables**	**Lighting Products**	**Butterfly**	**Total**
Revenue				
External Customers	5,392.18	998.17	922.46	7,312.81
Inter-segment	-	-	-	-
Total revenue	**5,392.18**	**998.17**	**922.46**	**7,312.81**
Segment profit	**774.65**	**105.32**	**8.19**	**888.16**
Segment profit includes:				
Depreciation and amortisation expense	17.81	7.93	18.06	43.80
Segment assets	**1,433.19**	**394.44**	**525.12**	**2,352.75**
Segment liabilities	**1,251.44**	**380.59**	**232.93**	**1,864.96**
Other disclosures				
Capital expenditure	57.63	10.41	17.57	85.61

₹ Crore

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

C. Reconciliations of information on reportable segments

(a) Income

₹ Crore

Particulars	2023-24	2022-23
Total income for reportable segments	7,312.81	6,869.61
Total income (Refer Note 21)	**7,312.81**	**6,869.61**

(b) Profit before tax

₹ Crore

Particulars	2023-24	2022-23
Total profit before tax for reportable segments	888.16	973.79
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(2.36)	(27.17)
Finance costs	(79.19)	(109.18)
Other unallocable expenditure net of unallocable Income	(233.54)	(225.29)
Total profit before tax from operations as reported in Statement of profit and loss	**573.07**	**612.15**

(c) Assets

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total assets for reportable segments	2,352.75	2,100.92
Other unallocated amounts:		
Goodwill	1,285.46	1,285.46
Other assets	2,443.49	2,268.05
Total assets as reported in Balance sheet	**6,081.70**	**5,654.43**

(d) Liabilities

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total liabilities for reportable segments	1,864.96	1,502.99
Other unallocated amounts:		
Borrowings	598.97	922.18
Other liabilities	168.80	121.56
Total liabilities as reported in Balance sheet	**2,632.73**	**2,546.73**

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue as per contracted price	8016.45	7420.65
Less: Adjustments*	(742.73)	(588.10)
Total revenue from contract with customers	**7,273.72**	**6,832.55**

* includes discounts, schemes, sales return & others.

The group has contract asset as at 31st March, 2024 ₹ 0.26 Crore (Previous year: ₹ 3.88 Crore)

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.

39 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, 2024	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Non-current investment	-	-	-	-	-	-	-
Trade receivables	-	12.65	12.65	-	-	-	-
Other non-current financial assets	-	19.10	19.10	-	-	-	-
Current financial assets							
Current investments	689.10	-	689.10	689.10	-	-	689.10
Trade receivables	-	720.89	720.89	-	-	-	-
Cash and cash equivalents	-	172.06	172.06	-	-	-	-
Bank balance other than cash and cash equivalents	-	88.71	88.71	-	-	-	-
Loans	-	0.36	0.36	-	-	-	-
Other current financial assets	-	20.02	20.02	-	-	-	-
	689.10	**1,033.79**	**1,722.89**	**689.10**	**-**	**-**	**689.10**
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	298.97	298.97	-	-	-	-
Lease Liabilities	-	52.79	52.79	-	-	-	-
Trade payables	-	14.03	14.03	-	-	-	-
Current financial liabilities							
Borrowings	-	300.00	300.00	-	-	-	-
Lease Liabilities	-	31.43	31.43	-	-	-	-
Trade payables	-	1,314.46	1,314.46	-	-	-	-
Derivative liabilities	3.24	-	3.24	3.24	-	-	3.24
Other current financial liabilities	0.02	68.86	68.88	-	-	0.02	0.02
	3.26	**2,080.54**	**2,083.80**	**3.24**	**-**	**0.02**	**3.26**

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

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

B. Fair value heirarchy

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

The categories used are as follows:

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

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

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

D. Financial risk management

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

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

Risk management framework

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

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

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

i. Credit risk

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

Trade receivables

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

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Not past due	453.83	517.37
Past due 1-360 days	239.58	149.00
Past due 361-720 days	45.24	38.35
more than 720 days	63.66	37.73
	802.31	**742.45**

Expected credit loss assessment

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

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

Particulars	₹ Crore
Balance as at 1st April,2022	**43.06**
Impairment loss recognised	21.83
Write off of bad debts	(8.49)
Balance as at 1st April,2023	**56.40**
Impairment loss recognised	23.18
Write off of bad debts	(10.81)
Balance as at 31st March, 2024	**68.77**

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.

ii. Liquidity risk

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

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

Exposure to liquidity risk

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

₹ Crore

As at 31st March, 2024	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	298.97	-	298.97	-	-
Lease liabilities (undiscounted)	58.71	-	27.67	30.46	0.58
Trade payables	14.03	3.79	6.05	4.19	-
Current financial liabilities					
Short term Borrowings (including interest)	331.33	331.33	-	-	-
Lease liabilities (undiscounted)	36.64	36.64	-	-	-
Trade payables	1,314.46	1,314.46	-	-	-
Other financial liabilities	40.23	40.23	-	-	-

₹ Crore

As at 31st March,2023	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	600.00	-	300.00	300.00	-
Lease liabilities (undiscounted)	63.30	-	28.38	32.32	2.60
Trade payables	13.19	4.41	3.54	5.24	-
Current financial liabilities					
Short term Borrowings (including interest)	361.50	361.50	-	-	-
Lease liabilities (undiscounted)	32.55	32.55	-	-	-
Trade payables	1,035.38	1,035.38	-	-	-
Other financial liabilities	36.19	36.19	-	-	-

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

iii. Market risk

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

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

a) Currency risk

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

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

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

Category	Instrument	Currency	Cross Currency	Amounts ($ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	3.51	Buy	As at 31st March, 2024
Hedges of recognised liabilities	Forward Contract	USD	INR	0.07	Buy	As at 31st March, 2024

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,2024	As at 31st March,2023
Financial assets		
Trade receivables	17.57	7.90
	17.57	**7.90**
Financial liabilities		
Trade payables	31.48	55.55
	31.48	**55.55**
Net foreign currency exposure	**(13.91)**	**(47.65)**

Sensitivity analysis

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

Effect in ₹ Crore	Movement	Profit or loss	
		Strengthening	Weakening
31st March, 2024			
USD	5%	(0.70)	0.70
		(0.70)	**0.70**

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

b) **Interest rate risk**

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

Exposure to Interest Rate Risk/Sensitivity

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

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed-rate instruments		
Financial assets		
Bank deposits	195.22	36.54
Total	**195.22**	**36.54**
Financial liabilities		
Non-current borrowings	298.97	597.18
Current borrowings	300.00	325.00
Total	**598.97**	**922.18**

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.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

40 Financial performance ratios:

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	variance	Refer Note
A. Performance Ratios						
Net Profit Margin (in %)	Profit after tax	Total Income	5.99%	6.87%	-12.84%	
Net Capital Turnover ratio (in times)	Revenue from operations	Working Capital	7.77	8.12	-4.31%	
Return on Capital Employed (in %)	Earnings before interest and taxes	Tangible Capital Employed	85.96%	204.11%	-57.88%	(a)
Return on equity (in %)	Net Profit after Taxes	Average Shareholder's Equity	13.48%	15.02%	-10.29%	
Return on Investment (in %)	Net gain on investment	Weighted average investments	7.36%	5.69%	29.35%	(b)
Debt Service Coverage Ratio (in times)	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	1.61	2.47	-34.80%	(c)
B. Leverage Ratio						
Debt-Equity Ratio (in times)	Total Debt	Equity	0.17	0.30	-41.48%	(c)
C. Liquidity Ratio						
Current ratio (in times)	Current Assets	Current liabilities excl. current Borrowings	1.53	1.60	-4.09%	
D. Activity Ratios						
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	6.35	6.39	-0.63%	
Debtors Turnover (in times)	Revenue from operations	Avg. Trade Receivables	10.30	10.56	-2.46%	
Trade Payables Turnover ratio (in times)	Cost of goods sold	Avg. Accounts payables	4.21	4.53	-7.13%	

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

(a) Net Capital Turnover ratio increased due to increase in working capital.

(b) Return on inventment increased due to improved yield and duration of investment.

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

41 Assets Pledged as Security

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

₹ Crore

Particulars	31st March, 2024	31st March, 2023
a) Inventories		
Raw Material	88.60	109.94
FG	575.07	471.11
WIP	34.33	37.70
b) Trade receivables	592.77	545.29
Total assets pledged as security (a+b)	**1,290.77**	**1,164.04**

Notes:

(a) Borrowings were applied for the purpose for which they were obtained. Bank returns/stock statements filed by the Company with its bankers are in agreement with books of accounts.

(b) According to the sanction terms laid out by the consortium lenders, there is exclusive first pari passu charge on stock of raw materials, semi-finished and finished goods, stores and spares, bills receivables and book debts, both present and future.

42 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, 2024 (₹ Crore)	Balance outstanding as at 31st March, 2023 (₹ Crore)	Relationship with the struck off company, if any, to be disclosed
Air Temp Solutions Private Limited	Advance from customer	0.00	0.00	Customer
Alif Trading Company	Receivables	0.00	0.00	Customer
Federro Electronics Private Limited*	Advance from customer	0.00	0.00	Customer
H.K. Power Corporation Private Limited	Advance from customer	0.01	0.01	Customer
Hammer Head Technologies Private Limited	Advance from customer	0.00	0.00	Customer
Kapson Power Technology Private Limited	Advance from customer	0.00	0.00	Customer
Kiapco Infrastructure Private Limited	Advance from customer	0.01	0.01	Customer
Ncs Infocomm Private Limited	Advance from customer	0.01	0.01	Customer
Revive Industries Private Limited*	Advance from customer	0.00	0.00	Customer
S.S. Electro Works Private Limited*	Advance from customer	0.00	0.00	Customer
Seven Hills Impex Limited*	Advance from customer	0.01	0.01	Customer
Shakedi Shengtai Electrics Private Limited	Advance from customer	0.00	0.00	Customer
Shreeskanda Systems Private Limited	Receivables	0.01	0.01	Customer
Super Market Grocery Supplies Private Limited*	Advance from customer	0.00	0.00	Customer
Suzusons Care Private Limited	Advance from customer	0.00	0.00	Customer
Takkar Interna.Trademart Private Limited	Advance from customer	0.00	0.00	Customer
Techno India Wtr & Waste Wtr Private Limited	Advance from customer	0.00	0.00	Customer
Triveni Machinery Private Limited*	Receivables	4.15	1.72	Customer
Venus Dealmark Private Limited	Advance from customer	0.00	0.00	Customer

*The company was struck off or under the process of striking off as at 31st March, 2024

43 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 optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

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

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2024

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

The Group's adjusted net debt-to-equity ratio at 31st March, 2024 was as follows:

₹ Crore

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total equity	**3,448.97**	**3,107.70**
Total borrowings (including current portion of long-term debts)	598.97	922.18
Less: cash and cash equivalents	172.06	76.84
Less: other bank balances	88.71	32.64
Net debt	**338.20**	**812.70**
Overall financing	3,787.17	3,920.40
Gearing ratio	**0.09**	**0.21**

No changes were made in the objectives, policies or processes for managing capital during the current and previous year.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the current and previous year.

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

For the year ended 31st March, 2024

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	91.01%	3,138.83	97.95%	432.74	-183.33%	0.55	98.14%	433.29
Indian Subsidiaries								
Pinnacles Lighting Project Private Limited	0.25%	8.57	0.15%	0.65	0.00%	-	0.15%	0.65
Nexustar Lighting Project Private Limited	0.27%	9.38	0.23%	1.00	0.00%	-	0.23%	1.00
Butterfly Gandhimathi Appliances Limited	8.47%	292.19	1.67%	7.39	283.33%	(0.85)	1.48%	6.54

For the year ended 31st March, 2023

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

45 Separate Financial Statements

The Group has following subsidiary companies:

S.No	Name of the subsidiary companies	Principal place of business	Proportion of direct ownership as on 31st March, 2024	Proportion of direct ownership as on 31st March, 2023
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%
3	Butterfly Ganthimathi Appliances Limited	India	75%	75%

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

47 The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income-tax Act, 1961.

48 The Group has not traded or invested in crypto currency or virtual currency during the current and previous year.

49 Utilisation of Borrowed funds and share premium

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

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

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

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

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

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

50 The Board of Directors of the Company, at its meeting on 25th March 2023, had approved the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 (the 'Scheme'), for merger of its subsidiary Butterfly Gandhimathi Appliances Limited ("Butterfly") with the Company. Pursuant to the meeting of equity shareholders, secured creditors and unsecured creditors of Butterfly, convened as per the directions of Chennai Bench of the Hon'ble National Company Law Tribunal on 28th October, 2023, the approval of majority of the public shareholders of the Butterfly was not received in favour of the Scheme. Accordingly, the Scheme is not acted upon.

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

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

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

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

For and on behalf of Board of Directors

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

Vishal Vilas Divadkar
Partner
Membership No. 118247

Mumbai
16th May, 2024

D. Sundaram
Chairman
DIN: 00016304

Promeet Ghosh
Managing Director and Chief Executive Officer
DIN: 05307658

P. R. Ramesh
Director
DIN: 01915274

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
16th May, 2024

BDO

BDO India LLP
The Palm Springs Plaza
Office No. 1501-8, 15th Floor
Sector-54, Golf Course Road
Gurgaon-122001, Haryana
INDIA

Independent Assurance Statement

To

The Board of Directors and Management
Crompton Greaves Consumer Electricals Limited
Equinox Business Park, 1st Floor, Tower 3
LBS Marg, Kurla (W)
Mumbai, 400070, Maharashtra, India

Independent Assurance Statement on select non-financial disclosures in the Business Responsibility and Sustainability Report (BRSR) and Integrated Annual Report (IAR) for the financial year 2023-24.

Introduction and objective of engagement

Crompton Greaves Consumer Electricals Limited (the 'Company') has developed a Business Responsibility and Sustainability Report ('BRSR'), based on the BRSR reporting guidelines including the BRSR Core Indicators prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard. The Company has also developed its Integrated Annual Report 2023-24 ('IAR') titled "Transforming while Performing" based on the applicable accounting standards and has incorporated the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC).

BDO India LLP (BDO) was engaged by the Company to provide independent assurance on select non-financial disclosures in the BRSR and IAR (the 'Reports') those includes the Company's sustainability performance for the period 1st April 2023 to 31st March 2024.

The Company's responsibilities

The content of the Reports and their presentation are the sole responsibilities of the Management of the Company. The Company's Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Reports, so that it is free from material misstatement.

BDO's responsibility

BDO's responsibility, as agreed with the Management of the Company, is to provide assurance on the non-financial information of BRSR Core Indicators and those of IAR as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance a third party may place on the Reports is entirely at its own risk.

Assurance standard and criteria

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement", issued by the International Auditing and Standards Board.

We applied the criteria of **'Reasonable' Assurance** for non-financial Core Indicators of BRSR (Business Responsibility & Sustainability Report), and criteria of **'Limited' Assurance** for non-financial information of the IAR (Integrated Annual Report).

Scope & boundary of assurance

We have assured non-financial information of the BRSR Core Indicators[1] and those of Integrated Annual Report, pertaining to the Company's performance for the period 1st April 2023 through 31st March 2024.

The reporting scope and boundary cover the Company's operations.

Assurance methodology

Our assurance process entailed conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. Verification on sample basis was carried out at the following locations:

Verification of BRSR Core indicators for 'reasonable' assurance	Verification of non-financial sustainability performance data of IAR for 'limited' assurance
▪ Corporate Office, Mumbai; ▪ Vadodara Plant, Gujarat; ▪ Kundaim and Bethora Plants, Goa	▪ Corporate Office, Mumbai; ▪ Vadodara Plant, Gujarat; ▪ Ahmednagar Plant, Maharashtra; ▪ Kundaim and Bethora Plants, Goa; ▪ Baddi Plant, Himanchal Pradesh

Our professional judgement as Assurance Provider was used for selection of Company's locations/facilities and non-financial information for the verifications.

[1] SEBI vide SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023

We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/omission of relevant information/data in the Reports. Our review process included:

- Evaluate and assess the appropriateness of the quantification methods used to arrive at the non-financial/sustainability information of the BRSR Core Indicators and IAR;
- Review of consistency of data/information within the Report as well as between the Reports and source;
- Engagement through discussions with personnel at both corporate and plant/facility levels who are accountable for the data and information presented in the Reports;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls.

Limitations & exclusions

There are inherent limitations in an assurance engagement, including, for example, the use of judgment and selective testing of data. Accordingly, there are possibilities that material misstatements in the sustainability information of the Reports may remain undetected.

The assurance scope specifically excludes:

- Data and information outside the defined reporting period (1st April 2023 to 31st March 2024);
- Review of the 'economic and/or financial performance indicators' included in the Reports or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topics other than those listed in the 'Scope and boundary of assurance';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our observations

The sustainability disclosures of the Company, as defined under the scope and boundary of assurance, are fairly reliable and the Company has appropriately consolidated data from different sources at the central level. The Company may consider adopting standardized protocols for data management and reporting of environmental data across all the units.

Our above observations, however, do not affect our conclusion regarding the Report.

Our conclusions

Based on the scope of our review, we concluded that:

- The disclosures on BRSR Core indicators as mentioned in 'Scope and boundary of assurance' fulfil the principles of relevance, completeness, reliability, neutrality, and understandability as per 'reasonable' assurance criteria;
- The non-financial sustainability performance disclosure of IAR as mentioned in 'Scope and boundary of assurance' fulfil the principles of relevance, completeness, reliability, neutrality, and understandability as per 'limited' assurance criteria.

Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India LLP

Dipankar Ghosh
Partner and Lead| Sustainability & ESG
Business Advisory Services
Gurugram, Haryana
07 June 2024

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