Crompton

Crompton Greaves Consumer Electricals Limited
Registered & Corporate Office: Tower 3, 1st Floor,
East Wing, Equinox Business Park, LBS Marg,
Kurla (West), Mumbai 400 070. India
Tel: +91 22 6167 8499 F: +91 22 6167 8383
W: www.crompton.co.in. CIN : L31900MH2015PLC262254

Date July 16,2019

BSE Limited ("BSE"), Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	National Stock Exchange of India Limited ("NSE"), "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 539876	**NSE Symbol: CROMPTON**
ISIN: INE299U01018	**ISIN: INE299U01018**
Our Reference: 39/2019-20	**Our Reference:37/2019-20**

Dear Sir/Madam,

Sub: **Corrigendum to the Annual Report of the Company for F.Y. 2018-19**

In continuation of our earlier letter dated July 12th, 2019 you are requested to kindly note that on page number 21 of Management Discussion & Analysis in the Annual Report 2018-19 the following paragraph above the heading **Information Technology** be read as follows:

Financial review:

	Standalone	
Ratios	**F.Y. 2018-19**	**F.Y. 2017-18**
Debtors Turnover Ratio	8.00	8.00
Inventory Turnover Ratio (On Cost of goods sold)	9.43	9.71
Interest Coverage Ratio	10.61	8.81
Current Ratio	1.42	1.53
Debt Equity Ratio*	0.59	0.82
Operating Profit Margin	14.16%	13.69%
Net Profit Margin	8.89%	7.83%
Return on Net Worth (RONW)	42.64%	49.54%

** Change in Debt Equity ratio of (28%) is on account of increase in Equity by 39%, primarily through retained earnings*

In this regard, we enclose a copy of the corrigendum proposed to be published in newspapers for your information and record. The revised Annual Report with the above for the Financial Year 2018-19 is available on the Company's website at the web-link:

https://www.crompton.co.in/annual-report/

We sincerely regret the inconvenience caused in this regard.

Please take the same on record.

Thanking You,

For Crompton Greaves Consumer Electricals Limited

Pragya Kaul

Pragya Kaul
Company Secretary and Compliance Officer
Encl:a/a

Crompton

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W: www.crompton.co.in. CIN : L31900MH2015PLC262254

CORRIGENDUM TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-19

Kindly refer the Page No 21 of Management Discussion & Analysis in the Annual Report 2018-19 wherein the following paragraph above the heading **Information Technology** was inadvertently missed. The same be read as follows:

Financial review:

Standalone		
Ratios	**F.Y. 2018-19**	**F.Y. 2017-18**
Debtors Turnover Ratio	8.00	8.00
Inventory Turnover Ratio (On Cost of goods sold)	9.43	9.71
Interest Coverage Ratio	10.61	8.81
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Return on Net Worth (RONW)	42.64%	49.54%

** Change in Debt Equity ratio of (28%) is on account of increase in Equity by 39%, primarily through retained earnings.*

Accordingly, you are requested to take note of the same.

The Annual report 2018-19 with the above information is available on the Company's website at the web-link:

https://www.crompton.co.in/annual-report/

Except for the correction as above, there is no change in the printed Annual Report for the Financial Year 2018-19.

The inconvenience caused in this regard is regretted.

For Crompton Greaves Consumer Electricals Limited

Pragya Kaul

Pragya Kaul
Company Secretary and Compliance Officer

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

Place: Mumbai

Date:16th July, 2019

Date: July 12, 2019

Crompton

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Registered & Corporate Office: Tower 3, 1st Floor,
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Kurla (West), Mumbai 400 070. India
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W: www.crompton.co.in. CIN : L31900MH2015PLC262254

BSE Limited ("BSE"), Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	**National Stock Exchange of India Limited ("NSE"),** "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 539876	**NSE Symbol: CROMPTON**
ISIN: INE299U01018	**ISIN: INE299U01018**
Our Reference: 37/2019-20	**Our Reference:35/2019-20**

Dear Sir/Madam,

Sub: **Corrigendum to the Annual Report of the Company for F.Y. 2018-19**

With reference to the captioned subject, you are requested to kindly note that on page number 21 of Management Discussion & Analysis in the Annual Report 2018-19 the following paragraph above the heading **Information Technology** was inadvertently missed:

Financial review:

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Ratios	**F.Y. 2017-18**	**F.Y. 2018-19**
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** Change in Debt Equity ratio of (28.5%) is on account of increase in Equity by 39%, primarily through retained earnings*

In this regard, we enclose a copy of the corrigendum proposed to be published in newspapers for your information and record. The revised Annual Report with the above for the Financial Year 2018-19 is available on the Company's website at the web-link:

https://www.crompton.co.in/annual-report/

We sincerely regret the inconvenience caused in this regard.

Please take the same on record.

Thanking You,

For Crompton Greaves Consumer Electricals Limited

Pragya Kaul

Pragya Kaul
Company Secretary and Compliance Officer

Crompton

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Registered & Corporate Office: Tower 3, 1st Floor,
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CORRIGENDUM TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-19

Kindly refer to the Page No 21 of Management Discussion & Analysis in the Annual Report 2018-19 wherein the following paragraph above the heading **Information Technology** was inadvertently missed:

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https://www.crompton.co.in/annual-report/

Except for the correction as above, there is no change in the printed Annual Report for the Financial Year 2018-19.

The inconvenience caused in this regard is regretted.

For Crompton Greaves Consumer Electricals Limited

Pragya Kaul

Pragya Kaul
Company Secretary and Compliance Officer

Place: Mumbai

Date:12th July, 2019

Crompton

Crompton Greaves Consumer Electricals Limited
Registered & Corporate Office: Tower 3, 1st Floor,
East Wing, Equinox Business Park, LBS Marg,
Kurla (West), Mumbai 400 070. India
Tel: +91 22 6167 8499 F: +91 22 6167 8383
W: www.crompton.co.in. CIN : L31900MH2015PLC262254

Date: June 27, 2019

To, The General Manager **BSE Limited ("BSE"),** Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, The Secretary **National Stock Exchange of India Limited ("NSE"),** "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 539876	**NSE Symbol: CROMPTON**
ISIN: INE299U01018	**ISIN: INE299U01018**
Our Reference: 31 /2019-20	**Our Reference: 30 /2019-20**

Dear Sir/Madam,

Sub: **Compliance under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

In compliance with Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed Notice convening the AGM and the Annual Report of the Company for the Financial Year 2018-19, which is being dispatched/ sent to the members of the Company by permitted mode(s).

The 5th Annual General Meeting of the Company will be held on Wednesday, July 24, 2019 at 3.00 pm at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020.

The Notice of AGM along with the Annual Report of the Company is uploaded on the website of the Company at www.crompton.co.in.

Further our letter dated May 23, 2019, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Friday, July 19, 2019 as the Record Date for determining entitlement of members to final dividend for the financial year ended 31st March, 2019.

Payment of dividend, subject to approval of the members at the ensuing AGM, will be made on or after Wednesday July 24, 2019.

This is for your information and you are requested to bring this to the notice of your constituents.

Thanking you,
For Crompton Greaves Consumer Electricals Limited

LIMITED * CROMPTON GREAVES CONSUMER ELECTRICALS

Pragya Kaul

Pragya Kaul
Company Secretary & Compliance Officer
Encl: A/a

Crompton

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

CIN: L31900MH2015PLC262254
Registered Office & Corporate Office:
Tower 3, 1st Floor, East Wing, Equinox Business Park, L.B.S. Marg, Kurla (West), Mumbai - 400 070
Phone: +91 22 6167 8499 Fax: +91 22 61678383
Email: crompton.investorrelations@crompton.co.in
Website: www.crompton.co.in

NOTICE OF THE 5th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Fifth Annual General Meeting (the "AGM")** of the Members of Crompton Greaves Consumer Electricals Limited (the "Company") will be held on Wednesday, 24th July, 2019 at 3.00 p.m. (IST) at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020 to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of financial statements**

   To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.

2. **Declaration of dividend**

   To declare a dividend of ₹ 2/- per Equity Share of the face value of ₹ 2/- each for the year ended 31st March, 2019.

3. **Appointment of Mr. Sahil Dalal as a Director liable to retire by rotation**

   To appoint a Director in place of Mr. Sahil Dalal (DIN: 07350808) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

4. **Appointment of Ms. Smita Anand as an Independent Director**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment there of for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the Company be and is hereby given to the appointment of Ms. Smita Anand (DIN: 00059228), who was appointed by the Board of Directors as an Additional Non-Executive Independent Director of the Company with effect from 10th December, 2018 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the Company, whose terms of office expires at this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of the Independent Directorship as provided in Section 149(6) of the Act, in respect of whom Notice has been received from a Member under Section 160 of the Act proposing her re-appointment as Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, to hold office for a term of 5 (five) consecutive years commencing from 10th December, 2018 and whose office shall not, henceforth, be liable to retire by rotation."

5. **Ratification of remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the Company**

   To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s. Ashwin Solanki & Associates, Cost Accountants having Firm Registration No. 100392, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 amounting to ₹ 4.50 Lacs (Rupees Four Lacs Fifty Thousand) (excluding all taxes and reimbursement of out-of-pocket expenses) be ratified and confirmed.

RESOLVED FURTHER THAT any one of the Directors of the Company, be and are hereby severally authorised to sign and file such forms or documents as may be required to be filed with Ministry of Corporate Affairs or Registrar of Companies or such other authority as may be required, to settle any doubt or question arising with regards to the aforesaid appointment and to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution."

By Order of the Board
For Crompton Greaves Consumer Electricals Limited

Pragya Kaul
Company Secretary & Compliance Officer
Membership No. A17167

Registered Office:
Tower 3, 1st Floor, East Wing,
Equinox Business Park,
LBS Marg, Kurla (West), Mumbai - 400 070.

Date : 21st May, 2019
Place : Mumbai

NOTES:

1. A statement setting out the material facts relating to the special business to be transacted at the Meeting pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Director seeking appointment/re-appointment at the Annual General Meeting is furnished as Annexure A to the Notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF SELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

3. A route map giving directions to reach the venue of the 5th Annual General Meeting is given at the end of the Notice.

4. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

5. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered and Corporate Office of the Company to facilitate clarifications during the Meeting.

6. Corporate Members intending to send their representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

7. Only bona fide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-Members from attending the Meeting.

8. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to Karvy Fintech Private Limited.

9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent.

10. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be :

    a) The change in the residential status on return to India for permanent settlement;

    b) The particulars of the NRE Account with a Bank in India, if not furnished earlier.

11. The Securities and Exchange Board of India (SEBI) vide Circular Ref No. MRD/DoP/CIR-05/2007 dated 27th April, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Registrar and Share Transfer Agent for registration of such transfer of shares.

12. The Register of Members and Share Transfer Books of the Company will be closed from 20th July, 2019 to 24th July, 2019 (both days inclusive).

13. The dividend, if declared at the Annual General Meeting, would be paid/despatched after 24th July, 2019 to those persons or their mandates:

    a) whose names appear as Beneficial Owners as at the end of the business hours on 19th July, 2019 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

    b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 19th July, 2019.

14. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the Bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.

15. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS). Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents/ Depository Participants in the prescribed form and with the prescribed details. Members located in places where ECS/NECS facility is not available may submit their bank details to the Registrar and Transfer Agents. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

16. The Notice of AGM along with the Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

17. Members may note that the Notice of the Fifth Annual General Meeting of the Company and the Annual Report will also be available on the website of the Company www.crompton.co.in and on the website of Karvy Fintech Private Limited (Karvy), i.e. https://evoting.karvy.com/.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours from 10:00 a.m. to 1:00 p.m. except on holidays, up to and including the date of the Annual General Meeting of the Company.

Instructions for Voting through electronic means:

19. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all its Members through the e-voting services provided by Karvy Fintech Private Limited, Registrar and Share Transfer Agents of the Company on all the resolutions set forth in this notice.

    In case a Member receives an e-mail of Notice of the Annual General Meeting from Karvy [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)]:

    i. To use the following URL for e-voting: https://evoting.karvy.com.

    ii. Enter the login credentials (i.e. user ID and password mentioned herein). Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote. The standard password for first time login is mentioned herein.

    iii. After entering the details appropriately, click on LOGIN.

    iv. You will now reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$ etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail id etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVEN i.e., Crompton Greaves Consumer Electricals Limited.

vii. On the voting page, enter the number of shares (which represent the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on SUBMIT.

xi. A confirmation box will be displayed, Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail evoting@mehta-mehta.com with a copy marked to evoting@karvy.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVEN NO."

In case a Member receives physical copy of the Notice of Annual General Meeting (for Members whose e-mail addresses are not registered with the Company/Depositories Participant(s) or requesting physical copy):

xiii. Initial password is provided in the enclosed notice.

xiv. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast your vote.

Other Instructions:

xv. The remote e-voting commences on 21st July, 2019 at 10:00 a.m. and ends on 23rd July, 2019 at 05:00 p.m. (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date of 19th July, 2019 may cast their vote electronically. The remote e-voting module shall be blocked forthwith at the end of the aforesaid mentioned time limit for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently. (Note: Remote e-voting shall not be allowed beyond the said time period).

xvi. A Member can opt for only one mode of voting i.e. either through remote e-voting or vote at the venue of AGM. If a Member casts his/her vote by both modes, then voting done through remote e-voting shall prevail and the vote at the AGM venue shall be treated as invalid.

xvii. The Company has appointed Ms. Ashwini Inamdar, Partner, Mehta & Mehta Company Secretaries or failing her, Mr. Atul Mehta, Partner, Mehta & Mehta Company Secretaries to act as the Scrutiniser, to scrutinise the e-voting process (including votes cast by the Members at the Annual General Meeting) in a fair and transparent manner.

xviii. The results shall be declared not later than 48 hours from the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the resolutions.

xix. The results declared along with the Scrutiniser's report shall be placed on the Company's website www.crompton.co.in and on the website of M/s. Karvy Fintech Private Limited viz. https://evoting.karvy.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

- **Item No. 4**

  The Members are informed that Ms. Smita Anand was appointed by the Board of Directors as an Additional Non-Executive, Independent Director, effective 10th December, 2018.

  Ms. Smita Anand is a Management Graduate (MBA). Ms. Smita Anand has spent over 30 years as a Human Resource Consultant, Leadership Coach and Advisor and as a business leader.

  She worked with Korn Ferry from October 2012 - April 2016 as the MD, Leadership Consulting India and Asia head of Korn Ferry's Board/CEO Succession Solutions. Prior to this, she was with AON-Hewitt for a decade (2002-2011) out of which in the last three years of her association with AON-Hewitt, she was the Regional Leader of Asia-Pacific. Earlier in her career, she held consulting and senior leadership roles at Ernst & Young and PriceWaterhouseCoopers, where she headed the Human Capital Services practice.

  Her own consulting focus over the last decade has been in the Leadership Development space. Towards this, she combines her business experience with her domain expertise in people consulting. She is focussed on top leadership aimed at making Boards, individual leaders and top teams more effective.

  In the opinion of the Nomination and Remuneration Committee and the Board the appointment of Ms. Smita Anand on the Board of the Company would be beneficial to the Company considering her vast experience. Ms. Smita Anand fulfils the criteria of independence as specified in the Companies Act, 2013. The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

  The Company has also received notice from a Member under Section 160 of the Companies Act, 2013 proposing her re-appointment as a Director.

  The details of the remuneration paid/payable to her is provided in the Corporate Governance Report forming part of the Annual Report for the year ended 31st March, 2019.

  The Board recommends the resolution as set out in the Notice for the approval of the shareholders of the Company.

  None of the Directors or Key Managerial Personnel or their relatives, except Ms. Smita Anand are in any way concerned or interested in the proposed resolution as set out in the Notice.

- **Item No. 5**

  The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration No: 100392) as the Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year(s) ending 31st March, 2020.

  In accordance with the Provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for FY 2019-20.

  None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

  The Board recommends the resolution as set out in the Notice for the approval of the Members of the Company.

By Order of the Board
For Crompton Greaves Consumer Electricals Limited

Pragya Kaul
Company Secretary & Compliance Officer
Membership No. A17167

Registered Office:
Tower 3, 1st Floor, East Wing,
Equinox Business Park,
LBS Marg, Kurla (West), Mumbai - 400 070.

Date : 21st May, 2019
Place : Mumbai

<table>
<tr><td colspan="2">ATTENTION MEMBERS</td></tr>
<tr><td>Online Query Module</td><td>Web check-in</td></tr>
<tr><td>The Company is pleased to provide the new Online Query Module to enable the Members to seek informations / clarifications pertaining to this report in advance.

Members can post their queries related to this Annual Report by using their secure login credentials on the e-voting website of Karvy at https://evoting.karvy. com/.</td><td>To facilitate smooth registration / entry at the AGM, the Company has also provided a web check-in facility, which would help the Members enter the AGM hall expeditiously.

The Procedure for web check-in for the AGM is as follows:
• Log in to https://karisma.karvy.com and click on the AGM Web Check-in link.
• Select the Company name, 'Crompton Greaves Consumer Electricals Limited'.
• Enter the security credentials as directed and click on 'Submit'.
• After validating the credentials, click on 'Generate my Attendance Slip'.
• The Attendance Slip in PDF format shall appear on the screen. Select the print option for printing or download the Attendance Slip for future reference.</td></tr>
</table>

ANNEXURE A

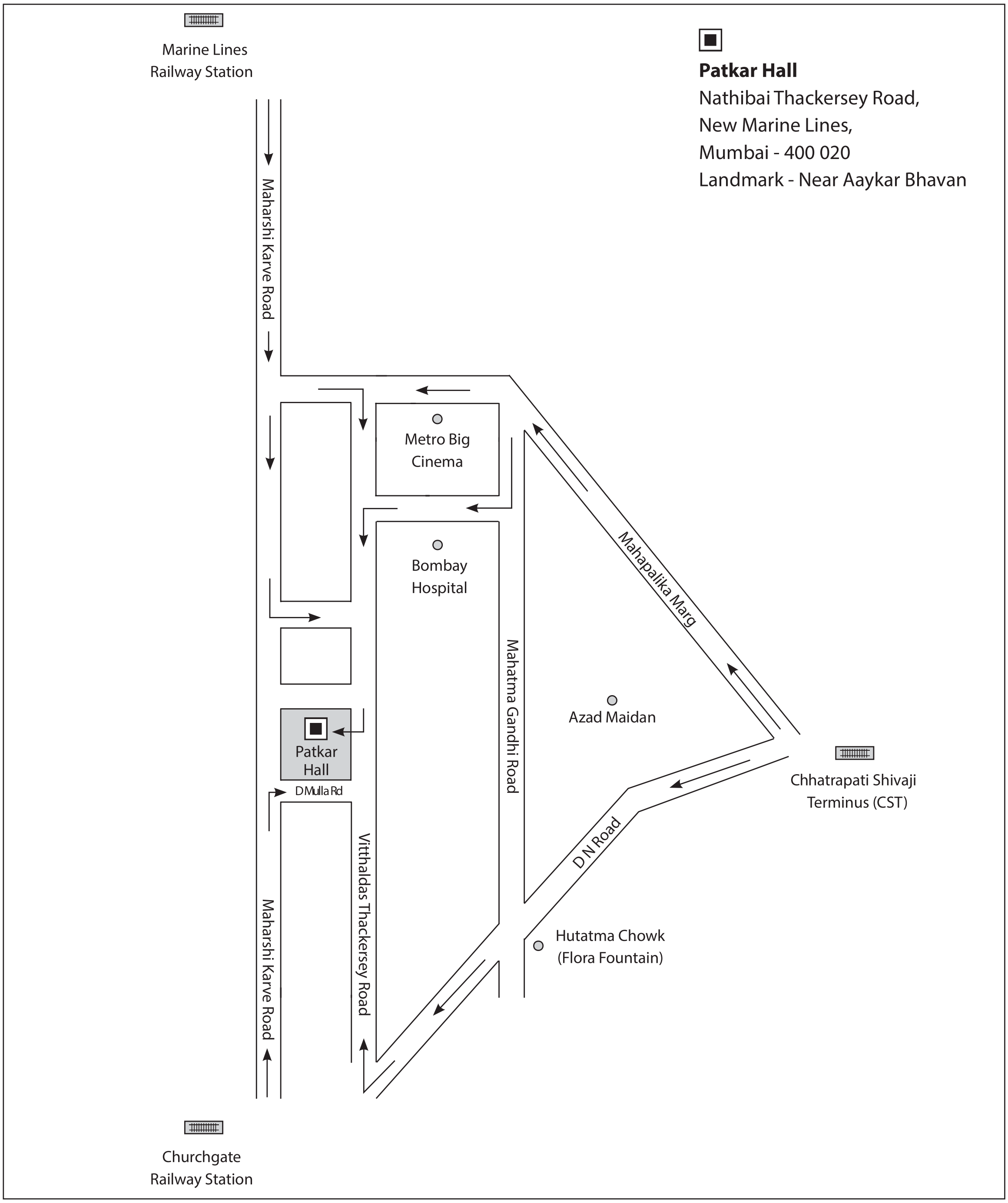
Details of Director seeking appointment in the forthcoming Annual General Meeting.

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015).

Name of the Director	Mr. Sahil Dalal	Ms. Smita Anand
Director Identification Number	07350808	00059228
Category	Non-Executive, Non-Independent Director	Non-Executive, Independent Director
Date of Birth	04.07.1980	26.06.1959
Age	40 years	60 years
Nationality	Indian	Indian
Date of First Appointment on the Board	16th August, 2016	10th December, 2018
Relationship with Directors and KMPs	There is no relationship with other Directors on the Board	There is no relationship with other Directors on the Board
Qualifications	BBA and MBA	Management Graduate (MBA)
Expertise in specific functional area	Investment Banking	Human Resource Consultant, Leadership Coach and Advisor
Details of Board/Committee Meetings attended by the Directors during the year	6	1
Terms and Conditions of Appointment or re-appointment along with remuneration	Mr. Sahil Dalal has been appointed as Non-Executive, Non-Independent Director. He will not be entitled to Sitting Fee(s) for attending the Meeting(s) of the Board and Committee(s) thereof.	Ms. Smita Anand has been appointed as Non-Executive, Independent Director. She will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s) and Commission.
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	NIL	NIL
Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Crompton Greaves Consumer Electricals Limited (CGCEL)	Member of Stakeholders' Relationship and Share Transfer Committee	NIL
Shareholding in CGCEL	NIL	NIL

Route Map to the AGM Venue:

Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020.



Crompton

CIN: L31900MH2015PLC262254

Registered Office & Corporate Office: Tower 3, 1st Floor, East Wing, Equinox Business Park, L.B.S. Marg, Kurla (West), Mumbai - 400 070

Phone: +91 22 6167 8499 Fax: +91 22 61678383

Email: crompton.investorrelations@crompton.co.in Website: www.crompton.co.in

ATTENDANCE SLIP

5th ANNUAL GENERAL MEETING ON 24TH JULY, 2019 AT 03.00 P.M. (IST)

Folio No. DP ID/(Client ID) :	
Name of the Member :	
Address of the Member :	
Number of Shares Held :	

I hereby record my presence at the **5th Annual General Meeting of the Company** held on Wednesday, 24th July, 2019 at 3.00 P.M. at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine lines, Mumbai 400 020.

Name of the Member/ Proxy* :	
Signature of the Member/ Proxy* :	

*Strike out whichever is not applicable.

(1) A shareholder/proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same at the entrance of the meeting hall, duly signed.

(2) A shareholder/proxy holder desiring to attend the meeting should bring his/her copy of Annual Report for reference of the meeting.

E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (Remote E-Voting Event No.)	User ID	PASSWORD

Please follow for e-voting procedure as given in the Notice of AGM.

Crompton

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Registered Office & Corporate Office: Tower 3, 1st Floor, East Wing, Equinox Business Park, L.B.S. Marg, Kurla (West), Mumbai - 400 070
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Email: crompton.investorrelations@crompton.co.in Website: www.crompton.co.in

Form MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

5th ANNUAL GENERAL MEETING ON WEDNESDAY, 24TH JULY, 2019 AT 03.00 P.M. (IST)

Name of the Member(s) :	
Address of the Member :	
E-mail ID :	
Registered Folio Number :	

I / We being the member(s) holding, ___________ shares of Crompton Greaves Consumer Electricals Limited, hereby appoint

Name : ____________________

E-mail : ____________________

Address : ____________________

Signature : ____________________ or failing him / her

Name : ____________________

E-mail : ____________________

Address : ____________________

Signature : ____________________ or failing him / her

Name : ____________________

E-mail : ____________________

Address : ____________________

Signature :____________________

as my/our proxy to attend and vote for me/us and on my/our behalf at the 5th Annual General Meeting to be held on Wednesday, 24th July, 2019 AT 03.00 P.M. (IST) at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine lines, Mumbai 400 020 and at any at adjournment thereof in respect of the following resolutions:

Resolutions		Vote		
		For	Against	Abstain
	ORDINARY BUSINESS			
1.	To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.			
2.	To declare dividend on Equity Shares.			
3.	Appointment of Mr. Sahil Dalal as a Director liable to retire by rotation.			
	SPECIAL BUSINESS			
1.	Appointment of Ms. Smita Anand as an Independent Director.			
2.	Ratification of remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the Company.			

Signed this ___________day of _____________2019

Affix revenue stamp of not less than ₹1

Name of the Member/ Proxy* :	
Signature of the Member/ Proxy* :	

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A proxy need not be a member of the Company.

Crompton

Annual Report 2018-19

Crompton Greaves Consumer Electricals Limited

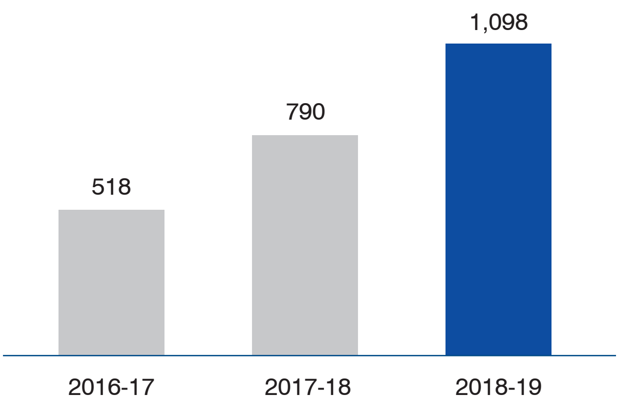
LET'S
HANGOUT
GHAR PE!

Contents

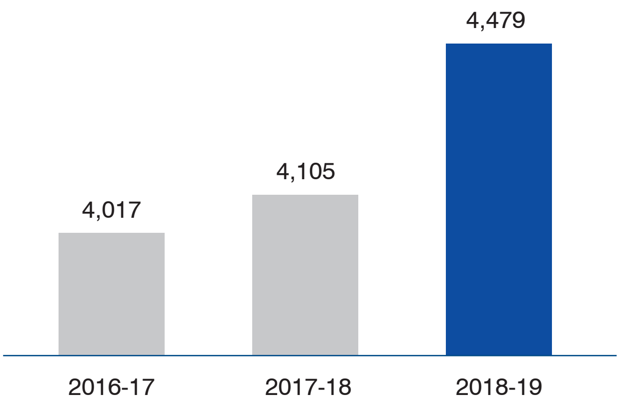
To read this report online or to download please visit us at www.crompton.co.in/annual-report/

Standalone Financial Highlights

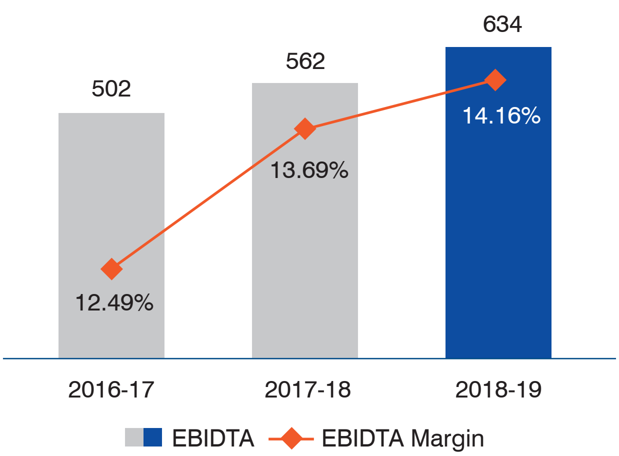
Net Worth (₹ Crore)



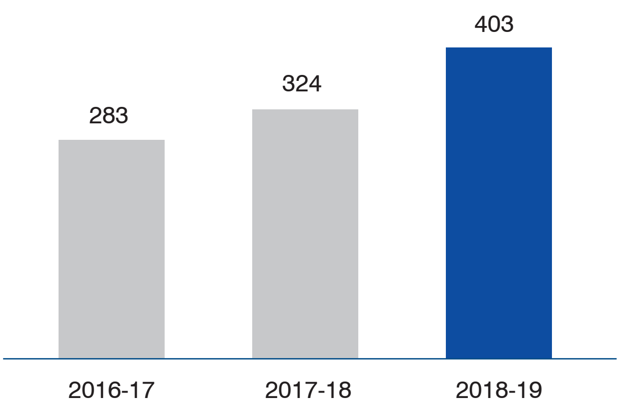
Revenue From Operations (₹ Crore)



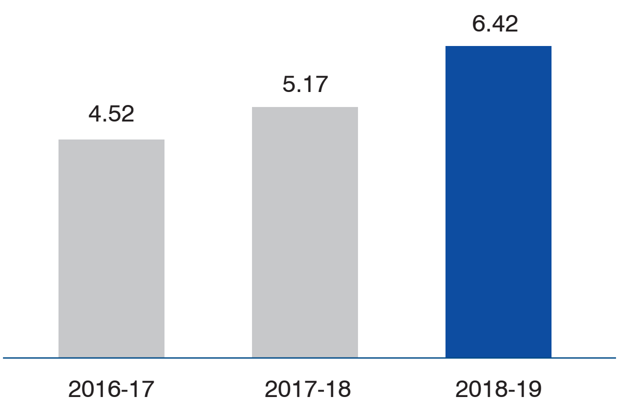
EBIDTA (₹ Crore) / EBIDTA Margin (%)



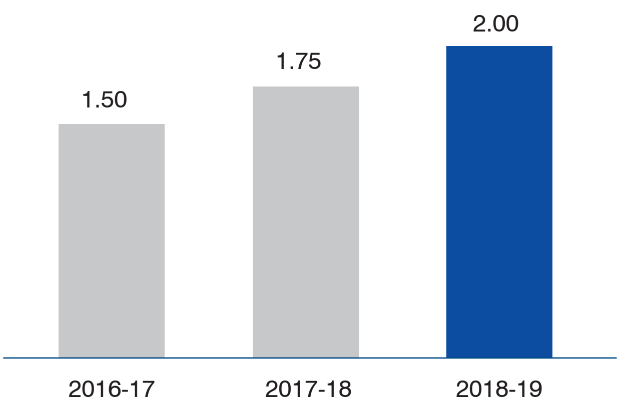
Profit After Tax (₹ Crore)



Basic EPS (₹)



Dividend Per Share (₹)



Letter to Shareholders

During the year, our focus continued to be on strengthening the core of our business, creating a portfolio for the future and investing in improving our people and process capability. These, we feel, will hold us in good stead in the long run.

.

Dear Shareholders,

On behalf of our Board of Directors, it's my pleasure to share an update on your Company's performance for FY19. During the year, our focus continued to be on strengthening the core of our business, creating a portfolio for the future and investing in improving our people and process capability. These, we feel, will hold us in good stead in the long run.

Macro-Economic Performance

India's GDP grew by 6.8% in FY19, a five-year low. Flagging growth is expected to be addressed by the Government and the Reserve Bank of India (RBI) through appropriate monetary measures and other stimulus programs.

Key Growth Drivers

Consistent economic growth and urbanisation has led to an increase in disposable incomes and aspiration levels of consumers. This has been a key value driver for the consumer electrical market. There has been a clear progressive shift in consumer demand for upgraded technologies, improved aesthetics, energy efficiency, and health and lifestyle product and service offerings. The improvement in consumer's discretionary spend is contributing to growth. India has taken a huge leap towards 100% electrification, with more than 45,000 households being electrified every single day over the past 18 months.

Business Performance

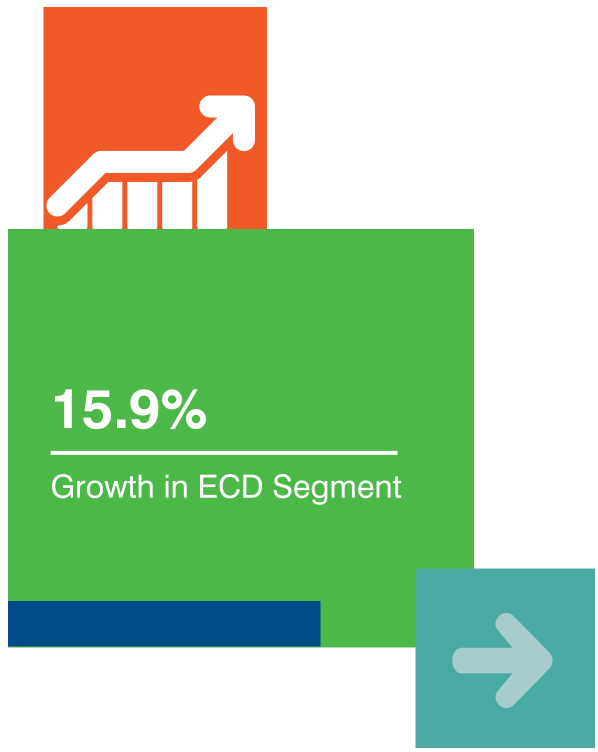
During the year, our Total Income stood at ₹ 4,478.91 crore, growing by 11.1%, against comparable revenues last year. Profit After Tax stood at ₹ 402.52 crore, compared with ₹ 323.79 crore in the previous year. We continued our strong growth in the Electrical Consumer Durables (ECD) segment, with comparable revenues growing 15.9%. Growth was strong across all key product lines of the ECD segment. Fans continued to demonstrate growth, driven by several key initiatives of the past few years. With focus on premiumisation and delivering superior consumer value, we launched a new range of decorative fans like Air 360 Deco, Calibre and Aura 2.0. Under Pumps, the Mini Crest range of products, launched a year ago continued to drive growth. Under Consumer Appliances, we revamped our entire range of Water Heaters during the year, which led to our total Water Heater volumes growing 25%.

In Lighting, the core LED business, excluding sales to EESL, grew 13% in value terms. This was despite continuing price erosion across the range. We are building value in the LED business through products with meaningful consumer benefits. The launch of ANTI-BAC bulb, a truly unique innovation, is one example of this approach. The bulb kills up to 85% germs, providing a healthy and safe home environment.

Five-Dimensional Growth Strategy

Our growth strategy is based on five pillars and we continued to make good progress on each of these:

- We have widened the media ambit for our communication to straddle more touchpoints while continuing to target the younger consumers. Highlighting differentiation in our offerings has served to build preference for our brand among these discerning consumers.



Moving ahead, we will continue to follow our three-fold objective – to grow revenues faster than market; to grow profits at least in line with sales; and to convert all of our profits into cash.

- Consumer-relevant innovation remains at the heart of our Product Excellence drive. In line with this, we launched wider air-cone Air 360 fan, ANTI-BAC lamps, value range pumps and an aesthetically and technologically improved water heater range.

- Go-to-market excellence program has been extended to more markets across geographies, after calibration in pilots. Technology will play a key part through improved data capture and real time assistance in decision making.

- The focus of Operational Excellence is on ensuring that we deliver the best quality in market and keep improving upon it, while managing costs and we have been successfully running specific program for each.

- In Organisational Excellence, the focus is on attracting and retaining talent and on training and developing our people to deliver on the stated objectives.

Looking ahead

With confidence in our chosen path, we look to step up our investment in manufacturing capabilities and in strengthening our brand. Energy efficiency, delivering greater value to consumers and improved usability will be the product themes in focus. We are also exploring suitable growth opportunities in adjacent categories through organic and inorganic routes. Moving ahead, we will continue to pursue our three-fold objectives – to grow revenues faster than market; to grow profits at least in line with sales; and to convert all our profits into cash.

Sincerely,

Hemant Nerurkar
Chairman


Our
5 dimensional
growth strategy
1
2
3
4
5
Brand Excellence
Portfolio Excellence
Go-to-Market Excellence
Operational Excellence
Organisational Excellence

Brand Excellence

We have been investing in the brand to increase awareness and improve our connect with the consumers. Our focus has been on innovative products such as Air 360 and Anti Bac LED, that help reposition Crompton in the minds of consumers. Campaigns across categories and cities have been instrumental in portraying a younger and more dynamic Crompton to the consumer.

In today's connected environment, the consumer journey is no longer linear and involves multiple touchpoints. At Crompton, digital touchpoints and social media are increasingly being strengthened, and in the future, these are likely to be the primary media for select products and categories. We also leveraged our new range of water heaters in key markets, along with an Aqua Blaze program to drive brand proposition across multiple touchpoints with greater impact.

Based on consumer insights, we launched Vsense™, a fan that can run at full speed and can provide excellent air delivery at voltage as low as 140 volts. This is specifically beneficial for markets impacted by voltage fluctuations in the hinterlands of India.

We also introduced AirBuddy, a fan for the kitchen. This product provides air in a focussed area and makes the consumer feel comfortable while cooking, without affecting the gas flame. The Anti Bac LED bulb is another pioneering product in the LED category. It kills germs and provides good brightness and is especially targeted at consumers who are gradually becoming more "hygiene conscious" and have been taking multiple precautions to keep their loved ones healthy and safe.

AirBuddy Kitchen Fan Product Brochure

Stills from Anti Bac TVC

Stills from Aura Fans TVC

Aura Fans Poster

Spreading Awareness for Pumps on Social Media

Aqua Blaze Water Heaters Print Campaign

Portfolio Excellence

We strive to continuously strengthen our product portfolio based on consumer insights to deliver greater value to consumers. We work towards getting the right products to market faster by developing long-term product strategies and coherent roadmaps. We aim at differentiated products, that provide meaningful consumer benefits, deliver superior performance, and are designed with consumers in mind.

We have been driving portfolio premiumisation across the categories we compete in. The Aura Anti Dust Fan with a 5-year Duratech™ warranty (the first Fan with a 5-year warranty) is one such example where the promise to the consumer is not just aesthetics, but reliable performance for many years.

The expansion of the entire range of Desert Coolers and our flagship product Optimus, with best-in-class air delivery and a unique self-cleaning feature is reinventing the category for us. During this summer, we also launched a range of wide voltage pumps. These pumps which provide the desired water output, despite fluctuating voltage alleviates a current consumer pain-point.

Further, we are also improving our design capabilities and building entry barriers in this space by registering our patents and designs.

New Launches in 2018-19

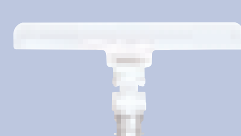
Lighting

B2C


ANTI-BAC LED Bulb


LYOR LED Bulb


Deep Glaze Downlight

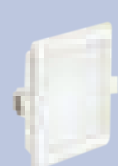

Twist Bulb


Radiance RAY Plus

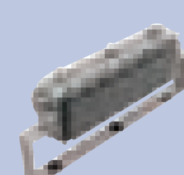
B2B


Kinetic - LED Luminaire with Motion Sensor


Crompton Surround – LED Highbay


Quartz + LED Downlighters

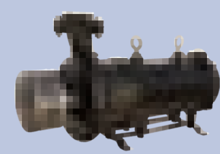

Terrain LED Post Top


Equinox – LED Tunnel Light

New Launches in 2018-19

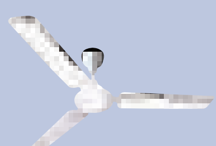
Pumps

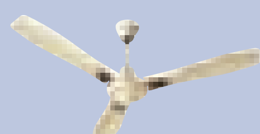

2HP Monobloc Pump

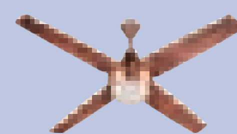

Wide Voltage OW Pump

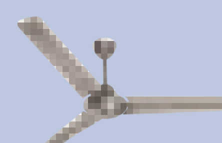

4WSS Pump

Fans

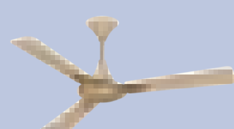

Vsense™ Range of Fans


Air 360 Deco Range of Fans

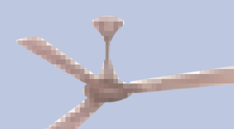

Trigger Glow – Antique Copper


Trigger Neo – Brushed Steel

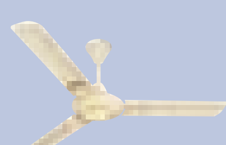

AirBuddy Kitchen Fan

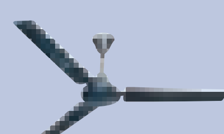

Aura 2.0 Designer 3D – Birken Effect Gold

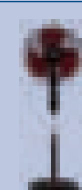

Aura 2.0 Designer 2D – Bakers Brown Rosegold


Aura 2.0 Prime – Rosegold


HS Prime – Roast Brown

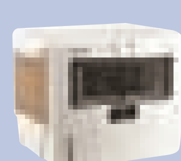

Dorado – Ivory


Cool Breeze Metallic – Midnight Blue


Whirlwind Gale – Pedestal

Appliances


Optimus Cooler


Ozone Classic Cooler


Solarium Neo Water Heater

Go-To-Market Excellence

Our endeavour is to provide improved availability of our products by increasing our direct and indirect reach across the country. We want to ensure that we have the right products available at the right store and at the right price.

.

Channel partner engagement is the key to achieving this. One of our biggest initiatives underway is the use of latest digital technologies to support our channel partners to develop the business.

Various Trade Marketing Initiatives were executed for the Launch of Anti Bac LED Bulbs

Retail Display Scheme for Aqua Blaze Water Heaters

General and Modern Trade Branding for Aura Range of Fans

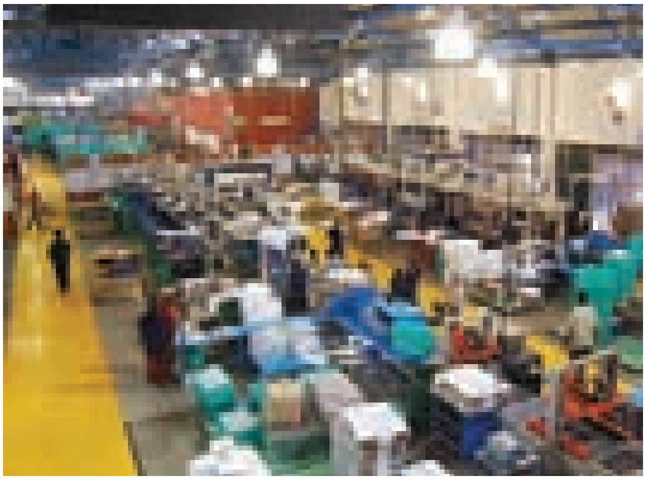
Operational Excellence

Operational excellence is our 'end-to-end' holistic philosophy to improve quality, drive efficiency and standards across sourcing sites at Crompton. We remain focussed on implementing IT, undertaking cost rationalisation, lowering operating costs and reducing inventory – with a larger vision to continually improve business performance.

We are working on demand and supply networks and associated work processes. This is aimed at improving product availability at branch warehouses, and consequently, improving business growth and profitability. Our cost optimisation initiatives have enabled us to remain competitive and achieve bottom line growth in line with revenues.

We have extended our Quality, Customer Delivery and Standardisation improvement programmes to all our strategic business vendors/partners viz. suppliers and service providers who play a significant part in our business growth. Greater emphasis has been laid on improving buying efficiency by making structural changes, synergising and standardising across multiple levels within the organisation.

Strong 'Stewardship' work process compliance is at the centre of this important intervention. We leverage technology across various business processes to enable business planning, demand forecasting and buying. This capability is being defined for easier and objective "Vendor" interactions, Sourcing Sites Network optimisation and Quality Management System roll-out.



Our Digital Roadmap

Through a well-defined digital roadmap, christened as Programme 'Urja', we created building blocks to enable core business functions – People, Process and Compliance. The landscape has been built on principles of security, scalability and agility. The next round of digitalisation is aimed at enabling a collaboration platform with business partners and improving the "ease of doing business" with Crompton. At Crompton, we believe in the highest quality standards and best-in-class process adoption.

Our future roadmap focusses on monetising these investments. Phase I and II of Programme 'Urja' has placed us in a better position to utilise various data points. Through this, we aim to identify the opportunities and threats, and convert them into business enablers. Leveraging cutting-edge technology initiatives based on IoT, AI, ML, Predictive Analytics and Blockchain will remain a priority for the organisation. Through digital empowerment, we are not only achieving new levels of growth, but also creating new economic opportunities.

Organisational Excellence

We are committed to building capabilities in the areas of Go-to-Market, Brand and Portfolio Management, Innovation and Operational Excellence. This journey continues through robust recruitment and succession planning initiatives. This is supported by data and state-of-the-art technology, and the emergence and strengthening of key processes and structures in Consumer & Trade Marketing, Channel Development, Procurement, Rural and Institutional Sales, Physical Distribution, and Qual.

We continue to drive performance and execution excellence in all our areas. We are driving this through an improvement in planning capabilities, process enhancement and strong reward and recognition measures. There is an emphasis on building the right Crompton culture through a key focus on the five vital Crompton Behaviours. One such initiative that continued in FY 2019 was 'Pride N Glory Awards', wherein, we reward those who deliver outstanding business results and demonstrate the Crompton behaviours in an exemplary way.

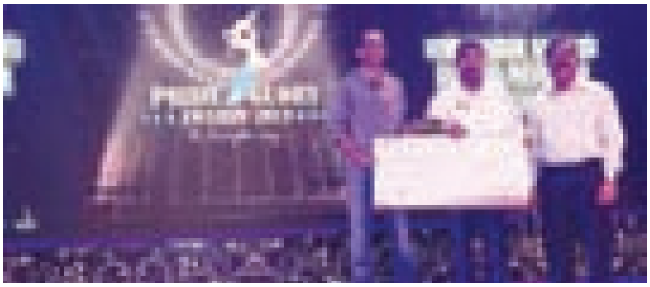
As a strategic capability building initiative, we have strong partnership with leading management and professional institutes. We regularly source talent from them with a view to build our leadership pipeline.

Building future leaders from within continues to be our third strategic "People" focus area. This is being driven through robust talent identification and succession planning processes and an investment in building successors.

Team building initiative in Goa

Business Storytelling Workshop

Theatre-based POSH Training Goa & Ahmednagar



Pride N Glory Awards 2019

Corporate Social Responsibility

UJJVAL DEEP, our CSR program, is in line with our long-term commitment to build positive value for the communities (including key stakeholders), besides addressing key developmental priorities, as identified by the Companies Act, 2013.

In line with the above framework, we have identified 4 key areas for initiatives:

- Vocational and skills training
- Projects addressing environmental issues, such as water and waste management
- Projects impacting lives of people living near manufacturing/processing facilities
- Engaging employees actively through corporate social responsibility

Crompton CEO Mr. Mathew Job handing over a cheque of ₹ 1 crore to the Kerala Chief Minister towards Distress Relief Fund

RWH Project at Lady Siwaswamy Ayyar Girls Higher Secondary School at Mylapore, Chennai

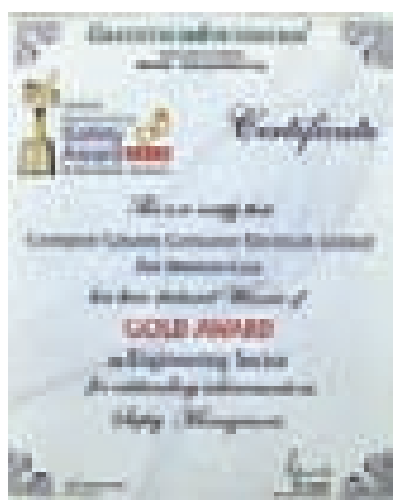
As a part of YuvaParivartan programmes, 108 Students have been enrolled and are undergoing a stringent skill development training within different streams

Awards & Accolades

Crompton bagged the "National Energy Conservation Award" for the "Most Energy Efficient Appliances of the year" in the category of ceiling fans from Ministry of Power.

Crompton featured second time in a row in the top 10 list of S&P BSE 100 (BSE 100) Companies evaluated on Indian Corporate Governance Scorecard.

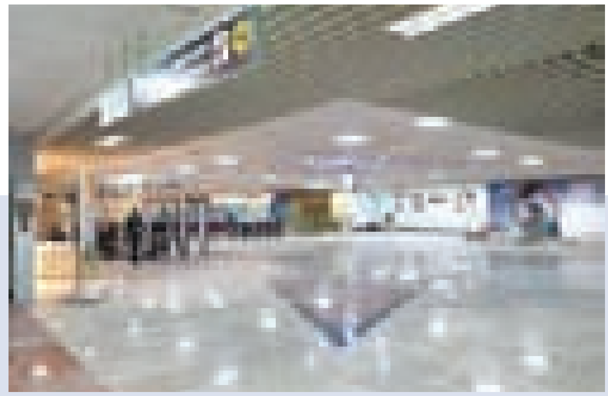
Crompton was honoured with the Indian Outdoor LED Lighting Company of the Year Award by Frost & Sullivan.



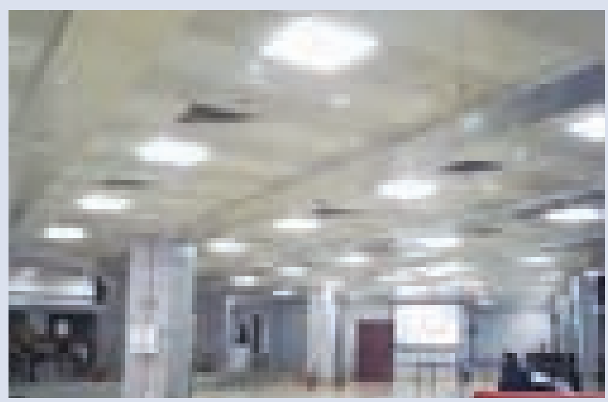
Crompton Fans Goa was declared Winner of the Gold Award in Engineering Sector for outstanding achievements in Safety Management at the 17th Annual Greentech Safety Award 2018.

Landmark Installations

Illumination partner for landscape and street lighting of the World's Tallest Statue - The Statue of Unity



Energy Efficient LED fixtures lighting up the concourse of the new Metro Stations, meeting the stringent illumination standards of the Metro Authorities



'Signature Series' LED tiles meeting the high lighting performance with aesthetics of the Airport Authorities

Corporate Information

Board of Directors

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

Mr. Shantanu Khosla (DIN: 00059877)
Managing Director

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

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

Ms. Shweta Jalan (DIN: 00291675)
Non-Executive Director

Mr. Sahil Dalal (DIN: 07350808)
Non-Executive Director

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

Ms. Smita Anand (DIN:00059228)*
Independent Director
*(Appointed on 10th December, 2018)

Chief Executive Officer

Mr. Mathew Job

Chief Financial Officer

Mr. Sandeep Batra

Company Secretary & Compliance Officer

Ms. Pragya Kaul

Statutory Auditors

M/s. Sharp & Tannan, Chartered Accountants

Secretarial Auditors

M/s. Mehta & Mehta, Company Secretaries

Internal Auditors

M/s. Grant Thornton India, LLP

Registered and Corporate Office

Tower 3, 1st Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla (West),
Mumbai - 400 070

Bankers

ICICI Bank
Standard Chartered Bank
IDFC Bank
Corporation Bank
Citibank N.A.
State Bank of India
Axis Bank Limited
Australia & New Zealand Banking Group

Registrar and Share Transfer Agent

M/s. Karvy Fintech Pvt. Ltd.
Karvy Selenium Tower B,
Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032

Debenture Trustee

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

Management Discussion & Analysis

ECONOMIC OVERVIEW

India's Gross Domestic Product (GDP) grew by 6.8% in 2018-19, as per the data released by the Central Statistics Office (CSO). The growth is at a 5-year low after 2013-14 when the economy grew by 6.4%. However, India still continues to be the world's fastest growing major economy.

The World Bank projects India's GDP to grow by an average of 7.5% in 2019-20 and 2020-21, with investment picking up and consumption remaining strong.

INDUSTRY OVERVIEW

I. Electrical Consumer Durables Industry in India

Demand for Electrical Consumer Durables (ECDs) is likely to remain strong with rising disposable incomes and higher market penetration. Increasing electrification of rural areas is driving demand for ECDs in India. However, the sector is also witnessing increased competitive intensity with the entry of new players and portfolio expansion by existing players. With rising incomes and aspirations, premiumisation is the buzzword in consumer durables, with premium category products growing faster than overall industry growth rate. Consumers are increasingly seeking better designed and technologically superior products for both comfort and convenience.

A. Fans

The domestic fan market is estimated at 50 million fans per year with volumes growing around 6-7%. Fan is a high market penetration category. Rising rural penetration with increased electrification, higher disposable incomes, faster shift to the organised sector, and the urban replacement cycle getting shorter due to premiumisation are the key growth drivers for the market. Demand for premium fans with better aesthetics has been on the rise.

Key Growth Drivers:

1. Government Schemes:

Government schemes like Integrated Power Development Scheme (IPDS) and Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY) schemes, are anticipated to positively influence the fans market.

2. Focus on Energy Efficiency:

Energy Efficiency Services Limited (EESL) and Bureau of Energy Efficiency (BEE) kick-started the energy efficiency movement in India. EESL has taken this initiative beyond LED lighting to also include other consumer durables, such as ceiling fans.

3. Performance of Housing Sector:

As the housing sector revives and as disposable incomes increase, the demand for fans will continue to grow. Under "Housing for All" and the "Pradhan Mantri Awas Yojana", a total of 50 million houses are targeted to be built by 2022. Development of 100 Smart Cities is expected to generate at least 5 million new homes to address the problem of urban congestion. These key drivers, which will boost the housing sector, augur well for the Indian fan industry.

B. Pumps

The Water Pump industry is estimated to be ₹ 7,000 crore. The market for water pumps in India is expected to witness robust growth, driven by increasing urbanisation, depletion of groundwater and decline in water table.

Key Growth Drivers

1. Growing dependency on groundwater:

There is a growing dependence on groundwater in India. However, depletion of groundwater and resultant decline in water table necessitates the use of mechanised and high-power pumps. Government efforts to improve water infrastructure, water supply and sanitation services across the country are expected to further drive the use of water pumps in India.

C. Appliances

The demand for consumer appliances in India has been growing, along with rising incomes, increasing urbanisation, the growing middle-class and changing lifestyles. Increasing disposable incomes coupled with easy financing schemes have led to shortened product replacement cycles.

The growing economy and the evolving lifestyles of Indian consumers are leading to a rise in the number of working couples and nuclear families. Consequently, these evolving households have an increasing need for convenience and are looking for products that offer convenience and significantly reduce the time and effort spent on household chores.

a. Water Heaters

The Water Heater industry growth will be largely led by an increasing number of new residential units, coupled with rising per capita disposable incomes. As the share of households using branded water heaters rises, there is a robust runway for growth.

b. Air Coolers

India's Air Cooler industry is projected to grow robustly, driven by low penetration and conversion from unorganised to organised segment. The industry is increasingly witnessing a shift towards models with better features, advanced electronics and better performance.

II. Lighting Industry in India

Demand for lighting in India is driven by rural electrification, rapid infrastructure development, increase in manufacturing and urban housing, and consumer trends towards better light. The introduction of smart and intelligent lighting with its application in residential, commercial and industrial domains has also accelerated market growth. The key driving factors for smart lighting are modernisation, development of smart cities, demand for intelligent solutions for street lighting systems, need for energy-efficient lighting systems and increased adoption of LEDs.

COMPANY OVERVIEW

About the Company

Your Company is one of India's leading consumer electrical companies present in the Electrical Consumer Durables and Lighting segments. It manufactures and markets a wide range of consumer products ranging from Fans, Pumps and Appliances (Water Heaters, Air Coolers, Mixer Grinders, Toasters, Iron) in the ECD segment, and the full range of Lighting products.

Your Company is a market leader in Fans, Domestic Pumps and Street Lighting segments.

Manufacturing Locations:

- Goa
- Vadodara
- Ahmednagar
- Baddi

Comprehensive Product Portfolio

Fans	Pumps	Appliances	Lighting
• Ceiling Fans • Table Fans • Pedestal Fans • Wall-mounted Fans • Ventilating Fans • Heavy-Duty Exhaust Fans • Air Circulators • Industrial Fans	• Residential Pumps • Agricultural Pumps • Commercial and Industrial Pumps	• Water Heaters • Air Coolers • Mixer Grinders • Irons • Room Heaters • Power Solutions	• LED Lamps • Compact Fluorescent Lamps • Home Lighting • Infrastructure Lighting • High Mast/ Streetlighting Poles • Interior and Architectural Lighting • High Intensity Discharge Lamps • Incandescent Lamps • Fluorescent Tubular Lights

Our Business Segments

I. Electrical Consumer Durables Business

The ECD segment grew by 15.9% in value terms. Growth was across all product lines.

1. Fans

Your Company is the market leader in Fans segment and has reported faster than industry growth during the year. It grew its market share driven by several key initiatives, especially in the decorative segment.

New Launches

A wide range of fans were introduced during the year, with a clear aim of providing meaningful consumer benefits to consumers. Air 360 is one such innovative product which covers 50%* more room area. Another revolutionary product

"VSense™" delivers high speed in voltage as low as 115 volts*, specifically targeted at regions with power fluctuations, such as, Uttar Pradesh, Bihar, Madhya Pradesh, Himachal Pradesh, Odisha and parts of Rajasthan. Your Company also improved its TPW range (Table, Pedestal and Walls) with new models and new colours.

(***Results as per internal lab tests. Actual performance may vary as per manufacturing tolerances.)***

In the Pipeline

Moving forward, your Company will continue its aim of filling the gaps in the portfolio by introducing technologically advanced products, and better designs. It pioneered the launch of Air Buddy, a unique product that doesn't disturb the cooking process and enables sweat free cooking. It launched Aura new which combines fluidic aesthetics and improved durability with 5 years Duratech™ warranty. Your Company is working on products with improved technology, and also IoT and Artificial Intelligence-based products.

2. Pumps

Your Company has been amongst the fastest growing pump manufacturers, with a dominant share in the domestic segment. Both domestic and agricultural pumps segment have grown in double digits. Through its Channel Expansion programme, it is increasing its focus on Tier 2 and 3 cities.

New Launches

Mini Crest, launched in December 2017, has been an initiative that enabled your Company to deliver industry-leading growth.

Future Plans

Your Company is expanding the market by leveraging the Mini Crest range of products. It is evaluating the Brushless DC Motor technology, which is a new technology for manufacturing solar pumps.

3. Consumer Appliances

Your Company's key objective is to improve its product mix by launching premium offerings using consumer insights and constantly increasing touchpoints to connect with more consumers.

a. Water Heaters

During the year, entire range of water heaters were relaunched, adhering to your Company's strategy of providing innovative products to consumers. Five new aesthetically designed Storage Water Heaters and four Instant Water Heaters were launched.

b. Air Coolers

Your Company recorded double-digit growth in Air Coolers and revamped the portfolio. One of these new offerings is a Desert Cooler with auto-drainage facility and a mosquito net filter, which enables humidity control and offers easy cleaning.

c. Other Appliances

Your Company also manufactures a range of Food Processers, Irons and Power Solutions. During the year, a new heavyweight iron was launched aimed at garment care.

II. Lighting Business

Your Company focussed on providing value-added products to consumers with meaningful consumer benefits. The contribution of LED business to total revenues increased. During the year, it focussed efforts on cost optimisation, product differentiation, new propositions and advanced technologies. Your Company also increased market awareness, enhanced geographical reach and penetrated deeper into small towns and cities.

New Launches

1. Lyor LED Lamps

Lyor LED Lamps, India's first BEE rated 5-star energy-efficient lamps were launched during the year. Built in an attractive looking mushroom housing, these lamps deliver light over 270 degrees, thus illuminating all corners of a room. It offers 20% energy savings, compared to 3-star rated LED Lamps, and 50% savings compared to conventional lamps.

2. ANTI-BAC Lamps

Another unique innovation launched during the year has been the ANTI-BAC lamps. This anti-bacteria bulb is a health proposition which kills up to 85% of bacteria in the house and is certified by Indian Medical Association (IMA). The bulb, a true market differentiator, is priced at 15-20% premium. Based on its unique proprietary technology, the lamp provides a healthier and safe home environment.

Five-Dimensional Growth Strategy:

Your Company's strategic objective is to grow faster than the market in each of its businesses. It focusses on developing a robust and wide product portfolio, creating brand excellence, adopting an effective go-to-market approach, and developing operational and organisational excellence.

1. Brand Excellence

   Your Company has been investing in the brand to create awareness and develop the market with innovative products. With a focus on enhancing brand recognition, it is stepping up brand investment through innovative and sustained brand campaigns to achieve the targeted outcome.

2. Portfolio Excellence

   Your Company remains focussed on product innovation with consumer needs. Based on its learnings, it has developed energy-efficient and 5-star rated products across categories, improving product aesthetics and communicating the inherent durability promise. It has worked on products for specific consumer need cases, e.g. 'kitchen fans'.

3. Go-to-Market Excellence

   Your Company's Go-To-Market strategy is aimed towards expanding distribution reach beyond Tier 1 and 2 cities and increasing market presence in untapped markets. This initiative is now being deployed pan-India and supported with IT enablement. The focus of IT enablement includes creating a portal for dealers for automated ordering, secondary sales data integration and enabling sales field force.

4. Operational Excellence

   Your Company's aim is to deliver the best product quality, at lowest cost and improve product availability. The drive on cost optimisation is aimed towards value engineering, new designs, alternative material usage and negotiation with vendors.

5. Organisational Excellence

   Your Company looks to enable the key impact areas through capability development across functions and enhancing leadership development. The focus is on employee empowerment through transparency, training and clear expectations and nurturing employee engagement throughout the organisation.

Supply Chain

Your Company is integrating technology with its core business to streamline and strengthen its supply chain. It has realigned the end-to-end supply chain for optimisation under the new tax regime, with the aim of maintaining quality and cost control and ensuring better availability and service to the customers. Its Sales and Operational Planning enables it to forecast sales in terms of value and volume and calibrate that with Sales Team for supply sufficiency, while keeping control on working capital.

During the year, your Company implemented and stabilised the automation tool "Plan Visage" as a further enabler of supply chain. Other key measures implemented during 2018-19 have been – On Time - In Full (OTIF), a measure to check how a customer is served across branches.

Online auctioning of services has been implemented with the help of SAP Ariba. This is a clean, value driven and efficient process with a higher number of participants. Vendor Scorecard Monitoring, which identifies strategic vendors and drives performance; and Vendor Portal, which is an automation software to interact with vendors, were also kick-started.

Project Unnati

Focussed cost improvement efforts have delivered sustained benefits, especially in the face of adverse currency and commodity movement. The focus is on improving efficiency of spends and utilising efforts in product redesign, manufacturing and supplier relations for cost and quality gains.

Environment, Health & Safety (EHS)

Your Company is committed to ensure the health and safety of its employees and stakeholders across all manufacturing units. The aim is to minimise the adverse impact of manufacturing processes on the environment and community. Kavach, a programme aimed at safer operations, was launched to ensure the highest standards of Environment, Health and Safety across the organisation.

Management Outlook

Your Company remains focussed on three key objectives – growing sales faster than the market, operating profits in line with sales and converting all of the profits to cash. It expects growth to remain robust across all key segments with a combination of product innovation and driving go-to-market better and across more geographies. On a macro note, rising GDP growth, increasing urbanisation, consumerism among the affluent segment, rising disposable incomes and improving electrification across India is seen driving macro growth.

Information Technology

IT has been the mainstay and a key pillar for furthering key strategies of your Company. The Company applies technology to create more meaningful relationships with our people, suppliers and customers. Through a well-defined Digital Roadmap, christened as Programme "Urja", the journey started with creating building blocks of enabling the core business functions. The landscape has been built on the principles of scalability, agility and being secure. The next building block was to have a collaboration platform with business partners and improve ease of doing business with Crompton. Your Company believes in the highest quality standards and best-in-class process adoption. The Programme also improved employee engagement.

Your Company's future roadmap focusses on monetising these investments. Phase I and II of Programme "Urja" has placed your Company in a good position to utilise various data points, pick opportunities and threats, and convert them into business enablers. Leveraging cutting-edge technology initiatives on IoT, AI, ML, Predictive Analytics will continue to remain a priority. Through digital empowerment, your Company is not only achieving new levels of growth, but also creating new economic opportunities.

Human Resources

Capability development is one of the five key pillars of the Company's long-term business strategy. It intends to drive this through a strategic focus on on-boarding the right talent, optimising performance, and developing leadership at all levels. It has a culture based on integrity, transparency and empathy. To drive consumer, employee and shareholder value, it consistently promotes Personal Leadership, Courage, People Development, Innovation and Execution Excellence as the five core "Crompton Behaviours". The demonstration of Crompton Behaviours is the cornerstone of all the people processes ranging from talent acquisition to performance management and career development.

Your Company's goal is to create a motivating and satisfying working environment, where employees are able to contribute more. It uses a range of tools to measure employee satisfaction on a regular basis. It also believes that a rewarding performance can be a key factor in attracting and retaining capable and talented employees. Your Company is committed to an equal and diverse workforce which is reflected in recruitment, training, career development and promotion practices. Through this, it ensures that all the employees have equal access to opportunities, regardless of their gender, age, racial/ethnic background, religion or social status.

Risk Management and Mitigation

The key objective of your Company's risk identification and assessment process is to evaluate the combination of likelihood and the level of negative impact of an event. The three key components of its risk assessment are – business risk, operational risk and external risk. It manages its risks in line with current risk management best practices.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of your Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of 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 entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of Crompton Greaves Consumer Electricals Limited Annual Report, 2019.

Board Report

Dear Members,

Your Directors are pleased to present the Fifth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2019.

FINANCIALS

The table below depicts the standalone financial performance of your Company for the year ended 31st March, 2019.

(₹ crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from operations	4,478.91	4,105.12
Total income	4,527.17	4,135.87
Profit before Tax	561.56	485.44
Tax expense (including deferred Tax)	159.04	161.65
Profit after Tax	402.52	323.79

COMPARABLE REVENUE

With effect from 1st July, 2017, the country implemented a new tax regime wherein several taxes were subsumed into a single tax head which was known as Goods and Services Tax (GST). Under the prevailing revenue reporting requirements, the income from sales/operations got reduced with commensurate reduction in cost of purchases. In order to make the numbers comparable with the previous year, suitable adjustments have been made while commenting on sales growth numbers in this report.

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Comparable revenue grew by 11.1% to ₹ 4,478.91 crore. Profit Before Tax (PBT) at ₹ 561.56 crore was up by 15.7 % versus last year.

Finance costs of ₹ 59.50 crore represents the interest cost on the Non-Convertible Debentures of ₹ 650 crore.

Based on an assessment order received during the year, the Company has written-back an amount of ₹ 28.45 crore in respect of an earlier assessment year, and the same is netted-off from the current tax expense for the year ended 31st March, 2019. Profit After Tax for the year under review was at ₹ 402.52 crore, growth of 24.3%.

INCREASE IN SHARE CAPITAL – Exercise of Stock Options

During the year under review, your Company has made following allotments pursuant to the exercise of options by eligible employees under the Crompton Employee Stock Option Scheme - 2016:

Date of Allotment	No. of Shares
17th May, 2018	25,575
19th December, 2018	99,151
19th February, 2019	45,376
16th March, 2019	30,713
Total	**2,00,815**

Accordingly, the total paid-up share capital of the Company as on the date of this Report is ₹ 1,25,39,71,840 divided into 62,69,85,920 equity shares of ₹ 2/- each.

The applicable disclosures as stipulated under SEBI (Share Based Employee Benefits) Regulations, 2014 are provided in Annexure 1 to this report.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2 per Ordinary (Equity) Share of the face value of ₹ 2 each, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date. The dividend outgo, inclusive of tax on distributed profits would absorb a sum of ₹ 151.17 crore.

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

NON-CONVERTIBLE DEBENTURES

Your Company has Non-Convertible Debentures (NCDs) aggregating to ₹ 650 crore listed on National Stock Exchange of India Ltd.

Out of these NCDs, Series A amounting to ₹ 300 crore are due for redemption on 24th June, 2019.

CREATION OF DEBENTURE REDEMPTION RESERVE

Your Company has created a Debenture Redemption Reserve (DRR) of 25% of the total value for Series A Non-Convertible Debentures (ISIN: INE299U07015) issued on Private Placement basis as required under Rule 18, sub-rule 7 of the Companies (Share Capital and Debentures) Rules, 2014.

Debenture Redemption Reserve stands at ₹ 75 crore on the outstanding amount of NCDs issued on Private Placement basis, due for redemption on 24th June, 2019.

RESERVES

Under the Companies Act, 2013, there is no requirement to transfer any sum to General Reserve in relation to the payment of dividend. Accordingly, the entire undistributed Profit after Tax is carried forward in the Statement of Profit and Loss.

REVISION IN CREDIT RATING

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

INDIAN CORPORATE GOVERNANCE SCORECARD

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

Your Company has featured for the second time in a row amongst the top 10 companies amongst S&P BSE 100 (BSE 100) companies evaluated on this Indian Corporate Governance Scorecard.

HUMAN RESOURCES & EMPLOYEE RELATIONS

HR Philosophy and Approach

Capability development is one of the 5 pillars of your Company's long-term business strategy. It is intended to drive the same through directing the Company's focus on (a) Selection and on-boarding of the right talent. (b) Optimising their performance, and (c) Developing leadership at all levels.

Value-based Culture

Your Company has a very strong culture based on integrity, transparency and empathy. In order to drive consumer, employee and shareholder value, your Company consistently promotes skills of Personal Leadership, Courage, People Development, Innovation and Execution Excellence as the core five Crompton Behaviours. These behavioural patterns are demonstrated appropriately by leadership teams, multi-layer training, and reward and recognition programmes. Crompton's behavioural patterns are a unique blend of all its people and processes ranging from talent acquisition, to performance management to career development.

Employee Performance & Engagement

Employee engagement is measured on real-time basis. The same is done through tracking engagement at each employee level through AI-enabled tools such as Amber and HyPhen. A variety of strong employee engagement programmes ranging from frequent one-on-one interaction between employee and manager and the leadership team is encouraged throughout the organisation. In addition, there are other two-way communication forums, and extensive reward and recognition schemes.

The Performance Management process aims at achieving high-degree of objectivity and transparency and provides continuous feedback to the employees to improve productivity. Continuous feedback Performance Management System is being rolled out at some Business Units to communicate what is required from employees and give them feedback on how well they are achieving their job goals.

Employee Welfare and Policies

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

Building Talent

Your Company believes in developing and building a long-term talent pipeline, to ensure that suitable internal candidates are available to assume open positions when vacancies are created through retirement, promotion, or resignations. An on-going partnership is pursued with various management, financial and technical education institutes for systematically injecting fresh talent. There is significant usage of AI & Neuroscience including TalView, Knack, Hogan, Korn Ferry, etc. in selecting the right profile candidates.

Talent Management

Your Company has a well-established process for identification and retention of key talent. A multi-layered retention mechanism is in place ranging from career and skill development programmes to financial retention programmes based on equity compensation and long-term cash retention. A robust process to identify and develop successors for critical positions is a regular practice. The development process consists of multi-rater feedback and scientific assessment tools followed by personalised development plans and coaching.

Employee and Leadership Development

In line with your Company's long-term business strategy, there are robust employee development programmes which aim to achieve the right balance between structured interventions (in the form of classroom, and web-based training programmes) 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.

Employee Relations & Compliance

Your Company enjoys a highly cordial and productive relationship with the employees' representative bodies. A long-standing practice of participative management on various topics related to productivity and employment conditions with the employees' union is observed. Both in letter and spirit, the management abides to various prevalent labour legislations in order to regulate relationship between employees and your Company.

Digitalising HR Practices

In the area of Human resources, like elsewhere, there is strong focus on innovation to continuously enhance employee experience. Cutting-edge tools are being deployed to sharpen employee experience. These actions range from implementing Best-in-Class Tools such as Success Factor to AI, Neuroscience, Gamification, etc.

DIRECTORATE & KEY MANAGERIAL PERSONNEL

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

Your Company's Board comprises eight members. The Chairman, Mr. H. M. Nerurkar is an Independent Director.

Mr. Shantanu Khosla is the Managing Director. Mr. D. Sundaram, Mr. P. M. Murty and Ms. Smita Anand are other Independent Directors. Ms. Shweta Jalan, Mr. Sahil Dalal and Mr. Promeet Ghosh are Non-Executive Non-Independent Directors.

Ms. Smita Anand was appointed as an additional Non-Executive Independent Director on 10th December, 2018 and is proposed to be appointed as Non-Executive Independent Director of the Company at the ensuing Annual General Meeting (AGM). Her details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing AGM of your Company. Appropriate resolution seeking your approval to her appointment as Independent Director is included in the Notice.

Mr. Sahil Dalal, Director, is liable to retire by rotation and being eligible for re-appointment at the ensuing AGM of your Company has offered himself for re-appointment. His details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing AGM of your Company. Appropriate resolution seeking your approval to his re-appointment as Director is included in the Notice.

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

Your Board of Directors met six (06) times during the financial year 2018-19. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

The Board has established Committees as a matter of good corporate governance practices and as per the requirements of the Companies Act, 2013. The Committees are Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship & Share Transfer Committee, Risk Management Committee, Allotment Committee for allotment of shares arising out of Stock Options and Strategic Investment

Committee. The composition, terms of reference, number of meetings held and business transacted by the Committees is given in the Corporate Governance Report.

BOARD EVALUATION

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

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

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

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

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

The performance of the Independent Directors was evaluated taking into account the above factors as well as independent decision-making and non-conflict of interest. Further, the evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria as required under the Companies Act, 2013 and Listing Regulations, 2015.

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

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

Subsequent to the evaluation done in the financial year 2018-19, some action areas have been identified for the Board to engage itself with. These include review of your Company's goals, strategy, capability gaps, competitive landscape, technological developments, SWOT analysis, etc. and also a thorough review of key issues facing the Company. All these will be suitably dealt with by the Board.

FAMILIARISATION PROGRAMME

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

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

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

Brief details of the familiarisation programme are uploaded and can be accessed on the Company's website at https://www.crompton.co.in/media/Familiarisation-Programme- for-FY-2018-19.pdf.

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

Your Company has two wholly-owned subsidiaries which are as follows:

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

2. Nexustar Lighting Project Private Limited (CIN: U74999MH2019PTC318955) was incorporated on 2nd January, 2019 to execute, design, manufacture, test, supply, O&M of LED Street Lights & Poles and other related works for implementation of Greenfield Street Lighting Project for 36 Urban Local Bodies (ULBs) in Odisha. This contract received from Government of Odisha, Housing & Urban Development Department is on Public-Private Partnership (PPP) basis.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries in Form AOC-1 is attached herewith as Annexure 2. The separate audited financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of your Company during working hours for a period of 21 days before the date of the Annual General Meeting. The separate audited financial statements in respect of each of the subsidiary companies are also available on the website of your Company at https://www.crompton.co.in/accounts-of-subsidiary-companies/.

RELATED PARTY TRANSACTIONS

In accordance with the requirements of the Companies Act, 2013 and Listing Regulations, 2015, your Company has a Policy on Related-Party Transactions which can be accessed through weblink https://www.crompton.co.in/media/Policy-on-RPT-CGCEL.pdf.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Loans and Guarantees made by the Company under Section 186 of the Companies Act, 2013. The details of investments made by the Company under Section 186 of the Companies Act, 2013 form part of this Annual Report.

RISK MANAGEMENT

Your Company recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks, in the internal and external environment and incorporates risk mitigation plans in its strategy and business/operational plans. Every risk is carefully looked into, as in some of the cases post-analysis it may lead to a new business opportunity.

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels from top to bottom across the enterprise. These levels form the strategic defence cover of the Company's risk management.

Your Company's Risk Management Committee monitors and reviews the risk mitigation plan.

Appropriate steps are being taken by your Company to mitigate and reduce the impact of these risks to the operations of the Company. The key business risks facing the Company and steps taken to mitigate the same are as detailed below:

Key Business Risks	Risk trend 2018-19	How these risks are mitigated / next steps
"Go-to-Market" – The ability to manage business continuity while establishing the new distribution model. Your Company is looking at IT enablement and realigning roles and rewards to a new way of working.	Decrease in Risk profile	• The pilot project for Go-to-Market was completed during the year with learnings documented. • Your Company is in the process of digitalising its dealer experience through implementation of a dedicated dealer portal. The portal is aimed to improve customer satisfaction resulting in ease of doing business.
Operational excellence – The ability to improve and sustain quality and drive down costs at the same time.	Same as last year	• Your Company has initiated vendor rationalisation, emphasis on in-house manufacturing and scorecard evaluation of vendors has been put in place. • Your Company has set up the Centralised Commodity teams during the year to have a consolidated view on capability and capacity for the entire Company-wide procurement function as against the earlier decentralised process. • Your Company has put in place a quality and process improvement programme across the Company, including strategic vendors, during the year with progress being tracked at regular Management reviews. • Through multiple interventions undertaken during the year, your Company initiated product lifecycle management by strengthening demand planning process (including filling competency gaps), thereby improving forecast accuracy and deliver on time in full.
Branding/Innovation – The ability to continue to "outsmart" competition.	Same as last year	• Your Company has put in place a Centralised Marketing structure during the year, thereby strengthening its consumer insight process and filling up competency gaps in the concerned function. • Your Company is strengthening NPD process through a three Gate approval process viz. Gate 1: Establishing of the project; Gate 2: Commitment to the project; Gate 3: Launch agreement for the project.
Ability to succeed in the new business model (ESCO), in lighting, where the customer does not pay for the fixtures but instead asks the supplier to share the gains from the savings generated. Correct estimation and assessment of the contractual risks and obligations in such models becomes very important.	Decrease in risk profile	• Your Company has decided not to pursue ESCO projects. • However, your Company is standardising the process for assessing the tenders/business opportunities through- a) Defining Process framework & Go-No-Go parameters along with Authority Matrix; b) Digitalising Lead to Order process.
Organisation Excellence – Ability to attract and retain the right talent may lead to your Company's inability to achieve organisation's goals.	Same as last year	• Your Company has put in place Succession Planning framework mapping career development and progression opportunities for suitable employees and thereby ensuring talent retention.
Regulatory Environment	Same as last year	• Your Company is working with various Industry Associations around regulatory changes like E-waste, improving energy efficiency of products, and similar initiatives, as these could prove to be disruptive for the industry. This will help ensure that the changeover is smooth and in the interest of all stakeholders.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Board has adopted policies and procedures 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 disclosures.

Your Company has in place a robust internal audit framework. This monitors the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations.

The Risk Management Committee ("RMC") identifies, evaluates and mitigates operations, strategic and external risks. RMC has the overall responsibility for monitoring and recovering the Risk Management Plan and associated practices of the Company. Details of the composition of the RMC have been disclosed as part of the Corporate Governance Report.

Internal Auditors periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. The audit plan is approved by the Audit Committee, which regularly reviews the compliance to this plan.

Findings along with management response are shared with the Audit Committee. Status of action plans are also shared with the Audit Committee. The Audit Committee also reviews the steps taken by the management to ensure that there are adequate internal financial controls in design and operation.

Ongoing monitoring is performed as an integral part of the day-to-day supervision, review and measurement of the internal audit functions.

Your Company has deployed controls through its policies and procedures. These policies and procedures are periodically revisited to ensure that they remain updated to changes in the environment. There is a well laid out process for making amendments to processes in the Company and implications of changes are well visualised and planned. All stakeholders are consulted so that implementation is smooth.

Your Company continues to invest in IT tools to automate controls to the extent possible so as to minimise errors and lapses. Controls with respect to authorisation in underlying IT systems are reviewed periodically to ensure that users have access to only those transactions that apply to their specific roles.

Various functions run periodic reports which are focussed on identifying exceptions through data analysis as part of their routine monitoring activities. Corrective actions, if any, are taken promptly by the respective functions.

Your Company has an IT tool which helps to track statutory compliances as close as possible to the actual due date. Any deviations are highlighted for prompt corrective action. Functional owners take responsibility for initiating preventive action.

This web-based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability within the organisation. In the present times when governance is looked upon as a critical aspect of sustainability, the compliance management system plays a significant role in ensuring good corporate governance.

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

RESEARCH AND DEVELOPMENT (R&D)

Your Company has a strong focus on in-house research and development and promotes a culture for innovation. The Company's team focusses on continuous and sustainable product innovations, working across the product lifecycle aspects, including design, development and manufacturing phases.

Continuing the spirit of innovation to create new consumer delights, based on core insights, this year, your Company launched an array of products in fans:

- Air 360 - To solve the consumer issue of not experiencing air in the corner of the rooms, your Company launched ceiling fans which give air circulation in 50%* more space and delivers the best air release in the metal fan category in industry.

  (***Results as per internal lab tests. Actual performance may vary as per manufacturing tolerances.)***

- Vsense™ range of ceiling fans - Many parts of India face low voltage problem and when voltage drops down, the speed of the ceiling fans drops considerably. To solve this problem, Vsense™ fan uses its smart controls to increase the motor speed and gives higher RPM at low voltages.

- AirBuddy - During consumer research, it was observed that the person working in the kitchen does not feel comfortable while cooking as the existing air circulation solutions do not work effectively during cooking. Air Buddy range of fans with their sleek and modular design fit perfectly into any kitchen. They provide personalised soft air flow to ensure a comfortable cooking experiance without disturbing the gas flame.
- Aura new range of fans - Your Company came up with industry's first 5-year warranty for new range of products by providing Duratech™ technology which includes core engineering enhancements to meet long-lasting performance needs. These products carry new fluidic design parameters and are built into the designer series of fans like 2D and 3D motifs.

All these products have attractive design and packaging. Resources have been invested to create industry popular colours and craftsmanship with the best-in-class finish and choice of appropriate materials.

Research and Development led to development of much improved energy-efficient pumps for a variety of applications to enhance ease and convenience of use and conserve water. Some of the products introduced during the year were:

- Monobloc (2HP) and open well (3 to 7.5 HP) pumps with wide voltage design, which perform effectively in wide fluctuations of supply voltage in rural areas. This variety is useful to farmers as there are no frequent repairs required and there is lesser downtime.
- Many parts of the country have high TDS (Salty) and more sand content in borewell water where normal materials of construction do not sustain. Hence, 4WSS series of pumps with stainless steel impeller and diffuser for better reliability as well as efficiency were developed by your Company.
- Solar pumping systems with MNRE certifications were developed in AC (5, 7.5, 10 HP) as well as BLDC (5 HP) motors and further development is in process. These Solar pumps deliver minimum 10 to 15% more discharge than MNRE guidelines.

Your Company has launched ANTI-BAC lamps which use Anti-bacterial technology. This bulb kills up to 85% bacteria and other microbes including fungi and molds. This is an in-house innovation with Envirosafe Technology and is recognised by the Indian Medical Association (IMA) to provide a safe and healthy environment.

Lyor, the first in India 5-star bulb has a unique shape which gives homogeneous diffused lighting. The elegantly-curved surface of the diffuser and housing imparts a distinct character to the product. This has the highest efficacy of 120 lumen/watt.

A new range of innovatively and aesthetically designed office lighting and downlighter series have been launched to cater to the requirements of office spaces.

R&D efforts also helped the Company in providing the best in industry solutions for customers in various projects of national significance and in bagging major orders in EESL, Reliance Infra Phase I, Odisha Green Field, Dholera Smart City, NFR, DRDA, to name a few.

The entire Storage and Instant Water Heater range has been revamped with the highest number of launches in the industry this season. Your Company launched 5 models in storage and 2 models in Instant heaters. The new products are designed to deliver superior performance, aesthetics, energy-efficiency and best-in-class features.

In Air Coolers, a unique model "Optimus" which stands out in performance as compared to its peers was launched. It has features like Auto Drainage, easy cleaning, humidity control, thicker honey comb and highest air delivery in its class. This summer, new range of plastic window and tower coolers were also introduced.

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

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

ENVIRONMENT, HEALTH & SAFETY (EHS)

Your Company is greatly conscious of its responsibilities towards Health, Safety and Environment Management and is in the process to fortify its current resources. A Policy on Occupational Health, Safety and Environment is already in place. During the year, your Company complied and excelled with EMS 14001 and OHSAS 18001 standards and is moving towards upgradation with ISO 45001. Single IMS (Integrated Management System) is in place which is the foundation of the overall health, safety and environment framework at your Company. Internal, Cross audits and External EHS and OHSAS audits were carried out to check the level of compliance and any deviations from laid down policies and procedures tracked and reviewed through this audit system. As part of Plan Do Check Act (PDCA), this process ensured closure through Corrective Action and Preventive Action (CAPA) within a reasonable time frame.

A comprehensive EHS manual titled "KAVACH 2.0" comprising the policies, procedures and work instructions has been prepared. Deployment of "KAVACH 2.0" has been ensured across the organisation through rigorous trainings.

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

A comprehensive EHS performance scorecard has been deployed and is monitored on monthly basis. Regular cross functional quarterly EHS meets are conducted at various manufacturing units with the agenda to conserve natural resources, reduce electricity consumption, industrial effluents, water conservation, air emissions, waste generation and disposal. EHS improvement plans, scorecard discussions and benchmarking practices are deployed at all plants. Suggestions to improve the existing scenario are implemented within the stipulated timeframe.

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

Environment – a green pursuit

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

Your Company is committed to achieve its target by implementing best technology and management programmes through a combination of energy and water conservation, minimised air emissions, rainwater harvesting and solid waste recycling. All units are complying with zero liquid discharge system, minimum usage of petroleum products by modifying boilers into bio-fuel boilers along with drastic reduction in air emissions.

In other environmental focus areas, your Company has greatly reduced raw water consumption, generation of effluents, solid-waste, hazardous waste and reduction in Green House Gases (GHG) emissions. This has helped to reduce the overall impact on the natural resources and environment. Beside this, all the manufacturing units have complied and are being monitored online for all EHS-related legal-statutory requirements laid by the Government from time to time.

During the year, substantial investment was made to meet the new governmental regulations. The drive to achieve the best Environmental pollution control measures on 3R's (Reduce, Reuse & Recycle) was further strengthened.

Groundwater is one of the major sources of water for your Company. Therefore, we remain committed to significantly conserving it by installing water-efficient technology together with effluent treatment system like Reverse Osmosis (RO) plants to reutilise treated water into the system.

- Recharged 100 lakh litres - Rainwater Harvesting Systems installed at Vadodara, Ahmednagar and Goa Plants.
- Saved electricity of 3,60,000 kWh yearly and reduced noise pollution – New Technology Compressor installed at Ahmednagar, Pumps Plant.
- RO waste water re-used at Baddi Lighting Plant - 68 KL water re-used.
- Installation of transparent sheets on the roof of Vadodara and Goa plants - reduced the usage of artificial light and thus save energy.
- Green belt area in Bethora, Goa plant increased by plantation of 60 trees and 5,000 sq. ft. area added in Ahmednagar for Green belt development.
- Food waste composter installed for canteen waste and garden waste to utilise as fertiliser for garden at Ahmednagar, Pumps Plant.
- Solar panels of 5kW installed at Bethora, Goa plant - electricity generation will be 6,000 kWh/year.
- Treated STP recycled water used for flushing reduced use of fresh water from 26,897 KL (2017-18) to 15,846 KL (2018-19) saving 11051 KL (58%). 100% STP and ETP treated water used for gardening in all plants.
- New STP of capacity 730 KLD installed at Kundaim, Goa plant for recycling of waste water.

All units of your Company are complying with CPCB/MoEF (Ministry of Environment and Forests) guidelines specially on waste water treatment. Trade and Domestic effluents have been segregated completely through independent treatment system.

Authorisation of E-waste received from CPCB, FTL and CFL Products are RoHS compliant. Further, two of the three FTL lines have been converted from Liquid Dozing into Pill Dozing in order to reduce the risk of Mercury (Hg) exposure in the environment at Vadodara Plant.

Ahmednagar is switching to use eco-friendly water-based paint instead of existing 2 pack PU paint. This is being done to reduce hazardous waste thereby creating a positive impact on the environment.

Safety:

Safety is accorded overriding priority by your Company. The business has ensured to achieve and maintain globally approved Fire-Safety Standards. All units are in the process to install best fire/smoke detection technology to get timely information in case of any fire incident. To mitigate such incidents, all units are 100% equipped 24x7 with dedicated and trained firefighting team members.

EHS team identified all available fire hazards by conducting third-party Fire-Safety audits / HAZOP study / Risk Assessment studies and made effective action plans to close all findings. Your Company is committed to building a safety culture by Implementing Behavior-Based Safety through trainings and workshops, recording workplace hazards, conducting scheduled Fire-Safety Audits (in-house), adopting on-line Work Permit System (WPS) and Daily Tool-box talks etc.

Regular interaction is maintained through Safety committee meetings with all associates. Fire-safety Drills, Safety Week celebration and continuous Safety training to all employees begins with adequate induction. Internal and cross plant safety audits are conducted too. All actions and recommendations are being recorded and evaluated by respective EHS leaders. This monitoring has a major role in reducing workplace hazards/incidents and making Crompton, a Zero-accident organisation.

Your organisation has identified scenario-based emergency preparedness plans to counter specific emergency situations. On regular basis, mock tests and drills are planned and executed to ensure Emergency Response Team members are quick to respond to any situation.

Safety standards are monitored through focus on appropriate safety control, elimination of unsafe activities, providing better replacement methods and installation of foolproof engineering solutions (Poka-Yoke).

Key Safety programmes implemented during the year include:

- Conducted cross plant safety audits based on IS:14489-1998 at all plant locations and ensured closure of all improvement plans as per timelines.
- Structural Stability & Fire audits were conducted by BVQI experts for all plants and 15 branch offices.
- 100% new joinees have been covered with behavioural based and technical safety training at all plant locations. Refresher safety trainings were conducted for all ERT and new Safety Committee members.
- New Safety PPE's were introduced, viz. breathing apparatus, automatic fire nozzles, mobile scaffolding tower with stairway for working safely at heights, storage of flammable chemicals cans, fire safe cabinets for lab storage and similar equipment.
- Installed fire alarm and detection systems at all plant locations.
- Safety signs, visual displays highlighting safety messages have been standardised and displayed at all appropriate places.
- Poka-Yoke (Mistake-Proofing) were installed at various equipments and machines to ensure human safety and to eliminate risks in hazard prone areas.
- LOTO (Lock-Out Tag-Out) concept deployed across all plants.
- Periodic mock drill and fire drills were conducted at all plants to ensure readiness and responsiveness of the system and employees.
- Provided anti-fatigue mats to employees, where work involves standing for long hours at respective work locations.
- Structural audit, ergonomic study and ventilation survey was conducted.
- Provided rack guards and corner guards to prevent harm to individuals and avoid structural damage.
- Permanent roof stress lifeline installed on main buildings to prevent fall hazard.
- Mobile scaffolding is available for working at heights inside the plant to prevent fall hazards.
- Visual Machine guards are installed on all moving machine under TPM drive.

Health:

An individual's health and well-being is shaped by several factors: social, economic and environmental. A range of workplace (e.g. physical environment, culture) and non-workplace issues (e.g. lifestyle choices, living conditions) can impact the health of an employee. Towards this end, structured initiatives have been introduced in stages.

Key health programmes as detailed below were rolled out during the year to promote a healthy lifestyle among employees. This led to enhanced motivation:

- Health education awareness trainings and motivational speeches were organised on mindful behaviour and emotional intelligence. (Initiated daily warm-up exercises at start of every shift).
- Revisited employee health insurance coverage for appropriate preventive screenings.
- Executed medical surveillance plans and periodic medical checkups.
- Ergonomics study through expert medical practitioners to identify short-term and long-term health injuries.

CORPORATE SOCIAL RESPONSIBILITY (CSR) FRAMEWORK & VISION

MAKING A DIFFERENCE ...

Drawn up on the basic principles of 'Responsible Business' and 'Shared Value', your Company's CSR strategy aims to provide youth with employable vocational and life management skills and contribute to water neutrality by participating in water conservation initiatives.

Aptly named, **UJJVAL DEEP**, the CSR programme framework is both in line with the Company's long-term commitment to build positive value for the communities as well as address major developmental priorities as identified by the Companies Act, 2013:

In line with this framework, our 4 thrust areas are:

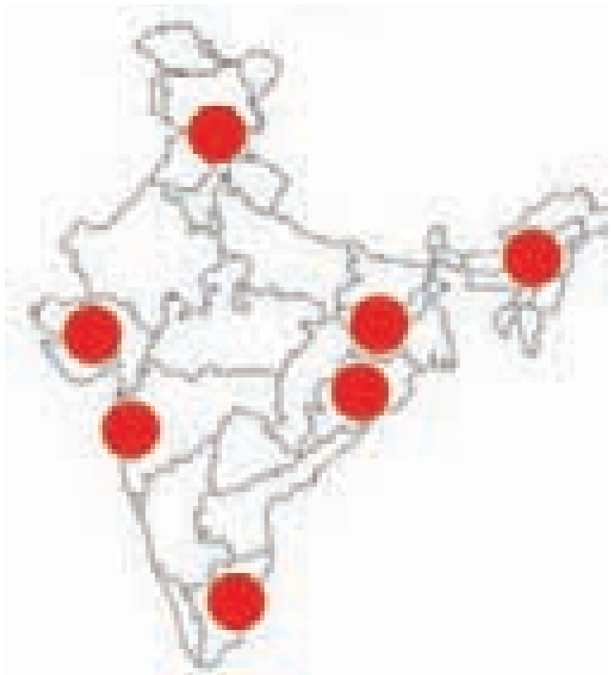
- Vocational and skills training.
- Projects addressing environmental issues such as water and waste management.
- Projects impacting lives of people who live in the vicinity of our manufacturing / processing facilities.
- Active employees volunteering through Corporate Social Responsibility programmes.

Through 2018-19, the CSR activities were carried out with the following implementation partners.

- Skill Training, with:
  - Asmacs Skill Development Ltd. (ASMACS)
  - PanIIT Alumni Reach for India (PARFI)
  - Kherwadi Social Welfare Association (Yuva Parivartan)
- Water Conservation Projects, with:
  - Akash Ganga Trust
  - Varshasookt
  - Pandit Jagat Ram Memorial Force Trust (Force)
  - Vanarai
  - Anugami Lokrajya Mahabhiyan (Anulom) and Maharashtra Government

SKILL DEVELOPMENT INITIATIVES

The Skill Development centres are in the states of Himachal Pradesh, Gujarat, Maharashtra, Tamil Nadu, Odisha, Jharkhand and Assam.



During the course of training, candidates were exposed to a stringent curriculum in which they were trained on current industry practices, plumbing and techniques in pipe fitment and fire-fighting systems. Candidates were also trained in aspects of safety, measurement, pipe fitting, familiarisation with tools and fittings and discipline. Besides this, the major focus is on technical training in electrical appliances.

Programme 1:

Residential Multiskill Training - Implementation Partner - ASMACS

Your Company has sponsored residential skill training for 900 youth in Baddi - Himachal Pradesh, Ahmednagar - Maharashtra, Guwahati - Assam, Coimbatore - Tamil Nadu, Vadodara - Gujarat for training in Electrical & Plumbing trades.

30 training batches were run across all the locations and 80% of the youth were placed in reputed Companies.

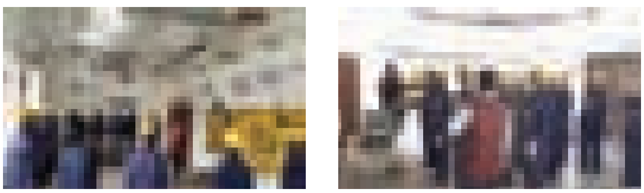


Figure 1: Plumbing Training at Baddi, Himachal Pradesh

Figure 2: Amenities at Ahmednagar Campus

Figure 3: Environment Day Celebrations

Figure 4: Yoga Day Celebration

Programme 2:

Skills Training - Implementation partner - PARFI

The programme focusses largely on youth from underprivileged and tribal communities. 117 candidates were trained in the trades of Fire Protection Installation and Plumbing in three Gurukuls – Bundu, Sambalpur and Jamshedpur. 83% of the candidates were successfully placed on an average at all the locations.

Programme 3:

Home Appliance Repair Programme - Implementation Partner - Yuva Parivartan

This programme is focussed on skilling youth through Yuva Livelihood Development Centres across Maharashtra. Training is imparted in repair of Home Appliances.

In addition, the students also participate in the Soch Ka Parivartan (Attitude Transformation) module. This is designed to help students, who come from different and often, tough backgrounds, deal with harsh problems, build their self-esteem and confidence and also help them develop a positive attitude.

108 Students have been enrolled within this programme.

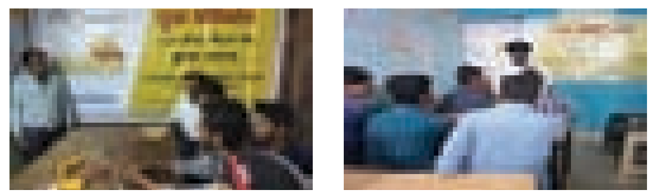


Figure 5: Electrician Training

WATER CONSERVATION INITIATIVES

Water is a valuable and increasingly scarce resource.

Awareness on water-related problems, results in commitment among the community and thus helps to promote better management of water resources.

Hence, your Company has focused its intervention on three major areas:

1. Rainwater Harvesting (RWH) system at Institutional Level
2. Rainwater Harvesting (RWH) system at Community Level
3. Awareness and Training sessions to get the best results in water conservation

Rainwater Harvesting

Rainwater harvesting projects were supported at the following locations: Lady Siwaswamy Ayyar Girls Higher Secondary School, Chennai, P.S. Higher Secondary School, Chennai, OdaiKuppam, Fishermen's Hamlet, Chennai, Christian Medical College, Vellore and three schools under Thane Municipal Corporation.

Water Management and Awareness

Your Company collaborated with Force Trust to spread awareness on Water Management in areas of Delhi and

Himachal Pradesh regions. Under this programme, community members were educated on the key RWH solutions and Government regulations. Training of Plumbers was undertaken and schools were mobilised to conduct campaigns in Rain Water harvesting in the area.

Total number of sessions conducted were 19, impacting 2,302 beneficiaries across institutions and communities.

Watershed Development with Vanarai

To reduce the impact of natural calamities like drought and to make the village water secure, your Company supported a watershed development initiative in Jalna, Maharashtra. This is aimed at increasing the groundwater level and stabilise the water table.

Increased employment options within agriculture and allied activities by impacting 608 landholdings and their families in the region.

Gaalmukt Dharan Gaalyukt Shivar Scheme with Maharashtra Government

Contributions were made to this scheme with an aim to conserve water by removing silt from the water bodies in the drought prone areas of Ahmednagar, Maharashtra. This will lead to the cleaning of 66 water bodies. Thus 9,99,400 cubic meters of total silt will be distributed to farmers increasing their agricultural productivity.

OTHER INITIATIVES

Support to CM Fund – Floods in Kerala:

On 8th August, 2018, Kerala was hit by one of the worst floods in recent times due to unusually high rainfall during the monsoon season. It was the worst flood in Kerala in nearly a century. Over 483 people died, and more than 14 went missing. Your Company quickly rose to the occasion to extend its support in this terrible tragedy and donated an amount of ₹1 crore to the Kerala Chief Minister's Distress Relief Fund. Of this, roughly one third was voluntarily contributed by the employees and the balance was donated by the Company.

Way Forward:

In 2019-20, your Company aims at three initiatives to enhance its CSR activities.

1. **Scale:**

   Your Company aims at deepening the impact within the Skill development area and increase the number of beneficiaries to be trained.

   In the area of water conservation, it is planned to widen the approach by supporting more projects, impacting as many landholdings as possible.

2. **Effective monitoring and impact analysis:**

   The objective is to ensure transparency in fund utilisation and impact. A robust framework will be designed for planning and monitoring the activities.

3. **Project completion and consolidation:**

   The third key focus area for the next year is to consolidate the ongoing projects and to aim at maximising the outreach of the beneficiaries within each programme.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2019, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as Annexure 4.

GREEN INITIATIVES

Electronic copies of the Annual Report and Notice of the 5th Annual General Meeting (AGM) will be sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Notice and Annual Report will be sent in the permitted mode. [Members requiring physical copies can send a request to the Company]. Physical copies of the aforesaid documents will also be available at your Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays till the date of AGM.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year of the Company i.e. 31st March, 2019 and the date of the Board Report.

MATERIAL ORDERS OF REGULATORS/COURTS/ TRIBUNALS

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

SHARE REGISTRAR & TRANSFER AGENT (R&T)

Pursuant to the Order of the Hyderabad Bench of the National Company Law Tribunal (NCLT Order), the operations of Karvy Computershare Private Limited, the Registrar & Share Transfer Agent of your Company have been transferred to Karvy Fintech Private Limited (Karvy Fintech) with effect from 17th November, 2018.

M/s. Karvy Fintech Pvt. Ltd. is the R&T Agent of the Company. Their contact details are mentioned in the Report on Corporate Governance.

PUBLIC DEPOSITS

No public deposits have been accepted by your Company during the year under review.

AUDITORS

(a) Statutory Auditors:

M/s. Sharp & Tannan, were appointed as Statutory Auditors of your Company at the 2nd Annual General Meeting held on 11th August, 2016 for a term of five consecutive years. The Auditors has issued an unmodified opinion on audited financial statements of the Company for the year ended 31st March, 2019. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

(b) Cost Auditors:

Your Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained in the prescribed manner.

M/s. Ashwin Solanki & Associates, Cost Accountants carried out the cost audit during the year. The Board of Directors have appointed M/s. Ashwin Solanki & Associates, Cost Accountants as Cost Auditors for the financial year 2019-20.

The remuneration proposed to be paid to the cost auditors for 2019-20 is subject to ratification by members at the ensuing Annual General Meeting.

(c) Secretarial Auditors:

M/s. Mehta and Mehta, Practicing Company Secretaries carried out the secretarial audit during the year. The Board of Directors have appointed M/s. Mehta and Mehta, Secretarial Auditors for the financial year 2019-20. The Secretarial Audit report is annexed herewith as Annexure 5 to the Report.

(d) Internal Auditors:

M/s. Grant Thornton India LLP conducted the internal audit of your Company for the financial year 2018-19.

M/s. Grant Thornton India LLP have been appointed as Internal Auditors of your Company for the financial year 2019- 20 to review various operations of the Company.

PARTICULARS OF EMPLOYEES

There are 11 employees who were in receipt of remuneration of not less than ₹ 1,02,00,000/- if employed for the full year or not less than ₹ 8,50,000/- per month if employed for any part of the year.

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

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

BUSINESS RESPONSIBILITY REPORT

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

COMPLAINTS RELATING TO SEXUAL HARASSMENT

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the year under review, one complaint was received which has been investigated and resolved after taking an appropriate action.

VIGIL MECHANISM

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

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

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

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

LISTING

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

Your Company has paid the Listing fees for both the Stock Exchanges for the 2018-19 and 2019-20 for Equity shares and to National Stock Exchange of India Ltd. for NCDs.

ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure 7.

SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to assure the Members that the Financial Statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013 and guidelines issued by SEBI. Your Directors confirm that:

- the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for 2018-19;
- sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis;
- the internal financial controls laid down by the Company were adequate and operating effectively; and
- the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;
4. No fraud has been reported by the Auditors to the Audit Committee or the Board.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

ANNEXURE 1

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

	Details of ESOP	**Crompton Stock Option Plan 2016 (ESOP 2016)**	**Crompton Performance Share Plan 1 2016 (PSP 1)**	**Crompton Performance Share Plan 2 2016 (PSP 2)**
I.	**Description of each ESOP that existed at any time during the year :**			
1.	Date of shareholders' approval	22nd October, 2016	22nd October, 2016	22nd October, 2016
2.	Total number of options approved under ESOP	40,00,000	1,09,68,057	31,33,731
3.	Vesting requirements	As specified by the Nomination and Remuneration Committee subject to minimum one year from the date of grant		
4.	Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange which has higher Trading Volume, as on the day prior to the date on which the Nomination and Remuneration Committee (NRC) approves the Grant.	Exercise price per Option is ₹ 92.83.	Exercise price per Option is ₹185.66.
5.	Maximum term of options granted (years)	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.	
6.	Source of shares (Primary, Secondary or combination)	Primary		
7.	Variation in terms of options	There have been no variations in the terms of the options		
II.	**Method used to account for ESOP:**			
	The Company has calculated the employee compensation cost using the Fair value method of accounting for the Options granted.			
III.	**Option Movement during the year:**			
1.	Number of options outstanding at the beginning of the year	31,56,404	1,09,68,057	31,33,731
2.	Number of options granted during the year	5,20,000	0	0
3.	Number of options forfeited/lapsed during the year	3,41,820	0	0
4.	Number of options vested but not exercised during the year	10,06,269	39,48,500	11,28,142
5.	Number of options exercised during the year	2,00,815	0	0
6.	Total number of shares arising as a result of exercise of options	2,00,815	0	0
7.	Money realised by exercise of options (₹)	3,74,72,079	0	0
8.	Number of options outstanding at the end of the year	31,33,769	1,09,68,057	31,33,731
9.	Number of options exercisable at the end of the year	10,06,269	39,48,500	11,28,142

	Details of ESOP	**Crompton Stock Option Plan 2016 (ESOP 2016)**	**Crompton Performance Share Plan 1 2016 (PSP 1)**	**Crompton Performance Share Plan 2 2016 (PSP 2)**
IV.	**Weighted average exercise price of options granted during the year whose:**			
i.	Exercise price equals market price	₹ 235.20	Nil	Nil
ii.	Exercise price is greater than market price	Nil	Nil	Nil
iii.	Exercise price is less than market price	Nil	Nil	Nil

Details of ESOP		Crompton Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)
	Weighted average fair value of options granted during the year whose:			
i.	Exercise price equals market price	₹ 94.95	Nil	Nil
ii.	Exercise price is greater than market price	Nil	Nil	Nil
iii.	Exercise price is less than market price	Nil	Nil	Nil
V.	**Employee-wise details of options granted during the financial year 2018-19 to:**			
i.	Senior Managerial personnel	Mr. R. Malkani - 1,50,000 options Mr. S. Phartiyal - 1,50,000 options	Nil	Nil
ii.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Employee-wise details are available for inspection by the Members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays up to the date of the 5th Annual General Meeting.		
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	Mr. S. Khosla has been granted options under PSP 1 and PSP 2 scheme in excess of 1% of the issued capital.	
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	PSP 1	PSP 2
1.	Risk-Free Interest Rate	7.87%	No grants during the year	
2.	Expected Life	5.01		
3.	Expected Volatility	32.48%		
4.	Dividend Yield	0.64%		
5.	Price of the underlying share in market at the time of the option grant (₹)	235.20		

Details of ESOP	Crompton Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)
Weighted Average share price of options exercised during the year : ₹ 223.43			
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	31,33,769	5.52	199.92
PSP 1	1,09,68,057	5.89	92.83
PSP 2	31,33,731	5.89	185.66
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"	6.38		

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

ANNEXURE 2

Form AOC-1

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

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	(i) Nexustar Lighting Project Private Limited (NLPPL) (ii) Pinnacles Lighting Project Private Limited (PLPPL)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	(i) NLPPL - 2nd January, 2019 to 31st March, 2019 (ii) PLPPL - 31st December, 2018 to 31st March, 2019
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 both 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
5.	Reserves & Surplus	(i) NLPPL : ₹ (0.58) crore (ii) PLPPL : ₹ (0.58) crore
6.	Total Assets	(i) NLPPL : ₹ 7.53 crore (ii) PLPPL : ₹ 6.95 crore
7.	Total Liabilities	(i) NLPPL : ₹ 0.61 crore (ii) PLPPL : ₹ 0.83 crore
8.	Investments	(i) NLPPL : ₹ 4.89 crore (ii) PLPPL : ₹ 6.33 crore
9.	Turnover	-
10.	Profit before taxation	(i) NLPPL : ₹ (0.88) crore (ii) PLPPL : ₹ (0.87) crore
11.	Provision for Taxation	(i) NLPPL : ₹ (0.30) crore (ii) PLPPL : ₹ (0.29) crore
12.	Profit after Taxation	(i) NLPPL : ₹ (0.58) crore (ii) PLPPL : ₹ (0.58) crore
13.	Proposed dividend	-
14.	% of shareholding	(i) NLPPL : 100% (ii) PLPPL : 100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures : Not Applicable as there are no associates and joint ventures.

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

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

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

ANNEXURE 3

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

A. CONSERVATION OF ENERGY:

(a) ENERGY CONSERVATION MEASURES TAKEN

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

The Fans unit has been the winner of the National Energy Conservation Award continuously for last five years. This year too, your Company is the only one in the Fan segment to receive the award for selling the highest number of energy-efficient fans.

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

1. Initiated project for electricity generation by using existing solar panels of 5 kW at Goa Plant.
2. Installation of Solar Light System at Assembly Shop area and Canteen at Pump Division, Ahmednagar which allows natural sunlight to enter and reduce the usage of artificial light and thus save 5700 kWh/year.
3. Installed new technology compressor at Fans Division, Goa which saves electricity of 3,60,000 kWh/year and reduces the ambient noise.
4. Reduction of Natural Gas consumption in Vadodara Plant by 50m^3/Day in FTL line by optimising sintering furnace operation.
5. Installed Solar Water Heater System at Pumps Division, Ahmednagar canteen, which helps to save ~ 6,000 units/year.

(b) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

Nil

B. TECHNOLOGY ABSORPTION:

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

Some of the initiatives were:

1. Research in electrical motor design by using advanced design and simulation software has helped in developing optimised designs having high competitiveness as well as optimise material content with increasing efficiency which is the need of the hour.
2. In-house CFD analysis capability helping to develop new hydraulic designs with flat efficiency for pumps which may result in high efficiency even at different head and discharge.
3. New range of wide voltage agricultural open well and monobloc pumps are really helping farmers by providing uninterrupted water supply to crops.
4. In-house Optical and Photometric capabilities and tools have been augmented for lamps that enhance the competencies and help in reduction of total product cycle times.
5. In the area of connected lighting, Individual streetlight control solutions were introduced by adding RF, ZigBee and Power Line communication in controllers for the smart city requirements.
6. Solutions with wireless control of office lighting by incorporating BLE mesh connectivity have also been developed.
7. Energy saving office lighting products by incorporating sensors in tile and linear fixtures to cater to the needs of green building and LEED certification requirements were developed.
8. Smart bulb which can change RGB colours and colour temperature by adding BLE mesh connectivity and control via mobile app have also been developed.

C. IMPORTED TECHNOLOGY: Nil

D. EXPENDITURE ON R&D:

R&D expenditure for the year was : ₹ 13.57 crore

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earned	: ₹ 75.71 Crore
Foreign exchange used	: ₹ 392.66 Crore

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

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

CSR initiatives will primarily focus on the following areas:

- Vocational and skills training
- Projects that address environmental issues such as water and waste management
- Projects that impact lives of people who live near the manufacturing/processing facilities
- Engaging employees actively through Corporate Social Responsibility

The CSR policy is placed on the website of the Company at the below mentioned link: www.crompton.co.in/media/CGCEL-CSR-Policy.pdf.

2. Composition of the CSR Committee:

- Mr. Shantanu Khosla, Chairman (Managing Director) (DIN: 00059877)
- Mr. H. M. Nerurkar, Member (Independent Director) (DIN: 00265887)
- Mr. D. Sundaram, Member (Independent Director) (DIN: 00016304)
- Ms. Shweta Jalan, Member (Non-Executive Director) (DIN: 00291675)
- Mr. Promeet Ghosh, Member (Non-Executive Director) (DIN: 05307658)
- Ms. Smita Anand, Member (Independent Director) (DIN: 00059228)

3. Average net profit of the Company for the last three financial years: ₹ 360.23 crore

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): ₹ 7.20 crore

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year 2018-19: ₹ 7.20 crore

b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year as per the table below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Project (s) or programme (s) (1) Local area or other (2) Specify the state and district where project(s) or programme(s) was undertaken**	**Amount outlay (budget) project(s) or programme(s) wise (in ₹)**	**Amount spent on the project(s) or programme(s) sub heads 1. Direct expenditure on project(s) or programme(s) 2. Overheads (in ₹)**	**Cumulative expenditure up to the reporting period (in ₹)**	**Amount spent: Direct or through implementing agency (in ₹)**
1.	Skill Training in • Electric Domestic Solution and/or • Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Baddi, Himachal Pradesh	67,20,000	Direct Expenditure: 67,20,000 Overheads: Nil	67,20,000	Implementing Agency
2.	Skill Training in • Electric Domestic Solution and/or • Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Guwahati, Assam	62,70,000	Direct Expenditure: 62,70,000 Overheads: Nil	1,29,90,000	Implementing Agency
3.	Skill Training in • Electric Domestic Solution and/or • Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Ahmednagar, Maharashtra	97,68,800	Direct Expenditure: 97,68,800 Overheads:Nil	2,27,58,800	Implementing Agency
4.	Skill Training in • Electric Domestic Solution and/or • Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Vadodara, Gujarat	34,68,300	Direct Expenditure: 34,68,300 Overheads: NIl	2,62,27,100	Implementing Agency
5.	Skill Training in • Multiskilled Technician (Electrical) and/or • Plumbing	Employment enhancing vocational skills	Coimbatore, Tamil Nadu	34,20,000	Direct Expenditure: 34,20,000 Overheads: NIl	2,96,47,100	Implementing Agency
6.	Citizenship and life skill sessions in 5 Schools in Mumbai through CMCA	Promoting Education	Mumbai, Maharashtra	3,75,000	Direct Expenditure: 3,75,000 Overheads: NIl	3,00,22,100	Implementing Agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Project (s) or programme (s) (1) Local area or other (2) Specify the state and district where project(s) or programme(s) was undertaken**	**Amount outlay (budget) project(s) or programme(s) wise (in ₹)**	**Amount spent on the project(s) or programme(s) sub heads 1. Direct expenditure on project(s) or programme(s) 2. Overheads (in ₹)**	**Cumulative expenditure up to the reporting period (in ₹)**	**Amount spent: Direct or through implementing agency (in ₹)**
7.	Skills Training in • Electric Domestic Solution and/or • Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Mumbai, Maharashtra	18,00,000	Direct Expenditure: 18,00,000 Overheads: Nil	3,18,22,100	Implementing Agency
8.	Skills Training in • Mechanical, Electrical and Plumbing (MEP) • Domestic and International Courses	Employment enhancing vocational skills	Jharkhand and Odisha	77,29,438	Direct Expenditure: 77,29,438 Overheads: Nil	3,95,51,538	Implementing Agency
9.	Skills Training In • Electric Domestic Solution and/ or • Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Baddi, Himachal Pradesh	33,00,000	Direct Expenditure: 33,00,000 Overheads: Nil	4,28,51,538	Implementing Agency
10.	Implementing Rain Water Harvesting in • Lady Sivaswami School • Fishermen's Colony, • CMC, Vellore	Promoting Environmental Sustainability	Vellore and Chennai, Tamil Nadu	37,59,500	Direct Expenditure: 37,59,500 Overheads: Nil	4,66,11,038	Implementing Agency
11.	Rainwater Harvesting in • TMC School No. 11 • TMC school No. 60 • TMC School No. 44	Promoting Environmental Sustainability	Thane, Maharashtra	20,05,600	Direct Expenditure: 20,05,600 Overheads: Nil	4,86,16,638	Implementing Agency
12.	Rainwater Harvesting at Dharamvir Anand Dighe Jidd Special School	Promoting Environmental Sustainability	Thane, Maharashtra	8,76,500	Direct Expenditure: 8,76,500 Overheads: Nil	4,94,93,138	Implementing Agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Project (s) or programme (s) (1) Local area or other (2) Specify the state and district where project(s) or programme(s) was undertaken**	**Amount outlay (budget) project(s) or programme(s) wise (in ₹)**	**Amount spent on the project(s) or programme(s) sub heads 1. Direct expenditure on project(s) or programme(s) 2. Overheads (in ₹)**	**Cumulative expenditure up to the reporting period (in ₹)**	**Amount spent: Direct or through implementing agency (in ₹)**
13.	Rainwater Harvesting project in Delhi Haat	Promoting Environmental Sustainability	Delhi	37,48,800	Direct Expenditure: 37,48,800 Overheads: Nil	5,32,41,938	Implementing Agency
14.	Rainwater Harvesting in Govt. Schools	Promoting Environmental Sustainability	Baddi, Himachal Pradesh	25,41,608	Direct Expenditure: 25,41,608 Overheads: Nil	5,57,83,546	Implementing Agency
15.	Rainwater Harvesting	Promoting Environmental Sustainability	Ahmednagar, Maharashtra	2,39,715	Direct Expenditure: 2,39,715 Overheads: Nil	5,60,23,261	Direct
16.	Rainwater Harvesting	Promoting Environmental Sustainability	Ahmednagar, Maharashtra	2,56,367	Direct Expenditure: 2,56,367 Overheads: Nil	5,62,79,628	Direct
17.	Water Conservation - Delhi	Promoting Environmental Sustainability	New Delhi	6,19,360	Direct Expenditure: 6,19,360 Overheads: Nil	5,68,98,988	Implementing Agency
18.	Water Conservation - Baddi	Promoting Conservation of Natural Resources	Baddi, Himachal Pradesh	5,86,880	Direct Expenditure: 5,86,880 Overheads: Nil	5,74,85,868	Implementing Agency
19.	Water Conservation at Vivekanand Rock Memorial & Vivekanand Kendra	Promoting Conservation of Natural Resources	Pimpalad, Maharashtra	23,00,000	Direct Expenditure: 23,00,000 Overheads: Nil	5,97,85,868	Direct
20.	Watershed Programme in Vanarai	Promoting Environmental Sustainability	Aurangabad, Maharashtra	28,03,125	Direct Expenditure: 28,03,125 Overheads: Nil	6,25,88,993	Implementing Agency
21.	Human Healthcare	Promoting Healthcare	Mumbai, Maharashtra	50,000	Direct Expenditure: 50,000 Overheads: Nil	6,26,38,993	Implementing Agency
22.	Rainwater Harvesting	Promoting Environmental Sustainability	Ahmednagar, Maharashtra	7,50,000	Direct Expenditure: 7,50,000 Overheads: Nil	6,33,88,993	Implementing Agency
23.	Contribution to Disaster Relief-Flood	Promoting Healthcare	Kerala	5,00,000	Direct Expenditure: 5,00,000 Overheads: Nil	6,38,88,993	Direct
24.	Contribution to Disaster Relief-Flood	Promoting Healthcare	Kerala	68,17,142	Direct Expenditure: 25,41,608 Overheads: Nil	7,07,06,135	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Project (s) or programme (s) (1) Local area or other (2) Specify the state and district where project(s) or programme(s) was undertaken**	**Amount outlay (budget) project(s) or programme(s) wise (in ₹)**	**Amount spent on the project(s) or programme(s) sub heads 1. Direct expenditure on project(s) or programme(s) 2. Overheads (in ₹)**	**Cumulative expenditure up to the reporting period (in ₹)**	**Amount spent: Direct or through implementing agency (in ₹)**
25.	Provided Fans to Local School	Promoting Education	Akole, Ahmednagar, Maharashtra	17,790	Direct Expenditure: 17,790 Overheads: Nil	7,07,23,925	Direct
26.	Provided Fans to Rotary Club	Promoting Healthcare and Education	Mumbai, Maharashtra	16,062	Direct Expenditure: 16,062 Overheads: Nil	7,07,39,987	Direct
27.	Charity for football game	Promoting Sports	Andheri Mumbai	50,000	Direct Expenditure: 50,000 Overheads: Nil	7,07,89,987	Direct
28.	Desilting	Promoting Environmental Sustainability	Kural, Vadodara, Gujarat	2,40,872	Direct Expenditure: 2,40,872 Overheads: Nil	7,10,30,859	Implementing Agency
29.	Lift Irrigation for Farmers	Promoting Environmental Sustainability	Mumbai, Maharashtra	10,16,948	Direct Expenditure: 10,16,948 Overheads: Nil	7,20,47,807	Implementing Agency
Total Amount Spent for the Financial Year 2018-19						**7,20,47,807**	

6. Reasons for not spending the amount during the financial year:

Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company is reproduced below:

"We hereby affirm that CSR Policy, as recommended by CSR Committee and approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with Company's CSR objectives."

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director & Chairman CSR Committee
DIN: 00059877

Place : Mumbai
Date : 21st May, 2019

ANNEXURE 5
SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
Crompton Greaves Consumer Electricals Limited
Tower 3, 1st Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla West, Mumbai - 400 070

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 compliance 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 and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, 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 maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

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

(ii) The Securities Contracts (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;

(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;

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

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the period under review not applicable to the Company);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company).

(vi) Bureau of Indian Standards:

The National Standards Body of India

(vii) Bureau of Energy Efficiency (Government of India, Ministry of Power).

We have examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India;

(b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the 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 is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decisions are carried through while the dissenting members, views, if any, are captured and recorded as part of the minutes.

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

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

- The Nomination and Remuneration Committee approved Grant of ESOP under the Crompton ESOP Plan (ESOP 2016) on 15th May, 2018 to eligible employees - 5,20,000 options at an exercise price of ₹ 235.20 per Stock Option.

- The allotment committee has passed the following resolutions for allotment of equity shares under the provisions of Employee Stock Option Scheme – 2016

Sr. no.	Date of the resolution passed	Number of shares allotted
1.	17th May, 2018	25,575
2.	19th December, 2018	99,151
3.	19th February, 2019	45,376
4.	16th March, 2019	30,713

- The members at the Annual General Meeting held on 25th July, 2018 approved dividend of ₹ 1.75 per share for financial year 2017-18.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No. : 9409
CP No. : 11226

Place : Mumbai
Date : 21st May, 2019

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

ANNEXURE A

To,
The Members,
Crompton Greaves Consumer Electricals Limited
Tower 3, 1st Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla West, Mumbai - 400 070

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

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

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

5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in points vi and vii, of our Secretarial Audit Report in Form No. MR-3, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7. 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 **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No. : 9409
CP No. : 11226

Place : Mumbai
Date : 21st May, 2019

ANNEXURE 6

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

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for 2018-19:

The median remuneration of employees of the Company during 2018-19 was ₹ 6,41,376/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sr. No.	Name of Director	Designation	Remuneration of Director for 2018-19	Ratio of Remuneration of each Director to Median Remuneration of employees for 2018-19
1	Mr. Shantanu Khosla (DIN: 00059877)	Managing Director#	₹ 7,49,81,676	116.91
2	Mr. H. M. Nerurkar (DIN: 00265887)	Chairman, Independent Director ^	₹ 19,30,000	3.01
3	Mr. D. Sundaram (DIN: 00016304)	Independent Director ^	₹ 18,30,000	2.85
4	Mr. P. M. Murty (DIN: 00011179)	Independent Director ^	₹15,20,000	2.37
5	Ms. Shweta Jalan (DIN: 00291675)	Non - Executive Director	Nil	N.A.
6	Mr. Sahil Dalal (DIN: 07350808)	Non - Executive Director	Nil	N.A.
7	Mr. Promeet Ghosh (05307658)	Non - Executive Director	Nil	N.A.
8	Ms. Smita Anand* (DIN: 00059228)	Independent Director ^	₹ 50,000	0.08

The remuneration to MD includes fixed pay, variable pay and retiral benefits. Variable pay is for 2017-18 paid in 2018-19.

^ The remuneration of Independent Directors consists of sitting fee and commission. Commission is for 2017-18 paid in 2018-19.

* Appointed as an additional Independent Director with effect from 10th December, 2018.

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

The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2018-19 is provided in the table below:

Sr. No.	Name of Director / KMP	Designation	% increase in Remuneration in 2018-19
1	Mr. Shantanu Khosla	Managing Director	3.26%
2	Mr. Mathew Job	Chief Executive Officer	3.07%
3	Mr. Sandeep Batra	Chief Financial Officer	4.64%
4	Ms. Pragya Kaul	Company Secretary & Compliance Officer	42.03%

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

In the Financial Year, there was an increase of 8% in the median remuneration of employees.

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

There were 1,725 permanent employees on the rolls of the Company as on 31st March, 2019.

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 i.e. 2018-19 was 10.74%, whereas the increase in the managerial remuneration for the financial year 2018-19 was 4.14%.

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

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

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

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

"Median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.

If there is an even number of observations, the median shall be the average of the two middle values.

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

ANNEXURE 7

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	:	L31900MH2015PLC262254
ii.	Registration Date	:	25/02/2015
iii.	Name of the Company	:	Crompton Greaves Consumer Electricals Ltd.
iv.	Category/Sub-Category of the Company	:	Category: Company Limited by Shares; Sub-Category: Indian Non-Government Company
v.	Address of the Registered office and contact details	:	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400070 Contact Details: +91 022-61678499 Fax Number: +91 022-61678383 E-mail Id: crompton.investorrelations@crompton.co.in
vi.	Whether listed Company	:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Pvt. Ltd. Unit: Crompton Greaves Consumer Electricals Ltd. Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Phone: +91 040 67161510 Toll Free No.: 1800-345-4001 www.karvyfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products/Services		NIC Code of the Product/Service	% to total turnover of the Company
1.	Electrical Consumer Durables (Fans, Pumps and Appliances)	27501,27502,27503,28132	71.75
2.	Lighting Products (Luminaire, Light Sources)	27400	28.25

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Nexustar Lighting Project Private Limited 302, A-Wing, Business Square, Andheri - Kurla Road, Chakala, Andheri (East), Mumbai - 400 093	U74999MH2019PTC318955	**Subsidiary**	100%	2(87) of the Companies Act, 2013
2.	Pinnacles Lighting Project Private Limited 302, A - Wing, Business Square, Andheri - Kurla Road, Chakala, Andheri (East), Mumbai - 400 093	U74999MH2018PTC318891	**Subsidiary**	100%	2(87) of the Companies Act, 2013

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i Category-wise Shareholding:

Category of Shareholders	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c. State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
2. Foreign									
a. NRI – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	14,00,60,033	0	14,00,60,033	22.34	14,00,60,033	0	14,00,60,033	22.34	0.00
d. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**0.00**
Total Shareholding of Promoter A = (A) (1) + (A) (2)	**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**0.00**
B. Public Shareholding									
i. Institutions									
a. Mutual Funds/UTI	6,72,27,089	5,166	6,72,32,255	10.73	8,91,18,336	5,166	8,91,23,502	14.21	3.48
b. Banks/FI	2,61,63,016	79,360	2,62,42,376	4.19	2,74,91,603	79,360	2,75,70,963	4.40	0.21
c. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d. State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. Foreign Institutional Investors	21,80,08,760	80,362	21,80,89,122	34.79	19,09,67,659	80,362	19,10,48,021	30.47	(4.32)
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. Alternate Investment Funds	33,36,266	0	33,36,266	0.53	18,00,864	0	18,00,864	0.29	(0.24)
j. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1)	**31,47,35,131**	**1,64,888**	**31,49,00,019**	**50.24**	**30,93,78,462**	**1,64,888**	**30,95,43,350**	**49.37**	**(0.87)**
ii. Non – Institutions									
a. Bodies Corporate									
I. Indian	3,97,52,041	33,161	3,97,85,202	6.35	4,39,35,668	30,711	4,39,66,379	7.01	0.66
II. Foreign	7,54,04,873*	0	7,54,04,873*	12.03	7,54,04,873*	0	7,54,04,873*	12.03	0.00
II. Overseas	61,250	350	61,600	0.01	61,250	350	61,600	0.01	0.00
b. Individual									
I. Individual shareholders holding nominal share capital upto ₹ 1 Lakh	3,54,20,724	44,85,312	3,99,06,036	6.37	3,80,37,040	38,51,789	4,18,88,829	6.68	0.31
II. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	1,13,82,697	1,21,520	1,15,04,217	1.84	1,04,18,657	1,21,520	1,05,40,177	1.68	(0.16)
c. Others									
I. Trust	3,73,156	0	3,73,156	0.06	1,20,214	0	1,20,214	0.02	(0.04)
II. Clearing Members	8,17,104	85	8,17,189	0.13	7,94,969	85	7,95,054	0.13	0.00
III. Foreign Nationals	3,158	0	3,158	0.00	5,083	0	5,083	0.00	0.00
IV. Non Resident Indians	11,29,865	58,385	11,88,250	0.19	13,80,113	55,778	14,35,891	0.23	0.04
V. NBFC registered with RBI	1,31,047	0	1,31,047	0.02	15,605	0	15,605	0.00	(0.02)
VI. Others	26,50,325	0	26,50,325	0.42	31,48,832	0	31,48,832	0.50	0.08
Sub-Total (B)(2)	**16,71,26,240**	**46,98,813**	**17,18,25,053**	**27.42**	**17,33,22,304**	**40,60,233**	**17,73,82,537**	**28.29**	**0.87**
Total Public Shareholding (B)=(B) (1)+ (B)(2)	**48,18,61,371**	**48,63,701**	**48,67,25,072**	**77.66**	**48,27,00,766**	**42,25,121**	**48,69,25,887**	**77.66**	**0.01**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**62,19,21,404**	**48,63,701**	**62,67,85,105**	**100.00**	**62,27,60,799**	**42,25,121**	**62,69,85,920**	**100.00**	**0.00**

Notes:- * *MacRitchie Investments Pte. Ltd. is a person acting in concert with Amalfiaco Ltd. and Nirsinia Ltd. MacRitchie Investments Pte. Ltd. has entered into an Inter-se Agreement dated 23rd April, 2015 with Amalfiaco Ltd. and Nirsinia Ltd. ("Inter-se Agreement"). Pursuant to the Inter-se Agreement, MacRitchie Investments Pte. Ltd. does not have control rights and will not be exercising control over the Company.*

ii. Promoters Shareholding:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	
1	*Amalfiaco Ltd.	*14,00,37,623	22.34	22.34	*14,00,37,623	22.34	14.60	0.00
2	Nirsinia Ltd.	22,410	0.00	Nil	22,410	0.00	Nil	0.00
	Total	**14,00,60,033**	**22.34**	**22.34**	**14,00,60,033**	**22.34**	**14.60**	**N.A**

Notes:-

* *Encumbrance over 10,52,51,008 equity shares held by Amalfiaco Ltd. (Promoter) in the Company as a security towards loan taken by Amalfiaco Ltd.*

iii. Changes in Promoters Shareholding:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	Increase	Decrease	No. of Shares	% of total Shares of the Company
1	Amalfiaco Ltd.	14,00,37,623	22.34	Nil	Nil	14,00,37,623	22.34
2	Nirsinia Ltd.	22,410	0.00	Nil	Nil	22,410	0.00
	Total	**14,00,60,033**	**22.34**	**Nil**	**Nil**	**14,00,60,033**	**22.34**

iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

We have combined all the folios (PAN wise) to give a fair representation of the total holding.

I. MACRITCHIE INVESTMENTS PTE. LTD.*

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 01/04/2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		7,54,04,873	12.03	Nil		
At the end of the year - 31/03/2019					7,54,04,873	12.03

* MacRitchie Investments Pte. Ltd. is a person acting in concert with Amalfiaco Ltd. and Nirsinia Ltd. MacRitchie Investments Pte. Ltd. has entered into an *Inter-se Agreement* dated 23rd April, 2015 with Amalfiaco Ltd. and Nirsinia Ltd. ("*Inter-se Agreement*"). Pursuant to the *Inter-se Agreement*, MacRitchie Investments Pte. Ltd. does not have control rights and will not be exercising control over the Company.

II. ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		25,11,1463	4.01			
06/04/2018	Increase/Transfer			26,500	2,51,37,963	4.01
20/04/2018	Increase/Transfer			8,37,800	2,59,75,763	4.14
18/05/2018	Increase/Transfer			10,18,000	2,69,93,763	4.31
25/05/2018	Increase/Transfer			13,85,500	2,83,79,263	4.53
25/05/2018	Decrease/Transfer			-94,000	2,82,85,263	4.51
01/06/2018	Increase/Transfer			11,04,500	2,93,89,763	4.69
08/06/2018	Increase/Transfer			1,54,000	2,95,43,763	4.71
08/06/2018	Decrease/Transfer			-62,264	2,94,81,499	4.70
22/06/2018	Increase/Transfer			2,50,000	2,97,31,499	4.74
29/06/2018	Increase/Transfer			14,600	2,97,46,099	4.75
06/07/2018	Increase/Transfer			4,08,000	3,01,54,099	4.81
13/07/2018	Increase/Transfer			5,63,000	3,07,17,099	4.90
20/07/2018	Increase/Transfer			3,72,500	3,10,89,599	4.96
27/07/2018	Increase/Transfer			1,92,000	3,12,81,599	4.99
17/08/2018	Decrease/Transfer			-1,48,000	3,11,33,599	4.97
24/08/2018	Decrease/Transfer			-74,000	3,10,59,599	4.96
14/09/2018	Increase/Transfer			60,000	3,11,19,599	4.96
05/10/2018	Increase/Transfer			8,20,000	3,19,39,599	5.10
05/10/2018	Decrease/Transfer			-10,00,000	3,09,39,599	4.94
12/10/2018	Increase/Transfer			6,35,500	3,15,75,099	5.04
19/10/2018	Increase/Transfer			50,000	3,16,25,099	5.05
02/11/2018	Increase/Transfer			3,04,800	3,19,29,899	5.09
02/11/2018	Decrease/Transfer			-1,59,770	3,17,70,129	5.07
04/01/2019	Increase/Transfer			90,000	3,18,60,129	5.08
04/01/2019	Decrease/Transfer			-42,000	3,18,18,129	5.08
08/02/2019	Increase/Transfer			2,70,000	3,20,88,129	5.12
15/02/2019	Increase/Transfer			1,04,000	3,21,92,129	5.14
29/03/2019	Decrease/Transfer			-32,794	3,21,59,335	5.13
At the end of the year -31/03/2019					3,21,59,335	5.13

III. LIFE INSURANCE CORPORATION OF INDIA

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		2,05,21,388	3.27	Nil		
At the end of the year - 31/03/2019					2,05,21,388	3.27

IV. AMANSA HOLDINGS PRIVATE LIMITED

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year 01/04/2018		1,75,52,797	2.80			
15/02/2019	Increase/Transfer			1,500	1,75,54,297	2.80
22/02/2019	Decrease/Transfer			5,43,743	1,80,98,040	2.89
At the end of the year- 31/03/2019					1,80,98,040	2.89

V. FRANKLIN TEMPLETON INVESTMENT FUNDS

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		1,70,82,884	2.73			
15/06/2018	Decrease/Transfer			-1,02,800	1,69,80,084	2.71
22/06/2018	Decrease/Transfer			-1,00,000	1,68,80,084	2.69
29/06/2018	Decrease/Transfer			-10,37,544	1,58,42,540	2.53
21/09/2018	Increase/Transfer			13,44,700	17,18,7240	2.74
28/09/2018	Increase/Transfer			15,52,322	1,87,39,562	2.99
12/10/2018	Increase/Transfer			16,60,600	2,04,00,162	3.25
19/10/2018	Increase/Transfer			3,26,263	2,07,26,425	3.31
23/11/2018	Increase/Transfer			1,49,275	2,08,75,700	3.33
At the end of the year- 31/03/2019					2,08,75,700	3.33

VI. HDFC TRUSTEE COMPANY LTD - HDFC EQUITY FUND

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		1,57,57,750	2.51			
20/04/2018	Increase/Transfer			5,00,000	1,62,57,750	2.59
20/04/2018	Decrease/Transfer			-4,50,000	1,58,07,750	2.52
25/05/2018	Decrease/Transfer			-61,250	1,57,46,500	2.51
08/06/2018	Decrease/Transfer			-4,000	1,57,42,500	2.51
27/07/2018	Increase/Transfer			58,000	1,58,00,500	2.52
03/08/2018	Increase/Transfer			10,00,000	1,68,00,500	2.68
28/09/2018	Increase/Transfer			3,00,000	1,71,00,500	2.73
02/11/2018	Increase/Transfer			16,02,000	1,87,02,500	2.98
16/11/2018	Increase/Transfer			5,00,000	1,92,02,500	3.06
15/02/2019	Decrease/Transfer			-2,00,000	1,90,02,500	3.03
At the end of the year-31/03/2019					1,90,02,500	3.03

VII. NOMURA INDIA INVESTMENT FUND MOTHER FUND

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		1,50,32,273	2.40			
25/05/2018	Decrease/Transfer			-2,65,000	1,47,67,273	2.36
10/08/2018	Decrease/Transfer			-5,00,000	1,42,67,273	2.28
17/08/2018	Decrease/Transfer			-1,50,000	1,41,17,273	2.25
24/08/2018	Decrease/Transfer			-9,15,000	1,32,02,273	2.11
07/09/2018	Decrease/Transfer			-82,706	1,31,19,567	2.09
12/10/2018	Decrease/Transfer			-7,50,000	1,23,69,567	1.97
26/10/2018	Decrease/Transfer			-10,00,000	1,13,69,567	1.81
14/12/2018	Decrease/Transfer			-5,00,000	1,08,69,567	1.73
25/01/2019	Decrease/Transfer			-6,00,000	1,02,69,567	1.64
08/02/2019	Decrease/Transfer			-2,00,000	1,00,69,567	1.61
08/03/2019	Decrease/Transfer			-80,000	99,89,567	1.59
At the end of the year-31/03/2019					99,89,567	1.59

VIII. SMALLCAP WORLD FUND, INC

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		1,41,81,718	2.26			
06/04/2018	Decrease/Transfer			-7,19,220	1,34,62,498	2.15
13/04/2018	Decrease/Transfer			-44,47,516	90,14,982	1.44
27/04/2018	Decrease/Transfer			-29,94,982	60,20,000	0.96
25/05/2018	Decrease/Transfer			-17,10,350	43,09,650	0.69
13/07/2018	Decrease/Transfer			-1,44,530	41,65,120	0.66
20/07/2018	Decrease/Transfer			-96,414	40,68,706	0.65
27/07/2018	Decrease/Transfer			-40,68,706	0	0.00
At the end of the year- 31/03/2019					0	0.00

IX. NORDEA 1 SICAV - ASIAN FOCUS EQUITY FUND

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 01/04/ 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year – 01/04/2018		1,34,03,970	2.14			
06/04/2018	Decrease/Transfer			-55,301	1,33,48,669	2.13
13/04/2018	Decrease/Transfer			-79,246	1,32,69,423	2.12
20/04/2018	Decrease/Transfer			-1,60,607	1,31,08,816	2.09
18/05/2018	Decrease/Transfer			-9,99,306	1,21,09,510	1.93
25/05/2018	Decrease/Transfer			-40,154	1,20,69,356	1.93
01/06/2018	Decrease/Transfer			-3,05,325	1,17,64,031	1.88
15/06/2018	Decrease/Transfer			-1,00,949	1,18,64,980	1.89
15/06/2018	Decrease/Transfer			-1,00,949	1,17,64,031	1.88
29/06/2018	Decrease/Transfer			-39,732	1,17,24,299	1.87
06/07/2018	Increase/Transfer			43,269	1,17,67,568	1.88
20/07/2018	Decrease/Transfer			-24,932	1,17,42,636	1.87
27/07/2018	Decrease/Transfer			-41,787	1,17,00,849	1.87
24/08/2018	Decrease/Transfer			-1,26,064	1,15,74,785	1.85
31/08/2018	Decrease/Transfer			-11,812	1,15,62,973	1.84
07/09/2018	Increase/Transfer			29,490	1,15,92,463	1.85
28/09/2018	Decrease/Transfer			-12,029	1,15,80,434	1.85
05/10/2018	Decrease/Transfer			-33,846	1,15,46,588	1.84
12/10/2018	Increase/Transfer			30,895	1,15,77,483	1.85
19/10/2018	Decrease/Transfer			-1,97,493	1,13,79,990	1.82
02/11/2018	Decrease/Transfer			-20,188	1,13,59,802	1.81
16/11/2018	Decrease/Transfer			-72,915	1,12,86,887	1.80

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 01/04/ 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
23/11/2018	Decrease/Transfer			-42,578	1,12,44,309	1.79
30/11/2018	Increase/Transfer			40,996	1,12,85,305	1.80
07/12/2018	Increase/Transfer			1,22,299	1,14,07,604	1.82
07/12/2018	Decrease/Transfer			-52,932	1,13,54,672	1.81
14/12/2018	Decrease/Transfer			57,339	1,14,12,011	1.82
14/12/2018	Decrease/Transfer			-51,414	1,13,60,597	1.81
21/12/2018	Decrease/Transfer			-35,778	1,13,24,819	1.81
31/12/2018	Decrease/Transfer			-56,184	1,12,68,635	1.80
04/01/2019	Decrease/Transfer			-14,920	1,12,53,715	1.80
11/01/2019	Decrease/Transfer			-2,82,225	1,09,71,490	1.75
18/01/2019	Decrease/Transfer			-2,57,492	1,07,13,998	1.71
25/01/2019	Decrease/Transfer			-3,76,756	1,03,37,242	1.65
01/02/2019	Decrease/Transfer			-2,77,133	1,00,60,109	1.60
08/02/2019	Decrease/Transfer			-2,03,723	98,56,386	1.57
15/02/2019	Decrease/Transfer			-2,47,494	9,60,88,92	1.53
22/02/2019	Decrease/Transfer			-2,21,677	93,87,215	1.50
15/03/2019	Decrease/Transfer			-84,532	93,02,683	1.48
At the end of the year-31/03/2019					93,02,683	1.48

X. **HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		1,22,94,052	1.96			
06/04/2018	Increase/Transfer			11,00,000	1,33,94,052	2.14
13/04/2018	Decrease/Transfer			-3,969	1,33,90,083	2.14
20/04/2018	Increase/Transfer			1,95,286	1,35,85,369	2.17
04/05/2018	Increase/Transfer			3,314	1,35,88,683	2.17
11/05/2018	Decrease/Transfer			-1,00,016	1,34,88,667	2.15
18/05/2018	Increase/Transfer			5,12,451	1,40,01,118	2.23
25/05/2018	Decrease/Transfer			-22,456	1,39,78,662	2.23
01/06/2018	Increase/Transfer			1,11,067	1,40,89,729	2.25
08/06/2018	Increase/Transfer			71,568	1,41,61,297	2.26
22/06/2018	Increase/Transfer			4,00,651	1,45,61,948	2.32
29/06/2018	Decrease/Transfer			-97,881	1,44,64,067	2.31
06/07/2018	Decrease/Transfer			-1,02,661	1,43,61,406	2.29
13/07/2018	Decrease/Transfer			-1,21,808	1,42,39,598	2.27
20/07/2018	Increase/Transfer			1,404	1,42,41,002	2.27

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
27/07/2018	Decrease/Transfer			-20,211	1,42,20,791	2.27
03/08/2018	Decrease/Transfer			-5,700	1,42,15,091	2.27
10/08/2018	Decrease/Transfer			-49,436	1,41,65,655	2.26
17/08/2018	Decrease/Transfer			-7,689	1,41,57,966	2.26
24/08/2018	Decrease/Transfer			-1,72,526	1,39,85,440	2.23
31/08/2018	Decrease/Transfer			-32,089	1,39,53,351	2.23
07/09/2018	Increase/Transfer			2,51,786	1,42,05,137	2.27
14/09/2018	Increase/Transfer			90,130	1,42,95,267	2.28
21/09/2018	Increase/Transfer			28,878	1,43,24,145	2.29
28/09/2018	Increase/Transfer			12,88,829	1,56,12,974	2.49
05/10/2018	Increase/Transfer			6,67,207	1,62,80,181	2.60
12/10/2018	Increase/Transfer			4,91,198	1,67,71,379	2.68
19/10/2018	Increase/Transfer			5,09,457	1,72,80,836	2.76
26/10/2018	Decrease/Transfer			-16,425	1,72,64,411	2.75
02/11/2018	Increase/Transfer			1,20,166	1,73,84,577	2.77
09/11/2018	Increase/Transfer			1,689	1,73,86,266	2.77
16/11/2018	Increase/Transfer			17,904	1,74,04,170	2.78
23/11/2018	Increase/Transfer			4,58,321	1,78,62,491	2.85
30/11/2018	Increase/Transfer			2,74,614	1,81,37,105	2.89
07/12/2018	Increase/Transfer			17,181	1,81,54,286	2.90
14/12/2018	Decrease/Transfer			-77,909	1,80,76,377	2.88
21/12/2018	Decrease/Transfer			-77,191	1,79,99,186	2.87
28/12/2018	Decrease/Transfer			-44,806	1,79,54,380	2.86
04/01/2019	Decrease/Transfer			-2,48,990	1,77,05,390	2.82
11/01/2019	Decrease/Transfer			-70,422	1,76,34,968	2.81
25/01/2019	Decrease/Transfer			-6,893	1,76,28,075	2.81
01/02/2019	Increase/Transfer			2,13,139	1,78,41,214	2.85
08/02/2019	Increase/Transfer			4,53,643	1,82,94,857	2.92
15/02/2019	Decrease/Transfer			-45,937	1,82,48,920	2.91
22/02/2019	Increase/Transfer			1,90,097	1,84,39,017	2.94
01/03/2019	Increase/Transfer			1,64,825	1,86,03,842	2.97
08/03/2019	Decrease/Transfer			-72	1,86,03,770	2.97
15/03/2019	Decrease/Transfer			-1,87,777	1,84,15,993	2.94
29/03/2019	Increase/Transfer			97,796	1,85,13,789	2.95
At the end of the year-31/03/2019					1,85,13,789	2.95

XI. UTI - UNIT LINKED INSURANCE PLAN

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2018)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
At the beginning of the year - 01/04/2018		66,98,647	1.07	,		
13/04/2018	Increase/Transfer			13,264	67,11,911	1.07
04/05/2018	Increase/Transfer			82,470	67,94,381	1.08
04/05/2018	Decrease/Transfer			-82,470	67,11,911	1.07
18/05/2018	Increase/Transfer			11,145	67,23,056	1.07
01/06/2018	Increase/Transfer			36,246	67,59,302	1.08
13/07/2018	Decrease/Transfer			-45,000	67,14,302	1.07
20/07/2018	Decrease/Transfer			-45,000	66,69,302	1.06
27/07/2018	Increase/Transfer			90,053	67,59,355	1.08
17/08/2018	Increase/Transfer			5,96,197	73,55,552	1.17
24/08/2018	Increase/Transfer			4,50,000	78,05,552	1.25
31/08/2018	Increase/Transfer			1,00,000	79,05,552	1.26
07/09/2018	Increase/Transfer			68,964	79,74,516	1.27
14/09/2018	Increase/Transfer			9,187	79,83,703	1.27
28/09/2018	Increase/Transfer			1,50,000	81,33,703	1.30
05/10/2018	Increase/Transfer			5,55,000	86,88,703	1.39
12/10/2018	Increase/Transfer			10,25,000	97,13,703	1.55
19/10/2018	Increase/Transfer			4,80,000	1,01,93,703	1.63
16/11/2018	Increase/Transfer			85,000	1,02,78,703	1.64
14/12/2018	Increase/Transfer			4,86,935	1,07,65,638	1.72
21/12/2018	Increase/Transfer			26,034	1,07,91,672	1.72
01/02/2019	Increase/Transfer			2,55,000	1,10,46,672	1.76
08/02/2019	Increase/Transfer			65,000	1,11,11,672	1.77
15/02/2019	Increase/Transfer			1,25,000	1,12,36,672	1.79
22/02/2019	Increase/Transfer			1,40,000	1,13,76,672	1.81
01/03/2019	Increase/Transfer			69,924	1,14,46,596	1.83
08/03/2019	Increase/Transfer			60,000	1,15,06,596	1.84
15/03/2019	Increase/Transfer			1,60,390	1,16,66,986	1.86
22/03/2019	Increase/Transfer			1,40,009	1,18,06,995	1.88
29/03/2019	Increase/Transfer			75,000	1,18,81,995	1.90
At the end of the year- 31/03/2019					1,18,81,995	1.90

XII. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
	Key Managerial Personnel	No. of Shares	% of total Shares of the Company	Increase	Decrease	No. of Shares	% of total Shares of the Company
1.	Mr. Mathew Job	793	0.00	Nil	Nil	793	0.00

V. INDEBTEDNESS:

(₹ in crore)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	650	-	-	650
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	44.31	-	-	44.31
Total (i+ii+iii)	694.31	-	-	694.31
Addition		-	-	
Reduction		-	-	
Net Change		-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	650	-	-	650
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	44.47	-	-	44.47
Total (i+ii+iii)	**694.47**	**-**	**-**	**694.47**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in crore)

Sr. No.	Particulars of Remuneration	Mr. Shantanu Khosla, Managing Director (DIN: 00059877)
1.	Gross Salary a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	3.51
2.	Stock Option	
3.	Sweat Equity	
4.	Commission • as % of profit • Others specify	
5.	Others, please specify (Variable Pay)*	3.99
	Total	**7.50**
	Ceiling as per the Act	5% of the Net Profit of the Company

** The variable pay is for 2017-18 paid in 2018-19.*

b. Remuneration to other Directors

(₹ in crore)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. P. M. Murty	Mr. D. Sundaram	Mr. H. M. Nerurkar	* Ms. Smita Anand	
1.	Independent Directors					
	a) Fee for attending Board/Committee meetings	0.05	0.06	0.06	0.00	0.18
	b) Commission**	0.10	0.12	0.13	N.A.	0.35
	c) Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	Total	**0.15**	**0.18**	**0.19**	**0.00**	**0.53**

Note: None of the Non-Executive Non-Independent Directors were paid any remuneration during the year 2018-19

* *Ms. Smita Anand was appointed as an Independent Director on 10th December, 2018.*

** The commission is for 2017-18 paid in 2018-19.

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Mathew Job (CEO)	Mr. Sandeep Batra (CFO)	Ms. Pragya Kaul (CS)	
1	Gross Salary a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	2.47	2.24	0.34	5.05
2	Stock Option				
3	Sweat Equity				
4	Commission • As % of profit • Others specify Others, please specify (Variable Pay)*	2.83	1.51	0.04	4.39
	Total	**5.30**	**3.76**	**0.38**	**9.44**

*The Variable pay is for 2017-18 paid in 2018-19.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

Type		Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A.	Company					
	Penalty					
	Punishment					
	Compounding					
B.	Directors					
	Penalty					
	Punishment			NA		
	Compounding					
C.	Other Officers in default					
	Penalty					
	Punishment					
	Compounding					

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

CORPORATE GOVERNANCE REPORT

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

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

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

2. BOARD OF DIRECTORS

a. COMPOSITION:

Your Company has formulated and adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse so as to benefit from fresh perspectives, new ideas and broad experience. As on the date of this Report, your Company has eight-member collectively forming part of Board of Directors. The Chairman, Mr. H. M. Nerurkar is an Independent Director. The Composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations.

Mr. Shantanu Khosla is the Managing Director. Mr. D. Sundaram, Mr. P. M. Murty and Ms. Smita Anand are Independent in terms of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 ("the Act").

Ms. Shweta Jalan, Mr. Sahil Dalal and Mr. Promeet Ghosh are Non-Executive Directors.

Ms. Smita Anand is Woman Independent Director in term of amended LODR.

Thus, as on 31st March, 2019, the Board of your Company comprises one Executive Director and seven Non-Executive Directors, of whom four are Independent Directors. Chairman is a Non-Executive Directors. The Company fulfils the requirement of composition of the Board of Directors as per the provisions of Regulation 17 of the Listing Regulations.

CONFIRMATION AS REGARDS INDEPENDENCE OF INDEPENDENT DIRECTORS

In the opinion of the Board, all the Independent Directors of the Company, fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

Table 1 gives the composition of the Board, and the number of outside Directorships held by each Director. None of the Directors are related to each other.

TABLE 1

Composition of the Board of Directors as on 31st March, 2019

Name	Particulars	Other Board/Committee Memberships		
		Directorships*	Committee Memberships**	Committee Chairmanships**
Mr. H. M. Nerurkar	Chairman, Independent Director	3	3	2
Mr. Shantanu Khosla	Managing Director	-	-	-
Mr. D. Sundaram	Independent Director	4	6	4
Mr. P. M. Murty	Independent Director	-	2	-
Ms. Shweta Jalan	Non-Executive Director	-	-	-
Mr. Sahil Dalal	Non-Executive Director	-	-	-
Mr. Promeet Ghosh	Non-Executive Director	-	-	-
Ms. Smita Anand#	Independent Director	-	-	-

\# *Appointed w.e.f. 10th December, 2018*

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

** *For the purpose of calculating the above, only Audit and Stakeholders' Relationship and Share Transfer Committee in public limited companies, whether listed or not, are considered – Regulation 26(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.*

TABLE 2

List of Directorship Held in Other Listed Companies

Name	Name of the other Listed Entity	Category of Directorship
Mr. H. M. Nerurkar	(i) Adani Enterprise Limited (ii) NCC Limited (iii) Igarshi Motors India Limited	(i) Independent Director (ii) Independent Director (iii) Independent Director
Mr. D. Sundaram	(i) Infosys Limited (ii) GlaxoSmithkline Pharmaceuticals Limited (iii) TVS Electronics Limited (iv) ACC Limited	(i) Independent Director (ii) Independent Director (iii) Non-Executive Director (iv) Independent Director

b. BOARD MEETINGS:

Board Procedure

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

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

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

To enable the Board to discharge its responsibilities effectively and take informed decisions, the MD & CEO apprises the Board at every Meeting of the overall performance of your Company, followed by Presentation(s) by the others. A detailed functional Report is also presented at the Board Meeting(s).

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

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance,

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

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

The meetings are generally held at the Company's Registered & Corporate Office at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.

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

The Board of your Company met at least once in every quarter and the gap between two board meetings did not exceed period of One hundred and twenty days (120).There were 06 Board Meetings held during 2018-19.

TABLE 3

Attendance Record of the Directors for Year 2018-19

Name	Board Meetings							Last AGM
	15.5.2018	25.7.2018	25.10.2018	10.12.2018	29.01.2019	26.03.2019	27.03.2019#	25.07.2018
Mr. H. M. Nerurkar (DIN: 00265887)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Shantanu Khosla (DIN: 00059877)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. D. Sundaram (DIN: 00016304)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. M. Murty (DIN: 00011179)	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Ms. Shweta Jalan (DIN: 00291675)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sahil Dalal (DIN: 07350808)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Promeet Ghosh (DIN: 05307658)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Smita Anand* (DIN: 00059228)	NA	NA	NA	NA	Yes	No	No	NA

* Appointed w.e.f. 10th December, 2018

\# Board Meeting held on 26th March, 2019 was adjourned to 27th March, 2019.

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, a meeting of the Independent Directors was held on 25th October, 2018. All Independent Directors were present at the meeting to discuss the performance evaluation of the Non-Independent Directors & the Board and Chairman and assess information flow from management to the Board.

c. FAMILIARISATION PROGRAMME

All new Non-Executive Directors inducted to the Board are introduced to the Company's culture through orientation programme. MD, CEO and senior management provide an overview of operations and familiarize the new Non-Executive Directors with the organisation structure, Board procedures, operations of the Company etc.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducted various familiarisation programmes for its Directors including review of Industry Outlook at the Board Meetings, Regulatory updates at Board and Audit Committee Meetings, Presentations on Internal Control over Financial Reporting, Prevention of Insider Trading Regulations, SEBI Listing Regulations, Framework for Related Party Transactions, etc. Pursuant to Regulation 46 of the Listing Regulation, the details required are available on the website of your Company at the web link at https://www.crompton.co.in/media Familiarisation-Programme- for-FY-2018-19.pdf.

d. DIRECTORS' REMUNERATION

A. Remuneration Policy

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

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

B. Non-Executive Independent Directors Compensation

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

The remuneration of Non-Executive Independent Directors is given in Table 4.

TABLE 4

Compensation of Non-Executive Independent Directors of the Company

(₹ in crore)

	Sitting Fees	Commission	Total
Mr. H.M.Nerurkar	0.06	0.13**	0.19
Mr. D.Sundaram	0.06	0.12**	0.18
Mr. P. M. Murty	0.05	0.10**	0.15
Ms. Smita Anand*	0.00	0.00**	0.00

None of the Non-Executive Non-Independent Directors were paid any remuneration.

** Appointed as an additional Independent Director with effect from 10th December, 2018.*

*** Commission paid for the year 2017-18.*

C. Directors' Remuneration

The annual remuneration package of Mr. Shantanu Khosla, Managing Director comprises a fixed salary component including a basket of allowances/ reimbursements and a Variable Pay component. A service agreement exists with Mr. Shantanu Khosla which contains his terms and conditions of service, including remuneration, notice period, severance compensation, etc., as approved by the Nomination and Remuneration Committee and the Board of Directors, from time to time.

The remuneration paid to Mr. Shantanu Khosla in 2018-19 was as follows:

(₹ in crore)

Annual Salary	3.51
Variable Pay*	3.99
Total	**7.50**

* The Variable pay is for 2017-18 paid in 2018-19.

e. CODE OF CONDUCT:

Your Company has a Code of Conduct for Directors and senior management that reflects its high standards of integrity and ethics. The Directors and senior management of the Company have affirmed their adherence to this

Code of Conduct for 2018-19. As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Shantanu Khosla, as the Company's Managing Director, has signed a declaration, stating that the Board of Directors and senior management personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report. The Code of Conduct also includes code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013.

This Code is available on the Company's website https://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf

f. DIRECTORS SHAREHOLDING:

As on 31st March, 2019, none of the Directors hold any shares and/or convertible instruments in the Company except for the Managing Director who has been granted Stock Options.

g. COMMITTEES OF THE BOARD:

1. AUDIT COMMITTEE:

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on 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 SEBI Regulations.

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

The Audit Committee also meets the Internal Auditors and Statutory Auditors without the presence of the management.

Meetings of the Audit Committee are also attended by Chief Executive Officer, Chief Financial Officer, Company Secretary, Vice President of Finance, Internal Auditor and the Statutory Auditor.

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

Terms of reference of Audit Committee are:

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

There were 5 Audit Committee Meetings held during 2018-19.

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

TABLE 5
Audit Committee Meetings

Name	Designation	15.5.2018	25.7.2018	09.10.2018	25.10.2018	29.01.2019
Mr. D. Sundaram	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. P. M. Murty	Member	Yes	Yes	Yes	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	Yes	Yes	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes	Yes	Yes	Yes

2. NOMINATION AND REMUNERATION COMMITTEE (NRC):

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

Terms of reference of Nomination and Remuneration Committee are:

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

There were 3 Nomination and Remuneration Committee Meetings held during 2018-19. The Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary also attended the meeting.

The Vice-President of Human Resource also attended the Meeting for discussion of certain items.

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

TABLE 6

Nomination and Remuneration Committee Meetings				
Name	**Designation**	**15.5.2018**	**25.10.2018**	**29.01.2019**
Mr. P. M. Murty	Chairman	Yes	Yes	Yes
Mr. D. Sundaram	Member	Yes	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes	Yes
Mr. Promeet Ghosh	Member	Yes	Yes	Yes
Ms. Smita Anand*	Member	NA	NA	NA

**Appointed as an additional Independent Director on 10th December, 2018 and as a Member of NRC on 29th January, 2019.*

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

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Terms of reference of CSR Committee are:

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

There was 1 Corporate Social Responsibility Committee Meeting held during financial year 2018-19.

The Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary also attend the meeting(s).

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

TABLE 7

Corporate Social Responsibility Committee Meetings

Name	Designation	15.5.2018
Mr. Shantanu Khosla	Chairman	Yes
Mr. H. M. Nerurkar	Member	Yes
Mr. D. Sundaram	Member	Yes
Ms. Shweta Jalan	Member	Yes
Mr. Promeet Ghosh	Member	Yes
Ms. Smita Anand*	Member	NA

**Appointed as a Additional Independent Director on 10th December, 2018 and as a Member of CSR Committee on 29th January, 2019.*

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

4. STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE:

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

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

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

There was 1 Stakeholders' Relationship and Share Transfer Committee Meeting held during financial year 2018-19.

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

TABLE 8

Stakeholders' Relationship & Share Transfer Committee Meetings

Name	Designation	29.01.2019
Mr. H. M. Nerurkar	Chairman	Yes
Mr. D. Sundaram	Member	Yes
Mr. Shantanu Khosla	Member	Yes
Mr. Sahil Dalal	Member	Yes

During the year, 274 complaints were received from the shareholders, all of which have been attended/resolved to the satisfaction of the Shareholders.

The details of complaints are:

Sr. No.	Complaints Received	No. of Complaints
1	Non-receipt of Annual Report	89
2	Non-receipt of Securities	73
3	Non-receipt of Dividend Warrants	109
4	Escalation to SEBI	3
	Total	**274**

5. RISK MANAGEMENT COMMITTEE:

As per SEBI LODR (Amendment) Regulations, 2018, Risk Management Committee was constituted on 25th October, 2018 to monitor and review risk management plans of the Company including cyber security.

The terms of reference of Risk Management Committee are to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of the following risks:

1. Strategic risk
2. Data security risk
3. Fiduciary risk
4. Credit risk
5. Liquidity risk
6. Reputational risk
7. Environmental risk
8. Competition risk
9. Fraud risk
10. Technological risk
11. Cyber Security risk
12. IPR risk etc.

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

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

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

TABLE 9
Risk Management Committee

Name	Designation
Mr. D. Sundaram	Chairman
Mr. H. M. Nerurkar	Member
Mr. P. M. Murty	Member
Ms. Shweta Jalan	Member

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

6. ALLOTMENT COMMITTEE:

The Allotment Committee for allotment of shares arising out of exercise of stock options by Eligible Employees under ESOP Schemes of the Company was constituted by the Board of Directors of the Company on 26th October, 2017.

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

During the year, the Allotment Committee has approved allotment of 2,00,815 shares arising out of exercise of stock options by Eligible Employees.

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

7. STRATEGIC INVESTMENT COMMITTEE:

The Strategic Investment Committee was constituted on 24th August, 2018 for evaluation and assessment of Strategic Investment opportunities feasible for the Company and to make recommendations to the Board of Directors on such strategic investment/ disinvestment opportunities.

There was 1 Strategic Investment Committee Meeting held during financial year 2018-19.

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

TABLE 10
Strategic Investment Committee

Name	Designation	26.03.2019
Mr. H. M. Nerurkar	Chairman	Yes
Mr. D. Sundaram	Member	Yes
Mr. P. M. Murty	Member	Yes
Mr. Shantanu Khosla	Member	Yes

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

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

INSIDER TRADING

Your Company has issued comprehensive guidelines in accordance with the SEBI Regulations as amended, in this regard, which advise and caution the Directors, Designated Persons, Management, employees and their connected persons on the procedures to be followed, whilst dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements.

During the year, the Company has amended the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Company has automated the declarations and disclosures to identified designated persons, and the Board reviews the policy on a need basis.

8. KEY BOARD SKILLS, EXPERTISE, COMPETENCE

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

The table below summarises the key skills, expertise and competence required for the Company and are taken into consideration while nominating candidates to serve on the Board.

TABLE 11

Skills Identified	Definition
Experience and Industry knowledge	Industry experience through a detailed knowledge of the company or the sector in which it operates, as well as those who understand the broader industry environment.
Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes.
Gender, nationality or other diversity	Representation of gender, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of customers, partners, employees, governments and other stakeholders.
Leadership	Extended leadership experience resulting in a practical understanding of organisations, processes, strategic planning, and risk management.
Talent Development	Experience in Leadership Development and ensuring an ongoing process exists which continuously enhances the knowledge and capability of key talent in order to enable these managers to effectively lead the organisation in achieving key strategic initiatives.
Mentoring ability	Demonstrated strengths in developing talent, succession planning, and driving change and long-term growth.
Technology	A significant background in technology, resulting in knowledge as to how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.
Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess "make or buy" decisions, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board Service and Governance	Service on a public listed company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand competitiveness, awareness and equity, and build a strong Corporate reputation.
Compliance and Risk	Experience and background in regulatory affairs and regulatory policies, procedures and risk management.

INFORMATION ON GENERAL BODY MEETINGS:

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

TABLE 12

Information on General Body Meetings

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
1.	2nd Annual General Meeting	11th August, 2016 at 2.00 p.m. at IES Manik Vidyamandir (Manik Sabhagriha Auditorium), Opposite Lilavati Hospital, Bandra Reclamation, Mumbai - 400 050.	Ordinary	8	1. Adoption of Financial Statements; 2. Appointment of Statutory Auditor; 3. Appointment of Mr. Shantanu Khosla as Director; 4. Appointment of Mr. Shantanu Khosla as Managing Director; 5. Appointment of Mr. H. M. Nerurkar as Independent Director; 6. Appointment of Ms. Sonia N. Das as Director; 7. Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates; 8. Payment of Commission to Non-Executive Independent Directors of the Company.
2	3rd Annual General Meeting	27th July, 2017 at 3.00 p.m. at Shree Bhaidas Maganlal Sabhagriha, Next to Mithibai College, Juhu Vile Parle Development (JVPD) Road No. 1, Vile Parle West, Mumbai - 400 050.	Ordinary	10	1. Adoption of Financial Statements; 2. Declaration of Dividend; 3. Appointment of Mr. Shantanu Khosla as Managing Director; 4. Ratification of appointment of M/s. Sharp & Tannan as the Statutory Auditors and to fix their remuneration; 5. Revision in remuneration of Mr. Shantanu Khosla, Managing Director of the Company; 6. Appointment of Ms. Shweta Jalan as a Director of the Company; 7. Appointment of Mr. Sahil Dalal as a Director of the Company; 8. Appointment of Mr. Ravi Narain as a Director of the Company; 9. Appointment of Mr. Promeet Ghosh as a Director of the Company; 10. Ratification of the remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the Company.
			Special	2	1. Increase in borrowing limits from ₹ 1,800 crore to ₹ 2,500 crore; 2. Creation of charge on the movable and immovable properties of the Company, both present and future in respect of borrowings under Section 180(1) (a) of the Companies Act, 2013.
3.	4th Annual General Meeting	25th July, 2018 at 3.00 p.m. at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	Ordinary	4	1. Adoption of Financial Statements; 2. Declaration of Dividend; 3. Appointment of Ms. Shweta Jalan as Director liable to retire by rotation; 4. Ratification of the remuneration payable to Ashwin Solanki and Associates, Cost Auditors of the Company.

2 Special Resolution(s) were passed at the 3rd Annual General Meeting.

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

Postal Ballot:

During the financial year 2018-19, no resolution was passed through the postal ballot.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate Chapter in the Annual Report.

COMPLIANCE WITH MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

WEBSITE, NEWS & EVENTS

i. A separate dedicated section under 'Investors' at https://www.crompton.co.in/policies/ gives information on applicable policies including policy on dealing with related party transactions which is at https://www.crompton.co.in/media/Policy-on-RPT-CGCEL.pdf, along with news and events held during the year of the Company.

ii. A separate dedicated section under 'Investors' Section on the Company's website at https://www.crompton.co.in/policies/ gives information on policy for determining material subsidiary at https://www.crompton.co.in/media/Policy-on-Material-Subsidiary.pdf.

iii. The quarterly, half yearly and yearly results are sent to the Stock Exchanges where the shares of the Company are listed. The results are normally published in "Financial Express" (English Daily), and "Loksatta" (Marathi Daily). The results are displayed on the Company's website https://www.crompton.co.in/newspaper-publications/. Press Releases are also issued, which are also displayed on the Company's website in a separate section.

iv. The required disclosures were made to the Stock Exchanges and were uploaded on the website of the Company.

COMPLIANCE WITH NON-MANDATORY PROVISIONS

The status with regard to compliance by your Company with discretionary requirements as listed out in Part E of Schedule II of SEBI Listing Regulations is as under:

- The position of the Chairman of the Board of Directors and that of the Managing Director & Chief Executive Officer are separate.
- Chairman's office is separate from that of the Managing Director & Chief Executive Officer.
- The audit report on the Company's Financial Statements for the year ended 31st March, 2019 is unmodified.
- The Internal Auditors report directly to the Audit Committee.
- Your Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication".

GENERAL SHAREHOLDER INFORMATION

5th ANNUAL GENERAL MEETING

Date & Day	:	Wednesday, 24th July, 2019
Time	:	3.00 pm
Venue	:	Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020.

FINANCIAL YEAR

The financial year of the Company is from 1st April to 31st March.

FINANCIAL CALENDAR

First Quarter Results

End July/First fortnight of August

Second Quarter Results

End October/First fortnight of November

Third Quarter Results

End January/First fortnight of February

Last Quarter Results and Annual Audited Results

April/May

DATES OF BOOK CLOSURE AND DIVIDEND PAYMENT DATE:

Book Closure for Dividend will be from 20th July, 2019 to 24th July, 2019, both days inclusive and the Dividend would be paid/despatched after 24th July, 2019.

SHARE TRANSFER SYSTEM

Your Company's shares are compulsorily traded in dematerialised form. In the case of transfers in physical form which are lodged at the Registrar and Transfer Agent's office, these are processed within a maximum period of 15 days from the date of receipt. All share transfers and other share related issues are approved by Stakeholders' Relationship and Share Transfer Committee duly constituted for this purpose. During 2018-19, 82 approvals were obtained. The total number of shares in physical form transferred during the year under review was 70,431 shares.

DEMATERIALISATION OF SHARES

As on 31st March, 2019, 99.33% of the total shares of your Company were in dematerialised form, compared with 99.22% as on 31st March, 2018.

STOCK CODES:
BSE Ltd. - 539876
National Stock Exchange of India Ltd. - CROMPTON
ISIN : INE299U01018 (NSDL & CDSL)
Corporate Identification Number: L31900MH2015PLC262254

PLANT LOCATIONS

Sr. No.	State	City	Address
1.	Goa	Kundaim	Plot No. 214-A, Kundaim Industrial Estate, Kundaim, Goa - 403 115, India
2.	Goa	Bethora	Plot No. 1, Goa IDC Industrial Estate, Bethora, Ponda, Goa - 403 409, India
3.	Gujarat	Vadodara	Vadodara Lamp Works, Kural Village, Padra Taluka, Padra Jambusar Road, District Vadodara - 391430, Gujarat, India
4.	Maharashtra	Ahmednagar	C-19, MIDC, Ahmednagar - 414 111, Maharashtra, India
5.	Maharashtra	Ahmednagar	A-28, MIDC, Ahmednagar - 414 111, Maharashtra, India
6.	Himachal Pradesh	Baddi	Baddi (Unit I) Plot No. 81, HPSIDC, Industrial Area Baddi, District Solan, Himachal Pradesh - 173 205, India
7.	Himachal Pradesh	Baddi	Baddi (Unit II) Plot No. - 150, HPSIDC, Industrial Area, Baddi, District Solan, Himachal Pradesh - 173 205, India
8.	Himachal Pradesh	Baddi	Baddi (Unit III) Village Thana, Tehsil Baddi, District Solan, Himachal Pradesh - 173 205, India

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Your Company actively monitors the foreign exchange movements and takes forward/options covers as appropriate to reduce the risks associated with transactions in foreign currencies.

Your Company also undertakes short-term commodity hedging risk.

NON-CONVERTIBLE DEBENTURES (NCDs) AND CREDIT RATING

Your Company has NCDs amounting to ₹ 650 crore, which are listed on the National Stock Exchange. The details of the Non-Convertible Debentures of the Company are as follows:

Particulars	Series A	Series B	Series C
Repayment	3rd year	4th year	5th year
Year of Repayment	2019	2020	2021
Coupon Rate	8.95%	8.95%	8.95%
Face Value	₹ 10,00,000 per NCD		
Rating at the time of issue	CRISIL AA		
Rating at the end of 31st March, 2017	CRISIL AA/ Stable		
Rating at the end of 31st March, 2018	CRISIL AA/ Positive		
Rating at the end of 31st March, 2019	CRISIL AA+/ Stable		

The debenture trustees of the Company are IDBI Trusteeship Services Limited. Their contact details are Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Certificate as required under Part C of Schedule V of Listing Regulations, received from M/s. Pradeep Purwar & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the financial ending on 31st March, 2019 from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 21st May, 2019 and is enclosed with this Report as Annexure A.

STATUTORY AUDITOR AND AUDIT FEES

M/s. Sharp & Tannan are the Statutory Auditors of your Company. The details of the total fees for all services paid by the Company to the Statutory Auditors is as follows:

(₹ in crore)

Type of Service	Financial Year 2018-19	Financial Year 2017-18
Audit Fees*	0.32	0.32
Tax Audit Fees	0.07	0.07
Others	0.37	0.32
Total	**0.76**	**0.71**

* Includes Audit and Audit-related services

The Audit Fees paid to the auditors for the financial year ended 31st March, 2019 is covered separately in the Notes to Accounts.

DISCLOSURE UNDER SEXUAL HARASSMENT

Your Company has constituted Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints. The Constitution of ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Committee includes external member from NGO with relevant experience.

The details of sexual harassment complaints for the year ended 31st March, 2019 are furnished as under:

Particulars	No. of Complaints
Number of complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of complaints pending as on end of the financial year	Nil

REGISTRAR AND TRANSFER AGENT AND ADDRESS FOR CORRESPONDENCE

For any queries relating to the shares and debentures of the Company, correspondence may please be addressed to Karvy Fintech Pvt. Ltd. at:

Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.

Telephone	:	+91 40-67161510
Fax	:	+91 40-23420814
Email	:	inward.ris@karvy.com
Website	:	www.karvyfintech.com
Contact Person	:	Mr. Rajendra Prasad V
Designation	:	Manager - Corporate Registry
SEBI Registration	:	INR000000221

For the benefit of shareholders, documents will continue to be accepted at the Registered and Corporate Office of the Company at:

Crompton Greaves Consumer Electricals Limited

CIN	:	L31900MH2015PLC262254 Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.
Telephone	:	+91 22-61678499
Fax	:	+91 22-61678383
Email	:	crompton.investorrelations@crompton.co.in
Website	:	www.crompton.co.in

Shareholders are requested to quote their Folio no./DP ID & Client ID, e-mail address, if any, telephone number and full address while corresponding with the Company and its RTA.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

Sr. No.	Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1	1 - 5000	1,04,949	2,84,33,866	4.54
2	5001 - 10000	1,023	72,78,132	1.16
3	10001 - 20000	486	67,81,984	1.08
4	20001 - 30000	135	32,76,201	0.52
5	30001 - 40000	63	22,24,861	0.35
6	40001 - 50000	38	17,41,406	0.28
7	50001 - 100000	80	57,87,465	0.92
8	100001 and above	229	57,14,62,005	91.15
	TOTAL	**1,07,003**	**62,69,85,920**	**100.00**

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2019

Sr. No.	Category	No. of Shares of ₹ 2 each	% of Shareholding
1	Promoter & Promoter Group (Foreign Bodies Corporate)*	21,54,64,906*	34.37*
2	Indian Financial Institutions	2,74,16,396	4.37
3	Bodies Corporate	4,39,64,679	7.01
4	Foreign Institutional Investors	62,31,517	0.99
5	Banks	1,54,567	0.02
6	Clearing Members	7,95,054	0.13
7	Foreign Nationals	5,083	0.00
8	Foreign Portfolio Investors	18,48,16,504	29.48
9	H U F	8,69,635	0.14
10	Mutual Funds	8,91,23,502	14.21
11	NBFC	15,605	0.00
12	Non-Resident Indians	14,35,891	0.23
13	Overseas Corporate Bodies	61,600	0.01
14	Resident Individuals	5,15,59,371	8.22
15	Trusts	1,20,214	0.02
16	Alternative Investment Fund	18,00,864	0.29
17	NRI Non-Repatriable	31,48,832	0.51
18	Beneficial Holdings under MGT-4	1,700	0.00
	TOTAL	**62,69,85,920**	**100.00**

Notes:-

* *The present promoters of your Company are Amalfiaco Ltd. and Nirsinia Ltd.*

* *MacRitchie is person acting in concert with Amalfiaco and Nirsinia Ltd. MacRitchie has entered into an Inter-se Agreement dated 23rd April, 2015 with Amalfiaco and Nirsinia ("Inter-se Agreement"). Pursuant to the said Agreement, MacRitchie does not have control rights and will not be exercising control over your Company.*

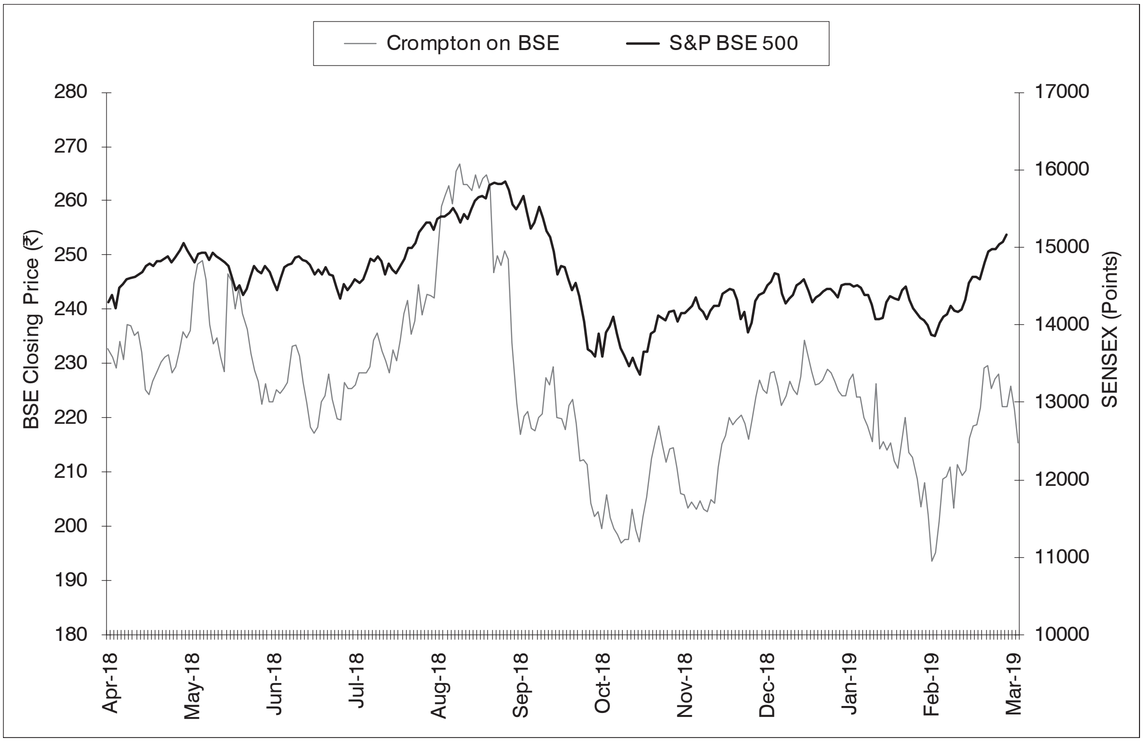
MARKET PRICE DATA

The details of monthly high/low market price of the Equity Shares of the Company at BSE Ltd. and at the National Stock Exchange of India Ltd. for the year under review is provided hereunder:

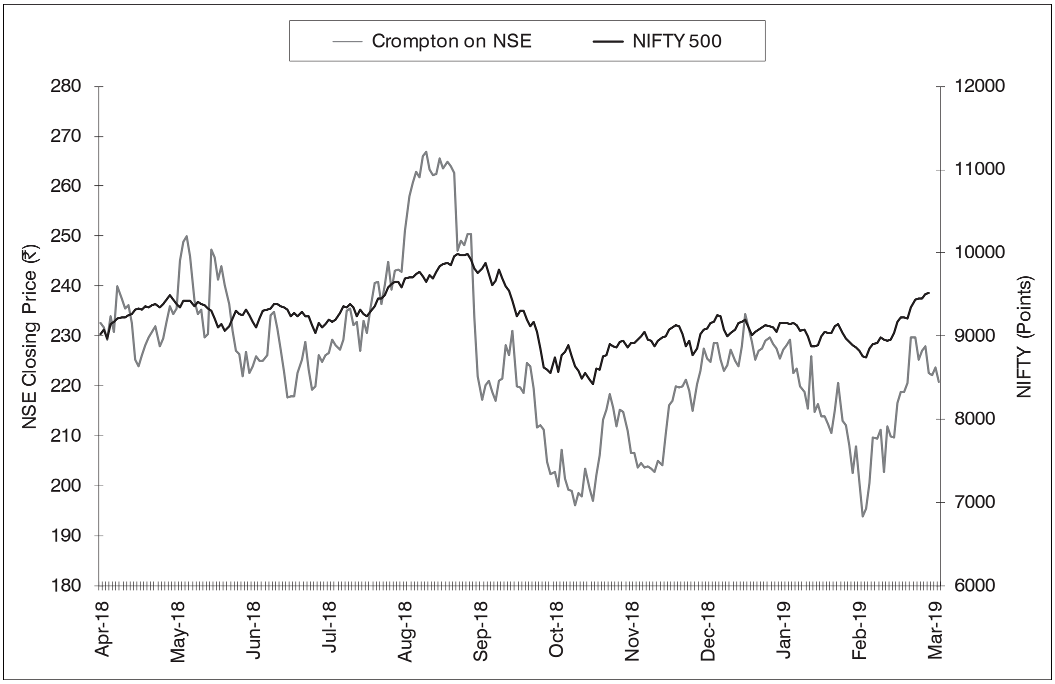
Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High Face Value ₹ 2	Low Face Value ₹ 2	Total Turnover (₹ in crore)	High Face Value ₹ 2	Low Face Value ₹ 2	Total Turnover (₹ in crore)
April 2018	244.00	217.55	57.02	242.80	222.00	402.03
May 2018	253.90	219.35	58.07	252.60	219.30	531.48
June 2018	236.85	211.70	13.20	236.90	211.10	238.53
July 2018	252.00	222.45	82.81	247.40	222.40	338.19
August 2018	272.25	241.00	24.02	273.20	240.50	352.47
September 2018	254.25	213.90	16.03	254.30	214.00	364.34
October 2018	224.90	190.20	43.51	221.90	190.00	446.74
November 2018	221.80	200.00	6.95	219.85	201.05	192.43
December 2018	232.00	208.80	8.24	231.95	207.30	141.40
January 2019	237.25	210.35	11.14	237.90	210.00	211.61
February 2019	221.70	192.00	6.35	221.65	192.00	286.56
March 2019	238.10	208.10	13.62	238.50	208.25	208.73

STOCK PERFORMANCE vs S&P BSE 500 AND NSE NIFTY 500

The performance of your Company's shares relative to the S&P BSE 500 index is given in the chart below:



The performance of your Company's shares relative to the NSE Nifty 500 Index is given in the chart below:



BREAK-UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON 31ST MARCH, 2019

Description	No. of Shareholders	Shares	% to Equity
Physical	6,547	42,25,121	0.67
NSDL	63,829	60,50,77,181	96.51
CDSL	36,627	1,76,83,618	2.82
TOTAL	**1,07,003**	**62,69,85,920**	**100.00**

OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS AS ON 31ST MARCH, 2019

Nil

DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

No penalties/strictures were imposed on your Company by the stock exchanges or SEBI or any statutory authority in any matters related to the capital markets since incorporation.

UNCLAIMED SHARES

9,55,925 number of equity shares were lying in the unclaimed suspense account of CG Power and Industrial Solutions Limited (erstwhile Crompton Greaves Limited). Pursuant to the Scheme of demerger, equivalent number of equity shares were allotted on 22nd March, 2016. There were 9,43,319 number of equity shares lying in Unclaimed Suspense Account as unclaimed shares as on 31st March, 2019.

Disclosure in Respect of Equity Shares Transferred in the 'Crompton Greaves Consumer Electricals Limited – Unclaimed Suspense Account' is as under:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2018	4,062	9,53,021
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	6	9,702

Particulars	Number of Shareholders	Number of Equity Shares
Number of shareholders to whom shares were transferred from suspense account during the year	6	9,702
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2019	4,056	9,43,319

The voting rights on these shares in the suspense account as on 31st March, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

The Managing Director and Chief Financial Officer of the Company give annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and the said certificate is contained in this Annual report

The Managing Director and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the Listing regulations.

REPORT ON CORPORATE GOVERNANCE

This Chapter, read together with the "Annexure to Corporate Governance", constitutes the Compliance Report on Corporate Governance for 2018-19.

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

ANNEXURE A

CERTIFICATE

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Crompton Greaves Consumer Electricals Limited having CIN L31900MH2015PLC262254 and having registered office at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Mr. Damodarannair Sundaram	00016304	26/08/2015
2	Mr. Pangulury Mohan Murty	00011179	26/08/2015
3	Mr. Shantanu Khosla	00059877	21/09/2015
4	Mr. Hemant Nerurkar	00265887	25/01/2016
5	Ms. Shweta Jalan	00291675	16/08/2016
6	Mr. Sahil Dalal	07350808	16/08/2016
7	Mr. Promeet Ghosh	05307658	16/08/2016
8	Ms. Smita Anand	00059228	10/12/2018

Ensuring the eligibility of 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 **Pradeep Purwar & Associates**
Company Secretaries

Pradeep Kumar Purwar
Proprietor
Membership No: 5769
CP No: 5918

Date: 21st May, 2019
Place: Mumbai

ANNEXURE TO CORPORATE GOVERNANCE

NOMINATION AND REMUNERATION POLICY

APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT

Appointment criteria and qualifications

1. The Committee shall identify and ascertain, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
2. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-Time Director or Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
3. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
4. A Director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director, which shall be determined as follows:
   - The limit of the committees on which a Director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
   - For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

Term / Tenure

1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on 1st April, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

Remuneration for Directors and KMPs

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
5. The remuneration to KMP's shall be decided and recommended by the NR Committee and approved by the Board of Directors.
6. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
7. The remuneration payable to each Non-Executive Director(s) is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
8. The remuneration to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
9. The Independent Directors shall not be entitled to any stock option of the Company.

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 21st May, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **Crompton Greaves Consumer Electricals Limited** (hereinafter referred as "Company") for the Financial year ended 31st March, 2019 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof 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 our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No. : 9409
CP No. : 11226

Place : Mumbai
Date : 21st May, 2019

COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,
The Members,
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

Dear Sir/Madam,

Sub: **Compliance Certificate for the year ended 31st March, 2019 – 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 are in compliance 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 are 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) significant changes in internal control over financial reporting during the year;
   (2) there were no significant changes in accounting policies during the year; and
   (3) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You,

Shantanu Khosla
Managing Director
DIN: 00059877

Sandeep Batra
Chief Financial Officer

Place : Mumbai
Date : 21st May, 2019

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended 31st March, 2019.

Shantanu Khosla
Managing Director
DIN: 00059877

Place: Mumbai
Date: 21st May, 2019

BUSINESS RESPONSIBILITY REPORT (BRR)

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A - GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	L31900MH2015PLC262254
2.	Name of the Company	Crompton Greaves Consumer Electricals Limited
3.	Registered Office and Corporate Office	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070
4.	Website	www.crompton.co.in
5.	E-mail Id	crompton.investorrelations@crompton.co.in
6.	Financial Year reported	2018-19
7.	Sections that the Company is engaged in (Industrial Activity code-wise)	1. Electrical Consumer Durables (27501, 27502, 27503, 28132) 2. Lighting Products (27400)
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	1. Electrical Consumer Durables – Fan, Appliances and Pumps 2. Lighting Products – Luminaires and Light Sources
9.	Locations where business activity is undertaken by the Company	The Company has 8 Factories, 4 Regional Offices and 22 Branch Offices
10.	Markets served by the Company-Local/State/National/International	The Company's products are distributed pan-India and are also marketed in several countries like Nepal, Sri Lanka, Singapore, Fiji, UAE, Oman, Saudi Arabia, Bahrain, Iraq, Kuwait, Qatar, South Africa, Kenya, Ghana, Nigeria, Equatorial Guinea, Uganda, Italy, United Kingdom

Section B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (As on 31st March, 2019)	₹ 125.40 crore
2.	Total Turnover	₹ 4,527.17 crore
3.	Total Profit after Taxes	₹ 402.52 crore
4.	Total Spending on Corporate Social Responsibility (CSR)	₹ 7.20 crore
5	As percentage of Profit after taxes	1.79 %
6.	List of activities in which Corporate Social Responsibility (CSR) expenditures have been incurred	• Vocational and skills training • Projects that address environmental issues such as water and waste management • Projects that impact lives of people who live near the manufacturing/processing facilities • Engaging employees actively through corporate social responsibility

Section C - OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has two subsidiary companies

(i) Nexustar Lighting Project Private Limited

(ii) Pinnacles Lighting Project Private Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)

The Code of Conduct and Vigil Mechanism and Whistle Blower Policy of the Company is followed by the subsidiaries also.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company has long-lasting relationship with its suppliers/vendors. Awareness on sustainability is being created at vendors. Training and awareness on Energy, Health and Safety is being imparted to Strategic vendors.

For enhancing skills at the vendors end, focussed drive in the following areas was undertaken and organisation work structure for the same has been put in place. The areas covered are vendor capability building, vendor evaluation standard, supply risk mitigation and management.

Section D - BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of Director/Directors responsible for implementation of the BR policy/policies

Sr. No.	Particulars	Details
1	DIN	00059877
2	Name	Mr. Shantanu Khosla
3	Designation	Managing Director

b. Details of the BR Head

Sr. No.	Particulars	Details
1	DIN (If Applicable)	02922413
2	Name	Mr. Mathew Job
3	Designation	Chief Executive Officer
4	Telephone Number	+91 22-61678499
5	E-Mail ID	mathew.job@crompton.co.in

2. Principle-wise (as per National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business {NVGs}) BR policy/policies (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant Stakeholders? (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board of Director?	All statutory policies are approved by the Board of Directors, whereas other policies are signed by the respective business/ function head.								
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the Human Resources Department. The Corporate Social Responsibility Policy is administered by the CSR Committee in-line with requirements of the Companies Act, 2013 and Rules framed thereunder. The EHS Policy is overseen by the Chief Executive Officer. The Company has separate after sales service centres which looks at customer service/customer complaints.								
6	Indicate the link for the policy to be viewed online?	Please refer to the links in the table below:								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Code of Conduct, CSR Policy, Vigil Mechanism and Whistle Blower Policy and Prevention of Sexual Harassment Policy are available on the website of the Company. The EHS Policy has been communicated to all relevant stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Whistle Blower Mechanism provides employees and vendors a mechanism to report any concerns or grievances pertaining to any potential or actual violation of Code of Conduct. An investor grievance mechanism is in place to respond to investor grievances. The customer complaint mechanism records the grievances of customers on product and service quality and other issues. The Company has an exclusive e-mail id for redressal of investor grievances. Investors can email at crompton.investorrelations@crompton.co.in to lodge their complaints.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All policies are evaluated internally.								

Note 1: While there may not be formal consultation with all stakeholders, the relevant policies have been drafted after taking inputs from concerned internal stakeholders.

Linkages of various Company policies with BR Principles as per National Voluntary Guidelines (NVGs)

Principle No.	Principle	Reference Document	Reference Links
1	Businesses should conduct and govern themselves with ethics, transparency and accountability	1. Code of Conduct 2. Vigil Mechanism and Whistle Blower Policy 3. Code of Conduct to Regulate, Monitor and Report Trading by Insiders 4. Prevention of Sexual Harassment Policy	1. http://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf 2. https://www.crompton.co.in/media/Vigil-Mechanism-and-Whistleblower-Policy.pdf 3. https://www.crompton.co.in/media/code-of-conduct-to-regulate-monitor-and-report-trading-by-designated-persons.pdf 4. https://www.crompton.co.in/media/CGCEL-POSH-Policy-.pdf
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle	1. Environment, Health and Safety Policy	1. https://www.crompton.co.in/media/EHS-Policy.pdf
3	Businesses should promote the wellbeing of all employees	1. Code of Conduct 2. Environment, Health and Safety Policy 3. Maternity Leave Policy	1. https://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf 2. https://www.crompton.co.in/media/EHS-Policy.pdf 3. The other policies are internal policies and are not displayed on the website of the Company but are a part of the employee portal.
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	1. Code of Conduct 2. Corporate Social Responsibility Policy	1. https://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf 2. https://www.crompton.co.in/media/CGCEL-CSR-Policy.pdf
5	Businesses should respect and promote human rights	1. Code of Conduct	1. https://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf
6	Businesses should respect, protect, and make efforts to restore the environment	1. Corporate Social Responsibility Policy 2. Environment, Health and Safety Policy	1. https://www.crompton.co.in/media/CGCEL-CSR-Policy.pdf 2. https://www.crompton.co.in/media/EHS-Policy.pdf
7	Business when engaged in influencing public and regulatory policy, should do so in a responsible manner	1. Code of Conduct	1. https://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf
8	Businesses should support inclusive growth and equitable development	1. Corporate Social Responsibility Policy	1. https://www.crompton.co.in/media/CGCEL-CSR-Policy.pdf
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	1. Code of Conduct	1. https://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company.

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the information on BR in the Annual Report which is available on the website of the Company.

Section E – PRINCIPLE-WISE PERFORMANCE

Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Company is committed to adhere to the highest standards of ethical, moral and legal code of conduct for business operations. In order to maintain these standards, the Company has formalised the 'Code of Conduct' for Directors as well as all employees of the Company which lays down the principles and standards that governs the actions of the employees in the course of conduct of business of the Company. It covers all dealings with vendors, customers, and other business partners. Any actual or potential violation of the Code, however insignificant or perceived as such, would be a matter of serious concern for the Company.

All such policies are communicated to Employees on joining.

The Company conducts its relationships and dealings in business and otherwise in accordance with the Crompton Code of Conduct. Crompton's Behaviour Framework focusses on five values i.e. Personal Leadership, Courage, People Development, Innovation and Execution Excellence.

The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders.

The Company has established a Vigil Mechanism for employees and Directors and vendors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy facilitates employees and vendors to report without fear, any wrongdoings or unethical or improper practice.

There is a separate Stakeholders Relationship Committee for shareholder grievances.

The Company has an exclusive e-mail id for redressal of investor grievances. Investors can email at crompton.investorrelations@crompton.co.in to lodge their complaints. All shareholder complaints received during the reporting year have been resolved successfully as on 31st March, 2019.

In order to address workplace related issues, the senior management team has periodic interactions, including open houses with employees at different locations. The Managing Director regularly receives feedback from employees across the country through specially instituted mechanisms.

The Company has implemented an IT tool which helps track statutory compliances as close as possible to the actual due date. Any deviations are highlighted for prompt corrective actions. Functional owners take responsibility for putting in preventive steps.

This web-based compliance management system not only helps adhere to the regulatory requirements, but also develops a culture of self-regulation and accountability within the organisation. In the present times, when governance is looked upon as a critical aspect of sustainability, the Company believes that its compliance management system plays a significant role in ensuring good corporate governance practices.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year under review, the Company received 274 complaints from its shareholders which were promptly resolved. The details of complaints are:

Sr. No.	Complaints Received	No. of Complaints
1	Non - receipt of Annual Report	89
2	Non - receipt of Securities	73
3	Non - receipt of Dividend warrants	109
4	Escalation to SEBI	3
	Total	**274**

No complaint was outstanding as on 31st March, 2019.

The Company has different mechanism for receiving and dealing with complaints from various stakeholders like investors, customers, consumers, employees and suppliers etc.

Principle 2: PRODUCT LIFE CYCLE SUSTAINABILITY

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. List three products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

i. Anti-bacterial lamp

ii. Lyor Bulb

iii. Solar-operated pumps (AC/BLDC)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. The ANTI-BAC lamp uses ANTI-BAC LED technology which through its anti-bacterial light properties, kills up to 85% bacteria and other microbes including fungi and molds.

ii. The Company launched India's first BEE 5-star rated LYOR LED bulbs. It also launched a range of high efficacy (>135 lumen per watt) products that consume less electricity, thereby contributing towards reduction in carbon footprint. Use of IoT-based and connected lighting solutions and sensor-based products are also in line with Company's long-term environment sustainability agenda.

iii. Solar-operated pumps (AC/BLDC) run on the power of sunlight through solar PV panels, thus, reducing farmer's dependability on grid-based power. It also, to certain extent, reduces the load of power supply on power grids.

3. **Procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably**.

The Company has been working to enhance the degree of sustainability associated with its sourcing practices.

This includes strategy of one vendor per platform and common supplier basket for different product lines, sourcing from tightly knit clusters, optimising logistics to reduce fuel consumption, emissions and carbon footprint, re-working packaging to minimise wastage and re-use. The sustainability roadmap of the Company covers these areas.

An efficient distribution network is an asset to any industry and is one of the key contributors of sustainability and profitability. The Company has strategically created storage locations and introduced concept of Warehouse Management System for finished goods across the country for quick and easy serving and better transparency of stocks.

The Company continuously works with vendors and suppliers to reduce environmental impact of sourcing. The Company is committed to improve the awareness with regard to legal compliances, enhance eco- efficiencies, employee health and safety initiatives at vendors end through initiatives such as capability building, vendor scorecard, supply risk mitigations and management.

Vendors and service providers are encouraged to adopt management practices detailed under the international standards such as ISO 9001, ISO 14001, OHSAS 18001 and other Environment, Health and Safety (EHS) guidelines. New vendor development process consists of stringent adherence check against EHS and statutory and legal norms laid under State Factory Acts. Existing vendors undergo periodic EHS assessments as a part of routine audits and need to demonstrate sustenance for business continuity.

Sustainability is extended to vendors through responsible procurement practices and selection criteria focussed on protection of environment, societal interest seeking resource efficiency, improving the quality of products and services. Though it is difficult to quantify exactly in terms of percentage, the Company is increasingly focussed on sustainable sourcing.

The Company has adopted recycling and reuse of metal bins for handling of semi-finished components for selected categories, and thus eliminated wooden packaging. The Company is investing consciously to secure cargo during despatches by improving loading procedures.

Initiatives like specification standardisation, value analysis and value engineering resulted into using lightweight and durable packaging materials. Optimising standards and material design and eliminating unnecessary packaging have resulted in effective management of packaging waste.

The Company does not allow any vehicles which is not having valid documents, including PUC certificates inside the factory, nor use them for transportation purpose.

Import substitution across products and components in Lighting and Fans has been initiated.

The Company's managed print services, with the help of password authentication, helps in reducing paper and ink wastage.

4. **Steps taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors.**

The Company encourages procurement of goods and services from local and small producers surrounding its plant locations. The contractors, who are engaged in the plants, mostly employ workmen from the nearby villages.

The major factors influencing selection of vendors are:

1. Capability, quality, performance and on-time delivery;
2. Compliance to legal, environment, health and safety guidelines;
3. Readiness to participate in sustainable supply chain management programme;
4. Total cost.

The Company trains its vendors to meet the EHS requirements across all its plant locations.

The Company sources local material and employs local workforce/labourers whenever possible. This practice leads to greater efficiency while also considerably reducing the Company's carbon footprint.

The Company treats its strategic vendors as partners. It also engages with them through various training and development initiatives at regular intervals and makes frequent visits to their factories, workshops to reward and recognise their contribution through scorecard assessments etc.

Additionally, the Company also promotes vocational skills development and improving the livelihood of the neighbouring community through various training programmes.

5. **Mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

   The Environment Management Practices of the Company focus on the conservation of natural resources. It has stringent waste management policies for internally generated wastes.

   Solid waste/sludge from water and waste treatment plants and process waste from the factories is disposed in a controlled manner in the government approved Common Hazards Waste Treatments Storage and Disposal Facility (CHWTSDF).

Principle 3: EMPLOYEES' WELL-BEING

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The Company has made concerted efforts towards creating learning and development opportunities that continually enhance the employee value in line with the organisational objectives.

The Company focusses on ensuring well-being of all its employees. Safety and health of employees is extremely important to the Company and it is committed to building and maintaining a safe and healthy workplace. The following are essential parts of the Code of Conduct:

Diversity & Zero discrimination | Health & Safety | Good working environment

All employees who join the Company, demonstrate their commitment to follow the 'Code of Conduct' by signing their acceptance to adhere to the same. Examples of a few of the principles of this code of conduct are listed below.

Diversity and equal opportunities

The Company has high regard for diversity within the Company and is committed to offering equal opportunities for employment. The Company does not discriminate against any team member or applicant for employment on the basis of nationality, ethnic origin, race, colour, religion, physical handicap/disability, gender, or marital status and always allows for equal opportunities for all employees.

Health & Safety

The Company is committed to provide safe and healthy working conditions to its employees

All company premises are non-smoking zones. The Company's EHS Policy and the EHS manual "Kavach" has been implemented across all locations.

- **Health Check-up**

  The Company has initiated a policy for health check-up of all its employees.

- **Good Working Environment**
- **Progressive Human Resource Policy**

  The Company prides itself as a great place to work. HR policies like flexible working hours, work-from-home arrangements, part-time work, leave and benefits, – to name a few - help in ensuring that the employees are able to strike a work-life balance.

- **Engagement Forums**

  There are several mediums for the leadership team to interact with employees through forums like town halls, engagement surveys, etc. The Company invests in functional training for all employees in line with their current and future career aspirations.

The learning suite encompasses functional training, leadership development programmes and behavioural training geared towards leading the self, others and business.

Other details are mentioned below:

1. Total number of employees -

   The total number of employees including contract labourers and trainees were 4,519.

2. Number of employees hired on temporary/contractual/casual basis -

   The total number of employees hired on temporary/contractual/casual basis as on 31st March, 2019 were 2,794. In the previous year, there were 2,593 contractual employees.

3. Number of permanent women employees -

   The total number of permanent women employees were 157. In the previous year, there were 188 permanent women employees.

4. Number of permanent employees with disabilities-

   The Company has 1 permanent employee with disability.

5. Employee associations recognized by the management -

   The Company respects the rights of employees to free association and union and representation. The Company has various employee unions in Ahmednagar, Vadodara, Bethora and Kundaim which encourage them to participate freely in constructive dialogue with the management.

6. Percentage of permanent employees that are members of recognised employee associations-

   All permanent blue-collar employees of Ahmednagar, Vadodara and Goa manufacturing units are members of trade unions/employee associations.

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

   No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported in the last financial year -

   One complaint was received for sexual harassment and was resolved.

8. Percentage of under-mentioned employees that were given safety and skill upgradation training in the previous year:

   1. Permanent employees - 96%
   2. Permanent women employees - 79%
   3. Casual/ temporary/ contractual employees - 85%
   4. Employees with disabilities - 100%

Principle 4: STAKEHOLDER ENGAGEMENT

1. Has the Company mapped its internal and external stakeholders?

Yes. The key stakeholders and their mode of engagements are shown below:

Stakeholders	Mode of Engagement
Government and Regulatory Authorities	Industry bodies/forums, direct interactions
Employee	Meetings, newsletters, employee satisfaction survey and trainings.
Customers	Customer meets and visits by Company officials
Investors and Stakeholders	Investors meets, annual general meeting and annual report
Suppliers	Site visits and personal/telephonic interactions
Trade Unions	Works Committee, Grievance Committee and Union Meetings.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes. The disadvantaged and vulnerable stakeholders include differently-abled employees, women and rural communities in and around the Company's plants.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

The Company provides equal opportunities to differently-abled, marginalised and people from economically weaker background. All employees are offered equal opportunities for career growth.

Principle 5 - HUMAN RIGHTS

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Code of Conduct is applicable to all employees of the Company.

Human Rights issue are a part of the vendor selection process and are also included in the contracts drawn up with them.

The Company's Vigil Mechanism and Whistle Blower Policy extends to its vendors and ensures that any violations to its Code of Conduct (including violation of Human Rights) are addressed objectively.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

No complaints were received from stakeholders under the Code of Conduct.

Principle 6 - ENVIRONMENT

BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

1. Coverage of the policy related to Principle 6 and its extension to the group/joint ventures/suppliers/contractors/NGO's/others

The Company focusses on four major areas related to climate change i.e. energy conservation, water conservation, use of renewable energy and waste minimisation.

The Company's Environment, Health and Safety (EHS) Policy covers all employees and stakeholders across all manufacturing units and it has been displayed both in English and local languages.

In Fans, Pumps and Lighting manufacturing processes, high energy consumption equipments have been replaced with cost effective energy-efficient equipments.

The Company regularly monitors the operations and capacity optimisation of pumps, motors and cooling tower operations to take corrective actions.

The Pumps division is developing more efficient solar pumps (BLDC) for domestic and agricultural applications which will help in significant power savings. This is in line with the Government's focus on clean energy.

2. The Company's strategies/initiatives to address global environmental issues, such as climate change, global warming and more

Rainwater harvesting systems installed at Vadodara, Ahmednagar, Goa and Baddi (Lighting) plants recharged average 100 lakh litres of water in 2018-19.

In Goa, solar panels were installed to generate power up to 5 kW. Usage of recycled water for the purpose of flushing led to a reduction of use of raw water by 58%.

In addition, a new rainwater harvesting project has been completed at Ahmednagar Pumps plant during 2018-19, which gives additional benefit of 30 lakh litres of water.

3. **Identification and assessment of potential environmental risk**

Identification and assessment of potential environment risk was done by following EMS14001 & OHSAS 18001 Management System for Environment and Occupational Health & Safety. The Company conducts Aspect Impact and Hazard Identification and Risk analysis for its manufacturing operations.

All hazardous waste is sent to the authorised disposal operator approved by the Pollution Control Board. An authorised recycler approved by CPCB is responsible for E-waste disposal. The Pollution Control Board has imparted training to generate awareness about E-waste related segregation, storage and proper disposal.

In Vadodara, in the furnace stack/gas generator stack usage of Natural Gas was initiated and monthly monitoring of emissions of SOx NOx PM was initiated.

Towards Safe Environment Workplace and working on heights, Roof Top Lifeline system has been installed at all plants.

4. **Company's initiatives towards clean development mechanism**

Protecting the natural environment is an important facet of Company's aim to enrich lives. The Company does this by continually seeking opportunities to make its processes more resource-efficient, using renewable energy sources and minimising the release of wastes in the environment. At a strategic level, the Company has embedded various Environment, Health & Safety (EHS) considerations in all aspects of its existing operations.

All manufacturing locations are certified for IMS QMS 9001:2015 (Quality Management System), ISO 14001 (Environmental Management Systems) requirements and OHSAS 18001 (Occupational Health and Safety Management Systems) requirements.

The Company has adhered to the applicable standards and limits for emissions and waste prescribed by the respective SPCB/CPCB and did not receive any show cause notice for the year 2018-19.

5. **The Company's initiatives on – clean technology, energy efficiency and renewable energy, among others**

The manufacturing units have embraced initiatives on clean technology and energy efficiency. Innovative technologies have been implemented to reduce the impact on the environment. All CFL's have been replaced with LED's in Baddi Plant.

The Goa plant has initiated a project for electricity generation by using solar panels of 5 kW that are connected to grid and tracked through online software. Also commenced using treated STP recycled water for flushing purpose reducing use of Raw water from 26,897 KL (2017-18) to 15,846 KL (2018-19) saving 11,051 KL (58%).

The Company has installed a new technology compressor that results in energy saving of 3,60,000 kWh yearly, water saving due to elimination of cooling tower of 1kl/day and also reduction in ambient Environment noise.

The Bethora plant has replaced reciprocating compressor with a new technology compressor that results in energy saving of 3,60,000 kWh yearly and also reduction in ambient noise and water saving due to elimination of cooling tower.

6. **Reporting on the emissions/waste generated by the Company as per the permissible limits given by CPCB/SPCB**

The Company is complying with the emission norms and reporting it to the CPCB and SPCB.

The Company has renewed Occupational health centre membership for the respective plant locations.

7. **Number of show cause/legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year**

The Company has not received any show cause/legal notices from CPCB/SPCB during the financial year under review.

Principle 7 - POLICY ADVOCACY

BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Representation in any trade and chamber/ association**

The Company has its representation in several Business and Industrial associations such as the Indian Pump Manufacturers Association (IPMA), Southern India Engineering Manufacturers Association (SIEMA), Indian Fan Manufacturers Association (IFMA), the Advertising Standards Council of India, Indian Society of Advertisers, IMA IP Ltd., Indian Society of Lighting Engineers, Electrical Lamp Manufacturer's Association, Bureau of Indian Standards (BIS), National Lighting Code and Bombay Chambers of Commerce.

2. **Advocated/lobbied through above associations for the advancement or improvement of public good**

The Company is working with IPMA Core Committee towards creation of new standards for Solar Pumps.

Principle 8 - INCLUSIVE GROWTH

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Specified programmes/initiatives/projects by the company in pursuit of the policy related to principle 8.**

   1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

      In line with the provisions of the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have adopted a CSR Policy. The CSR policy, *inter alia,* deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework.

      The thrust areas of the Company's CSR activities are:

      - Vocational and skills training
      - Projects that address environmental issues such as water and waste management
      - Projects that impact lives of people who live near the manufacturing/processing facilities
      - Engaging employees actively through corporate social responsibility

      The Company's efforts during the year were focussed on the following:

Sr. No.	Projects or activities identified	Project details
1	Skill Training in • Electric Domestic Multiskilled Technician (Electrical) • Plumbing	Promoting Employment Enhancing vocation skills in Baddi, Himachal Pradesh, Guwahati, Assam, Vadodara Gujarat, Coimbatore, Jharkhand, Orissa, Chennai, Vartak Nagar, Ahmednagar, Maharashtra and Thane
2	Promoting Healthcare	Contribution to Disaster Relief-Flood which covers Banaskantha and Patan Districts, Gujarat
3	Rainwater Harvesting	Vartaknagar Balkum, Rabodi, Thane, Delhi, Baddi, Ahmednagar
4	Water Conservation	New Delhi, Baddi Himachal Pradesh, Mumbai, Aurangabad, Ahmednagar

2. **Modes through which programmes/projects undertaken (through in-house team/ own foundation/ external NGO's/Government structures/any other organization)**

   The programmes are undertaken directly and through agencies.

3. **Impact assessments for initiatives**

   Currently, no impact assessment of our initiatives has been undertaken. However, the Company intends to review the impact of its various initiatives in coming years.

4. **Company's direct contribution to community development projects**

   Details of the projects undertaken are mentioned in the Annual Report on CSR Activities in the Boards' Report.

5. **Steps undertaken to ensure that community development initiatives are successfully adopted by the community**

   The Company ensures its presence is established right from the commencement of the initiatives. It collaborates with the communities right from need identification to project implementation.

Principle 9 - CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **Percentage of customer complaints/consumer cases pending as on the end of financial year**

   The Company has a designated email id for customer complaints i.e. consumer.support@crompton.co.in and call centre toll free no. 1800 4190 505.

   For 2018-19; 19,37,278 customer complaints were received by the Company. Out of this, 19,33,752 complaints/cases were successfully resolved.

   There were 20 consumer-related legal cases as on 31st March, 2019.

2. **Product information and product labelling**

   All the Company's products carry the information required under the Legal Metrology Act, 2009.

3. **Case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the financial year.**

   Nil

4. **Consumer survey/consumer satisfaction trends carried out by the Company**

   Yes, we carry out consumer surveys to identify needs of consumers and use this information for product development.

INDEPENDENT AUDITOR'S REPORT

To the Members of Crompton Greaves Consumer Electricals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Crompton Greaves Consumer Electricals Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current year. 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.

1. Goodwill

   On the demerger of the Consumer Business from Crompton Greaves Limited (CGL) (now CG Power and Industrial Solutions Limited) and in terms of 'Scheme of Arrangement' the assets and liabilities of the Consumer Business along with certain brand usage rights were transferred to Crompton Greaves Consumer Electricals Limited (CGCEL). The excess of liabilities over net assets based on fair value and the share capital amounting to ₹ 779.41 crore, was shown as Goodwill in the books of CGCEL. The Company has adopted the policy of amortising the goodwill in the books of account, on the basis of impairment test, only if there is an indication of impairment as at the reporting date. Based on the valuation done by the management's consultant, the value of the goodwill is more than book value of goodwill as at 31st March, 2019, and hence, there is no indication of impairment.

   Due to the inherent uncertainty involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates, which are the basis for computing the value of goodwill and the assessment of recoverability, these are the key judgement areas. In view of the above, the Company has carried out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The calculation involved using certain assumptions around discount rates, growth rates and cash flow forecasts. This is considered as the key audit matter.

   Audit Procedures

   We have performed the audit procedures, including:

   a) Critically reviewing the Company's assumptions pertaining to externally derived data in relation to key inputs, such as, long-term growth rates and discount rates;

   b) Assessed the appropriateness of the forecasted cash flows based on our understanding of the business and sector experience;

   c) Recalculated the weighted average cost of capital (WACC) used to discount the cash flows and assessed those rates to be reasonable based on knowledge of the economic environment and the risk premium associated with respective industries and countries.

d) Compared the cash flow forecasts used in the impairment assessment prepared by management consultant with the budgeted numbers to the extent available;

e) Evaluated the reasonableness of the forecasts made by the management by comparing past forecasts to historical results, where this was available, and by comparing to the current year results of the Company;

f) Subjected related key assumptions to sensitivity analysis;

g) Evaluated whether the Company's disclosures concerning the sensitivity of the impairment assessment to changes in key assumptions, reasonably reflected the risks inherent in the valuation of goodwill;

h) Skeptically reviewed management's assumptions, judgement and the appropriateness of the valuation model used;

i) Tested the mathematical accuracy of management's calculations.

Our audit procedures did not reveal in any material variations.

2. Ongoing tax matters, including provision for tax

The Company's unsettled tax positions includes matters under dispute which involves significant judgment to determine the possible outcome of these disputes. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices. Provision for tax is also based on the presumption of significant estimates and assumptions on the allowability / disallowablilty of claims. Hence, it is considered as a Key Audit Matter.

Audit Procedures

We have performed audit procedures, which including:

a) Obtained information of completed tax assessments and demands / refunds received by the Company during the financial year 2018-19;

b) Critically reviewed the processes and controls in place over tax assessments and demands / refunds through discussions with the management's internal experts / external consultants and reviewed the communications with those charged with governance pertaining to this issue;

c) Involved our tax team to critically evaluate the assumptions in estimating the tax provisions and the possible outcome of the assessment / demands. Our tax team considered past precedence and other rulings in evaluating Company's position on these uncertain tax positions.

d) Assessed whether the Company's disclosures in Note 31 to the standalone financial statements, the Contingent liabilities and commitments, adequately disclose the relevant facts and circumstances and potential liabilities of the Company.

e) Also, considered the effect of all the information in respect of uncertain tax positions as at 31st March, 2019 and provision for tax to evaluate whether any review was necessary to Company's position on these uncertainties.

Our audit procedures did not reveal any negative observations in the matter.

3. Estimates - Provision for warranty

Computation of provision for warranties and returns involves critical evaluation of historical data with respect to the nature of repair and returns, and estimation of costs in respect of future warranty claims and refunds. In view of the estimates being based on facts and circumstances that can change from period to period, this is considered to be a significant management judgement. Hence, a Key Audit Matter.

Audit Procedures

We have performed audit procedures, which includes:

a) Reviewed management's contract risk assessments by enquiries, inspection of meeting minutes and review of correspondence with customers, where available. As we have the knowledge gained through field involvement and feedback on review of the operation, contract and project reviews, we also assessed the justification for and the accuracy of provisions;

b) Reviewed the recognition and appropriateness of provisions by re-computing the amounts, obtaining management statements, evidence and supporting documents, such as, correspondence with clients or legal assessments of internal sources, where available;

c) Considered the historical accuracy of estimates made by management through reviews of actual facts. In order to gain a complete and clear understanding, additionally performed enquiry procedures and reviewed relevant documents.

Our audit procedures did not reveal any observations of any material differences.

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 annual 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 Indian Accounting Standards prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

(a) Identify and assess the risks of material misstatement of the 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;

(b) 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 system in place and the operating effectiveness of such controls;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(d) 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; and

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, where applicable and 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash 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 Indian Accounting Standards prescribed under Section 133 of the Act;

(e) on the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting of the Company 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 Auditors Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act; and

(h) 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:

(1) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - (Refer Note 31 to the standalone financial statements);

(2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(3) the requirements to transfer amounts to the Investor Education and Protection Fund is not presently applicable to the Company.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 21st May, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties are in the name of the Company, except, in one case of freehold land acquired consequent to the 'Scheme of Arrangement' with gross and net carrying amounts of ₹ 0.34 crore and ₹ 0.34 crore respectively - (Refer Note 2 to the standalone financial statements), in respect of which the deeds of conveyance is yet to be completed.

(ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.

(iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loan or given any guarantees or provided any security to the parties covered under Section 185 of the Act. Further, the Company has not made any investment or given any loan or given any guarantee or provided any security within the meaning of Section 186 of the Act. Accordingly, the Paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply..

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these accounts and records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at 31st March, 2019 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount (₹ crore)*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax, Interest and Penalty	10.38	2010-11 and 2011-12 2013-14 to 2015-16	Commissionerate (Appeals)
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act and Value Added Tax	Tax, Interest and Penalty	0.06	1999-2000	High Court
		33.68	1998-99 to 2001-0t2 2003-04 to 2017-18	Commissionerate (Appeals)
		4.60	1996-97 2000-01 2002-03 and 2003-04 2005-06 to 2008-09 2010-11 and 2011-12	Tribunal
The Central Excise Act, 1944, the Customs Act, 1962 and Service Tax under the Finance Act, 1994	Duty, Interest and Penalty	1.37	2001-02	Commissionerate (Appeals)

(*net of pre-deposit paid in getting the stay / appeal admitted)

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has issued redeemable non-convertible debentures, however, there are no dues for repayment.

(ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, on an overall basis, the term loan has been applied for the purpose for which the term loan was obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The relevant details of such related party transactions have been disclosed in the standalone financial statements, etc., as required under

Indian Accounting Standard (Ind AS) 24, *Related Party Disclosures* specified under Section 133 of the Act.

(xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 21st May, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Crompton Greaves Consumer Electricals Limited** (the 'Company') as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). 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 Companies Act, 2013 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 21st May, 2019

Standalone Balance Sheet

As at 31st March, 2019

₹ crore

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	78.55	76.00
(b) Capital work-in-progress		0.98	0.61
(c) Goodwill	2	779.41	779.41
(d) Other intangible assets	2	5.19	6.17
(e) Financial assets			
(i) Investments	3	14.20	-
(ii) Others	4	9.95	12.93
(f) Deferred tax assets (net)	22	59.65	47.85
(g) Other non-current assets	5	15.45	14.68
Total non-current assets		**963.38**	**937.65**
(2) Current assets			
(a) Inventories	6	352.38	303.24
(b) Financial assets			
(i) Investments	7	529.98	367.58
(ii) Trade receivables	8	565.98	553.64
(iii) Cash and cash equivalents	9	116.34	172.49
(iv) Bank balances other than (iii) above	10	26.07	4.89
(v) Others	11	12.86	13.73
(c) Current tax assets (net)		18.09	-
(d) Other current assets	12	84.72	71.77
Total current assets		**1,706.42**	**1,487.34**
TOTAL ASSETS		**2,669.80**	**2,424.99**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	125.40	125.36
(b) Other equity	14	973.08	664.14
Total equity		**1,098.48**	**789.50**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	349.26	648.55
(b) Provisions	16	17.29	17.48
Total non-current liabilities		**366.55**	**666.03**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	-
(ii) Trade payables			
(a) Due to micro and small enterprises	18	9.19	34.23
(b) Due to creditors other than micro and small enterprises	18	654.98	734.00
(iii) Other financial liabilities	19	365.69	63.95
(b) Other current liabilities	20	23.10	29.58
(c) Provisions	21	151.81	97.56
(d) Current tax liabilities (net)		-	10.14
Total current liabilities		**1,204.77**	**969.46**
Total liabilities		**1,571.32**	**1,635.49**
TOTAL EQUITY AND LIABILITIES		**2,669.80**	**2,424.99**
Significant accounting policies	1		
Contingent liabilities and commitments	31		
Other notes	32 to 46		

The accompanying notes form an integral part of the financial statements

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Edwin P. Augustine
Partner
Membership No. 043385
Mumbai, 21st May, 2019

Mathew Job
Chief Executive Officer

Sandeep Batra
Chief Financial Officer

Mumbai, 21st May, 2019

Pragya Kaul
Company Secretary
Membership. No. A17167

Standalone Statement of Profit and Loss

for the year ended 31st March, 2019

₹ crore

Particulars		Notes	2018-19	2017-18
Income				
I.	Revenue from operations	23	4,478.91	4,105.12
II.	Other income	24	48.26	30.75
III.	**Total Income (I+II)**		**4,527.17**	**4,135.87**
IV.	**Expenses**			
	Cost of materials consumed	25	1,056.49	875.79
	Purchase of stock-in-trade	26	2,058.62	1,938.55
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(23.29)	(14.79)
	Excise duty on sale of goods		-	25.46
	Employee benefits expense	28	291.88	282.65
	Finance costs	29	59.60	63.74
	Depreciation and amortisation expense	2	12.89	12.61
	Other expenses	30	509.42	466.42
	Total Expenses (IV)		**3,965.61**	**3,650.43**
V.	**Profit before tax**		561.56	485.44
VI.	**Tax expense:**			
	Current tax (Refer note 44)		171.12	181.80
	Deferred tax	22	(12.08)	(20.15)
VII.	**Profit for the year**		**402.52**	**323.79**
VIII.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss		0.80	5.13
	Remeasurements gain / (loss) on defined benefit plans			
	(ii) Income tax related to items that will not be reclassified to profit or loss		(0.28)	(1.78)
	Other comprehensive income for the year (net of tax)		0.52	3.35
IX.	**Total comprehensive income for the year**		**403.04**	**327.14**
X.	**Earnings per equity share**	37		
	1. Basic (₹)		6.42	5.17
	2. Diluted (₹)		6.38	5.15
Significant accounting policies		1		
Other Notes		32 to 46		

The accompanying notes form an integral part of the financial statements

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Edwin P. Augustine
Partner
Membership No. 043385
Mumbai, 21st May, 2019

Mathew Job
Chief Executive Officer

Sandeep Batra
Chief Financial Officer

Mumbai, 21st May, 2019

Pragya Kaul
Company Secretary
Membership. No. A17167

Standalone Statement of Changes in Equity

for the year ended 31st March, 2019

(A) EQUITY SHARE CAPITAL

	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance at the beginning of the reporting period	62,67,85,105	125.36	62,67,46,142	125.35
Changes in equity share capital during the year	2,00,815	0.04	38,963	0.01
Balance at the end of the reporting period	**62,69,85,920**	**125.40**	**62,67,85,105**	**125.36**

(B) OTHER EQUITY

₹ crore

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium	Employee share options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at 1st April, 2017	**0.05**	**-**	**30.94**	**-**	**364.14**	**(2.73)**	**392.40**
Profit for the year					323.79		323.79
Dividends paid including dividend distribution tax					(113.15)		(113.15)
Securities premium received		0.72					0.72
Amount transferred to Securities premium		0.24	(0.24)				-
Movement in Other comprehensive income for the year						3.35	3.35
Add: Employee compensation expense for the year (Refer Note 28)			57.03				57.03
Balance at 31st March, 2018	**0.05**	**0.96**	**87.73**	**-**	**574.78**	**0.62**	**664.14**
Profit for the year					402.52		402.52
Dividends paid including dividend distribution tax					(132.24)		(132.24)
Securities premium received		3.71					3.71
Amount transferred to Securities premium		1.33	(1.33)				-
Amount transferred to Debenture redemption reserve				75.00	(75.00)		-
Movement in Other comprehensive income for the year						0.52	0.52
Add: Employee compensation expense for the year (Refer Note 28)			34.43				34.43
Balance at 31st March, 2019	**0.05**	**6.00**	**120.83**	**75.00**	**770.06**	**1.14**	**973.08**

As per our report attached

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Standalone Statement of Cash Flows

for the year ended 31st March, 2019

₹ crore

Particulars		2018-19	2017-18
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**561.56**	**485.44**
Adjustments for:			
Depreciation and amortisation expense		12.89	12.61
Interest expense		59.60	63.74
Loss on sale of property, plant and equipment		0.09	0.25
Provision for expenses on employee share options		34.43	57.03
Net loss / (gain) on sale or fair valuation of investments		(16.05)	(1.26)
Interest income		(19.67)	(12.69)
Income from mutual funds		(10.62)	(16.03)
Unrealised exchange (gain) / loss (net)		(1.28)	0.86
		59.39	**104.51**
Cash Generated from operations before working capital changes		**620.95**	**589.95**
Adjustments for			
(Increase) / Decrease in trade and other receivables		(17.87)	(102.42)
(Increase) / Decrease in inventories		(49.14)	(29.89)
Increase / (Decrease) in trade and other payables		(108.75)	17.92
Increase / (Decrease) in provisions		55.59	21.09
		(120.17)	**(93.30)**
Cash generated from operations		500.78	496.65
Taxes paid		(199.35)	(181.24)
Net cash (used in) / generated from operating activities	[A]	**301.43**	**315.41**
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Interest income		15.22	12.42
Income from mutual funds		10.62	16.03
Sale of property, plant and equipment		0.40	0.15
		26.24	**28.60**
Less: Outflows from investing activities			
Investment in subsidiaries		14.20	-
Purchase / sale of current investments (net)		146.35	47.44
Investment in bank deposits		21.18	0.75
Purchase of property, plant and equipment and intangible assets		15.95	13.46
		197.68	**61.65**
Net Cash (used in) / generated from investing activities	[B]	**(171.44)**	**(33.05)**

Standalone Statement of Cash Flows

for the year ended 31st March, 2019

₹ crore

Particulars		2018-19	2017-18
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of equity shares		3.75	0.73
		3.75	**0.73**
Less: Outflows from financing activities			
Payment of dividend including dividend distribution tax		131.17	112.85
Interest paid		58.73	63.35
		189.90	**176.20**
Net Cash (used in) / generated from financing activities	**[C]**	**(186.15)**	**(175.47)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**(56.15)**	**106.89**
(a) Cash and cash equivalents at beginning of the year (Refer Note 9)		172.49	65.60
(b) Cash and cash equivalents at end of the year (Refer Note 9)		116.34	172.49
(c) Net increase / (decrease) in cash and cash equivalents	**(c = b-a)**	**(56.15)**	**106.89**

Notes:

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, *Statement of Cash Flows* as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended)
2. Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year.
3. Figures for the previous year have been regrouped wherever necessary.

As per our report attached

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Pragya Kaul
Company Secretary
Membership. No. A17167

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

Company Overview:

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

1. Significant Accounting policies

1) Statement of compliances and basis of preparation and presentation

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

b) Basis of presentation

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

The Standalone financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 21st May, 2019.

c) Basis of preparation

The financial statements have been prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

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

d) Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. 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 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.

The Company classifies all other liabilities as non-current.

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

e) The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

f) **Fair Value Measurement:**

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

- **Level 1:** Level 1 inputs include financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimate. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2; and
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

2. Rounding of amounts

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

3. Key estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcome that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Assessment of functional currency [Refer Note (1.4)];
- Financial instruments [Refer Note (41)];
- Estimates of useful lives and residual value of property, plant and equipment and intangible assets [Refer Note (1.5) and (1.6)];
- Impairment of investments [Refer Note (1.12)]
- Valuation of inventories [Refer Note (1.10)];
- Measurement of recoverable amounts of cash-generating units [Refer Note (38)];
- Measurement of Defined Benefit Obligation, key actuarial assumptions [Refer Note (35)];
- Provisions and Contingencies [Refer Note (1.13) and (31)];
- Provision for product warranty [Refer Note (1.13)]
- Recognition of revenue from contracts based on stage on completion [Refer Note (1.14)]; and
- Evaluation of recoverability of deferred tax assets [Refer Note (1.18)];.

4. Foreign currency translation

(a) Functional and presentation currency

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

(b) Transactions and balances

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

5. Property, plant and equipment (PPE)

(a) Recognition and measurement

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

The cost of an item of PPE comprises:

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

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

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

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

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 Statement of profit and loss.

Any gain or loss on disposal of an item of PPE is recognised in Statement of profit and loss.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Depreciation

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

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

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

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

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

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

6. Intangible assets

(a) Recognition and measurement

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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

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

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

(b) Subsequent expenditure

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

(c) Amortisation

Intangible assets comprise computer software purchased, which are not an integral part of the related hardware and technical know-how and are amortised on a straight line basis over a period of 5 years, which in management's estimate represents the period during which the economic benefits will be derived from their use.

(d) Goodwill

Goodwill arising as a result of business combination is not amortised and is tested for impairment every year.

(e) Research and development cost

(i) Research cost

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

(ii) Development cost

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

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

ii. the Company has intention to complete the development of intangible asset and use or sell it;

iii. the Company has ability to use or sell the intangible asset;

iv. the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

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

vi. the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

(f) Intangibles which are not ready for intended use as on the date of Balance sheet are disclosed as Intangibles under development.

7. Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the 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. 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

groups of assets (cash generating units). Impairment loss is charged to the Statement of profit and loss in the year in which the asset is identified as impaired. The carrying amount of the asset is reduced to its recoverable amount.

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.

Goodwill impairment

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

8. Borrowings and loans

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

9. Borrowing costs

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

10. Inventories

Inventories are valued after providing for obsolescence, where considered necessary, as under:

(a)	Raw materials, components, stores and spare parts.	:	At lower of cost computed, on weighted average basis and net realisable value
(b)	Work -in-progress -Manufacturing	:	At lower of cost of materials, plus appropriate production overheads and net realisable value
(c)	Finished goods – Manufacturing	:	At lower of cost of materials plus appropriate production overheads and net realisable value
(d)	Finished goods – Trading :	:	At lower of cost computed, on weighted average basis and net realisable value

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in the production of inventories are not written down, if the finished goods in which they will be used are expected to be sold at or above cost.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

11. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, 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.

12. Financial instruments

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

(a) Financial assets

Classification

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

i. those measured at amortised cost, and

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

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments

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

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

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

Subsequent measurement

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

- **Amortised cost**

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

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

De-recognition

A financial asset (or where applicable, a part of a financial asset or part of similar assets) is

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

primarily de-recognised (i.e., removed from the Company's balance sheet) when:

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

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

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

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

- On de-recognition of financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition 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 de-recognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits and bank balances

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

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

(b) Financial liabilities

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

Classification

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

Initial recognition and measurement

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

Subsequent measurement

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

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

De-recognition

A 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Other financial liabilities

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

Offsetting of financial instruments

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

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 derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

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

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

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

- The amount initially recognised less, when appropriate, the cumulative amount of income recognised.

13. Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be

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made. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

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

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

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

14. Revenue recognition

(a) Revenue from goods and services:-

Revenue is recognized upon transfer of control of goods or services to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services.

Amounts disclosed are inclusive of excise duty (upto 30th June 2017) and net of returns, trade discounts, rebates, incentives, goods and services tax(from 1st July 2017) / value added tax/ central sales tax and amounts collected on behalf of the third parties.

Revenue from fixed price contracts where performance obligation is satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

Maintenance revenue is recognized over the term of the underlying maintenance arrangement.

(b) Dividend income

Dividend is recognised as revenue when the right to receive payment has been established,

(c) Interest income

For all interest bearing financial assets measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

(d) Other income

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

15. Government grants and incentives

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

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

16. Employee benefit plans

(a) Short-term employee benefits:

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

(b) Post-employment benefits:

Defined contribution plans:

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

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Defined benefit plans:

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

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

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

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

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

(c) Long-term employee benefits:

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

(d) Termination benefits:

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

(e) Share-based payment:

Employees of the Company receive remuneration in the form of share-based payment in consideration of the services rendered.

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

17. Leases- Operating

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of the inception.

Assets taken on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Payments made under operating leases are generally recognised in Statement of profit or loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

18. Income taxes

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

(a) Current tax

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

Current tax assets and liabilities are offset only if:

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

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for the year ended 31st March, 2019

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

(b) Deferred tax

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

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

Deferred tax assets and deferred tax liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

19. Earnings per share (EPS)

Basic EPS is computed by dividing the profit attributable to owners of the Company, by using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

20. Exceptional items:

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

21. Segment accounting

(a) Segment accounting policies:

Segment accounting policies are in line with the accounting policies of the Company. The Company identifies primary business segment based on the different risks and returns, the organization structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

iv) Segment results include margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

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for the year ended 31st March, 2019

(b) Inter-segment transfer pricing:

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

22. Statement of cash flows

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

23. Recent accounting pronouncements and effective dates

(a) Ind AS 116, *Leases*:

Ind AS 116 is applicable for financial reporting periods beginning on or after 1st April 2019 and replaces existing lease accounting guidance, namely Ind AS 17, *Leases*. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ('ROU') asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e., lessors continue to classify leases as finance or operating leases.

The Company is in the process of analysing the impact of new lease standard on its financial statements.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12 is required to be disclosed.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019.

(c) Amendment to Ind AS 12, *Income Taxes* :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, *Income Taxes*, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. At present the standard is not applicable to the Company.

(d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, '*Employee Benefits*', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company does not have any material impact on account of this amendment.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

2. Property, plant and equipment and Intangible assets

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2018	Additions	Deductions	As at 31st March, 2019	Upto 31st March, 2018	For the year	Deductions	Upto 31st March, 2019	As at 31st March, 2019	As at 1st April, 2018
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.41	-	-	4.41	-	-	-	-	4.41	4.41
Leasehold land	2.69	-	-	2.69	0.69	0.03	-	0.72	1.97	2.00
Buildings	29.91	0.36	-	30.27	3.10	1.57	-	4.67	25.60	26.81
Plant and equipment	44.41	10.15	0.42	54.14	12.12	6.21	0.15	18.18	35.96	32.29
Furniture and fixtures	4.56	0.30	0.11	4.75	1.16	0.57	0.04	1.69	3.06	3.40
Office equipment	6.66	1.80	0.10	8.36	1.93	1.99	0.06	3.86	4.50	4.73
Vehicles	2.78	1.54	0.14	4.18	0.42	0.76	0.05	1.13	3.05	2.36
Sub-total (i)	**95.42**	**14.15**	**0.77**	**108.80**	**19.42**	**11.13**	**0.30**	**30.25**	**78.55**	**76.00**
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total (ii)	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
(iii) Other Intangibles										
Computer software	7.52	0.79	0.02	8.29	1.76	1.64	0.01	3.39	4.90	5.76
Technical knowhow	1.90	-	-	1.90	1.67	-	-	1.67	0.23	0.23
Research and development	0.68	-	-	0.68	0.50	0.12	-	0.62	0.06	0.18
Sub-total (iii)	**10.10**	**0.79**	**0.02**	**10.87**	**3.93**	**1.76**	**0.01**	**5.68**	**5.19**	**6.17**
Total (i) + (ii)+(iii)	**884.93**	**14.94**	**0.79**	**899.08**	**23.35**	**12.89**	**0.31**	**35.93**	**863.15**	**861.58**

Notes: (a) Cost of freehold land included ₹ 0.34 crore; (Previous year ₹ 0.34 crore) for which conveyance is yet to be completed.

(b) Cost / valuation of buildings includes ownership accommodation in various co-operative societies and apartments: ₹ 0.67 crore; (Previous year ₹ 0.67 crore), including 3 shares of ₹ 100 each, which is in the process of transferring in the Company's name.

(c) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 785.44 crore; (Previous year ₹ 785.47 crore).

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2017	Additions	Deductions	As at 31st March, 2018	Upto 31st March, 2017	For the year	Deductions	Upto 31st March, 2018	As at 31st March, 2018	As at 1st April, 2017
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.17	0.24	-	4.41	-	-	-	-	4.41	4.17
Leasehold land	2.19	0.50	-	2.69	0.03	0.66	-	0.69	2.00	2.16
Buildings	29.37	0.54	-	29.91	1.52	1.58	-	3.10	26.81	27.85
Plant and equipments	40.00	4.58	0.17	44.41	6.30	5.89	0.07	12.12	32.29	33.70
Furniture and fixtures	3.84	0.77	0.05	4.56	0.52	0.65	0.01	1.16	3.40	3.32
Office equipment	3.72	3.17	0.23	6.66	0.97	1.08	0.12	1.93	4.73	2.75
Vehicles	1.97	1.04	0.23	2.78	0.16	0.32	0.06	0.42	2.36	1.81
Sub-total (i)	**85.26**	**10.84**	**0.68**	**95.42**	**9.50**	**10.18**	**0.26**	**19.42**	**76.00**	**75.76**
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total (ii)	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
(iii) Other Intangibles										
Computer software	5.27	2.25	-	7.52	0.27	1.49	-	1.76	5.76	5.00
Technical know-how	1.90	-	-	1.90	0.94	0.73	-	1.67	0.23	0.96
Research and development	0.68	-	-	0.68	0.29	0.21	-	0.50	0.18	0.39
Sub-total (iii)	**7.85**	**2.25**	**-**	**10.10**	**1.50**	**2.43**	**-**	**3.93**	**6.17**	**6.35**
Total (i) + (ii)+(iii)	**872.52**	**13.09**	**0.68**	**884.93**	**11.00**	**12.61**	**0.26**	**23.35**	**861.58**	**861.52**

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for the year ended 31st March, 2019

3 Non-Current - Financial assets - Investments :

Particulars	Face Value per Share	Number of shares as at 31st March, 2019	As at 31st March, 2019 ₹ crore	As at 31st March, 2018 ₹ crore
Investments in equity instruments (fully paid-up)				
Unquoted				
At Cost				
In Subsidiary companies				
Equity shares				
Pinnacles Lighting Project Private Limited	10	67,00,000	6.70	-
Nexustar Lighting Project Private Limited	10	75,00,000	7.50	-
			14.20	-

Details of unquoted investments :

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Aggregate amount of unquoted investments	14.20	-
Aggregate provision for impairment in value of investments	-	-
Total	**14.20**	**-**

[Note: The investments are in compliance with Section 186(4) of the Companies Act, 2013, as amended]

4 Non-current financial assets - others

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits	6.80	5.87
Deposits with banks (with maturity period of more than 12 months)	0.28	0.23
Others	2.87	6.83
	9.95	**12.93**

[Note: Deposits of ₹ 0.28 crore; (Previous year ₹ 0.23 crore) are under lien with banks]

5 Other non-current assets

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	**1.94**	1.31
Less: Allowance for doubtful advances	**(1.07)**	(1.07)
	0.87	**0.24**
Others	**14.58**	14.44
	15.45	**14.68**

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6 Inventories (At lower of cost and net realisable value)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials	68.12	52.86
Add: Goods-in-transit	11.20	0.69
	79.32	**53.55**
Work-in-progress - manufacturing	27.03	29.10
Finished goods - manufacturing	52.37	68.47
Add: Goods-in-transit	9.39	8.77
	61.76	**77.24**
Stock-in-trade	162.75	120.79
Add: Goods-in-transit	18.30	19.42
	181.05	**140.21**
Stores, spares and packing materials	3.22	3.14
	352.38	**303.24**

[Note: Inventories are hypothecated with the bankers against working capital facilities - (Refer Note 17)]

7 Current Financial assets - Investments

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Investment in Bonds (Quoted)	20.07	-
(B) Investment in Mutual funds (Unquoted)	509.91	367.58
	529.98	**367.58**

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for the year ended 31st March, 2019

Particulars		Face Value per Bond/ Unit	Number of Bond/ Units as at 31st March, 2019	As at 31st March, 2019 ₹ crore	As at 31st March, 2018 ₹ crore
(A)	**Investment in Bonds (Quoted)**				
	8.5% NABARD Unsecured Rated Listed Redeemable Non Convertible Taxable Bonds	10,00,000	100	10.06	-
	8.12% ONGC Mangalore Petrochemicals Limited Secured Redeemable Non Convertible Debentures	10,00,000	100	10.01	-
	Total (A)			**20.07**	**-**
(B)	**Investment in Mutual funds (Unquoted)**				
	Unquoted				
	Aditya Birla SL Liquid Fund Growth - Direct	100	3,86,488	11.61	-
	Aditya Birla Sun Life Cash Plus - Daily Dividend - Direct Plan - Reinvestment	100	-	-	8.02
	Aditya Birla Sun Life Money Manager Fund - Growth - Direct	100	13,98,045	35.18	-
	Aditya Birla Sun Life Floating Rate Long term - Daily Dividend - Direct Plan - Reinvestment	100	-	-	7.08
	Aditya Birla Sun Life Short Term Fund - Monthly Dividend - Direct Plan - Reinvestment	10	-	-	28.61
	Aditya Birla Sun Life Interval Income Fund - Quarterly Plan - Series 1 Dividend - Direct Reinvestment	10	-	-	5.04
	DSP Liquidity Fund - Direct Plan - Growth	1,000	39,985	10.69	-
	DSP BlackRock Banking And PSU Debt Fund - Direct - Daily Dividend	10	-	-	0.83
	DSP Savings Fund Direct Plan - Growth	10	27,03,631	10.06	-
	HDFC Liquid Fund - Direct Plan - Growth option	1,000	76,077	27.98	-
	HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvested	1,000	-	-	7.46
	HDFC Ultra Short Term Fund - Direct Growth	10	39,10,336	4.10	-
	HDFC Short Term Opportunities Fund - Direct Plan - Fortnight Dividend	10	-	-	26.24
	HDFC FMP 92D February 2018 (1) - Direct - Normal Dividend - Series 39	10	-	-	10.07
	ICICI Prudential Liquid Fund Direct Plan - Growth	100	2,17,674	2.64	-
	ICICI Prudential Liquid Direct Plan - Daily Dividend	100	-	-	13.94
	ICICI Prudential Savings Fund - Direct - Growth	100	2,11,013	7.62	-
	ICICI Prudential Money Market Fund Direct - Growth	1,000	6,18,138	41.25	-

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for the year ended 31st March, 2019

Particulars	Face Value per Bond/ Unit	Number of Bond/ Units as at 31st March, 2019	As at 31st March, 2019 ₹ crore	As at 31st March, 2018 ₹ crore
ICICI Prudential Corporate Bond Fund - Direct Plan Growth	10	47,08,147	9.26	-
ICICI Prudential Fixed Maturity Plan - Series 82 - 103 Days Plan O Direct Plan	10	-	-	10.06
IDFC Low Duration Fund - Growth (Direct Plan)	10	19,11,293	5.11	-
IDFC Corporate Bond - Direct - Growth	10	1,89,24,347	24.34	-
IDFC Cash Fund - Daily Dividend - (Direct Plan)	1,000	-	-	12.01
IDFC Ultra Short Term Fund - Daily Dividend - (Direct Plan)	10	-	-	44.68
IDFC Corporate Bond Fund Direct Plan - Monthly Dividend - Reinvestment	10	-	-	24.71
Invesco India Liquid Fund Direct - Growth	1,000	33,184	8.54	-
Invesco India Money Market Fund Direct - Growth	1,000	1,52,755	33.15	-
Invesco India Short Term Fund Direct Plan - Daily Dividend	1,000	-	-	11.41
Kotak Liquid Fund Direct - Growth	1,000	28,805	10.90	-
Kotak Money Market Fund Direct - Growth	1,000	1,03,271	31.88	-
Kotak Savings Fund - Direct Plan - Growth	10	99,48,392	30.39	-
Kotak Floater Short Term - Direct Plan - Daily Dividend - Reinvestment	1,000	-	-	11.06
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend	10	-	-	38.67
Kotak FMP Series 218 Direct Plan - Dividend	10	-	-	10.07
L&T Ultra Short Term Fund Direct Plan - Growth	10	55,23,485	17.20	-
Reliance Liquid Fund Direct - Growth	1,000	23,129	10.55	-
Reliance Money Market Direct - Growth	1,000	1,46,337	41.54	-
Reliance Quarterly Interval Fund Series II	10	35,76,105	9.24	-
Reliance Liquid Fund - Treasury Plan - Direct - Daily Dividend - Reinvestment	1,000	-	-	31.13
Reliance Fixed Horizon Fund - XXXVI - Seried 4 - Direct Dividend Plan	10	-	-	10.08
SBI Liquid Fund Direct - Growth	1,000	40,564	11.88	-
SBI Magnum Low Duration Fund - Direct Growth	1,000	70,602	17.17	-
SBI Debt Fund Series C – 31 (365 Days) Direct - Growth	10	1,00,00,000	10.31	-
SBI Debt Fund Series C – 37 (365 Days) Direct - Growth	10	1,00,00,000	10.20	-

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Particulars	Face Value per Bond/ Unit	Number of Bond/ Units as at 31st March, 2019	As at 31st March, 2019 ₹ crore	As at 31st March, 2018 ₹ crore
SBI Debt Fund Series C – 42 (365 Days) Direct - Growth	10	90,00,000	9.12	-
SBI Debt Fund Series C – 47 (360 Days) Direct - Growth	10	1,00,00,000	10.06	-
Sundaram Money Fund Direct Plan - Growth	10	13,14,521	5.18	-
Tata Liquid Fund Direct - Growth	1,000	52,059	15.33	-
Tata Money Market Fund Direct Plan - Daily Dividend	1,000	-	-	9.49
Tata Short Term Bond Fund Direct Plan - Monthly Dividend	10	-	-	46.92
UTI Money Market Fund - Direct Growth Plan	1,000	1,29,267	27.31	-
Yes Liquid Fund - Direct - Growth	1,000	1,00,000	10.12	-
Total (B)			**509.91**	**367.58**
			529.98	**367.58**

[Refer: Note 41 A for information about fair value measurement; and Note 41(ii) for credit risk of investments]

Details of investments:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Aggregate amount of quoted current investments and market value thereof:		
Book Value	20.07	-
Market value	20.07	-
Aggregate amount of unquoted current investments:		
Book Value (Accounted based on NAV)	509.91	367.58

8 Current financial assets - Trade receivables

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Trade receivables considered good	565.98	553.64
Trade receivable considered doubtful	19.64	14.21
	585.62	**567.85**
Less: Allowance for doubtful trade receivables	19.64	14.21
	565.98	**553.64**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

9 Current financial assets - Cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with banks :		
In current accounts	30.93	30.90
In deposit accounts (with less than 3 months maturity)	85.38	141.57
Cash on hand	0.03	0.02
	116.34	**172.49**

10 Current financial assets - Other bank balances

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Bank deposits with maturity more than 3 months but less than 12 months	25.00	4.59
Unclaimed dividend account	1.07	0.30
	26.07	**4.89**

[Note: Deposits of ₹ Nil; (Previous year ₹ 4.59 crore) are under lien with banks]

11 Current financial assets - Others

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits	12.42	13.73
Other receivables - from Related parties	0.44	-
	12.86	**13.73**

12 Other current assets

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance to suppliers	17.60	11.83
Balances with Indirect tax authorities	4.94	16.84
Reimburseable from suppliers	38.02	21.43
Others	24.16	21.67
	84.72	**71.77**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

13 Share capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital				
Equity shares of ₹ 2 each	65,00,00,000	130.00	65,00,00,000	130.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each, fully paid-up	62,69,85,920	125.40	62,67,85,105	125.36
	62,69,85,920	**125.40**	**62,67,85,105**	**125.36**

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount ₹ crore	Number	Amount ₹ crore
At the beginning of the year	62,67,85,105	125.36	62,67,46,142	125.35
Shares issued on account of exercising ESOP	2,00,815	0.04	38,963	0.01
Outstanding at the end of the year	**62,69,85,920**	**125.40**	**62,67,85,105**	**125.36**

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, 2019		As at 31st March, 2018	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
Amalfiaco Limited	14,00,37,623	22.34%	14,00,37,623	22.34%
Macritchie Investments Pte Ltd	7,54,04,873	12.03%	7,54,04,873	12.03%
Aditya Birla Sun Life Trustee Private Limited	3,21,59,335	5.13%	2,51,11,463	4.01%

d. Shares reserved for issuance under Stock Option Plans of the Company (Also Refer Note 39)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	31,33,769	0.63	31,56,404	0.63
Crompton Performance Share Plan 1 2016 (PSP 1)	1,09,68,057	2.19	1,09,68,057	2.19
Crompton Performance Share Plan 2 2016 (PSP 2)	31,33,731	0.63	31,33,731	0.63

e. There are no bonus shares issued/ shares bought back.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

g. The Board of Directors has recommended a dividend of ₹ 2; (Previous year ₹ 1.75) per fully paid up equity share of ₹ 2 each, aggregating to ₹ 151.17 crore; (Previous year ₹ 132.24 crore), including dividend distribution tax.

14 Other Equity

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital reserve	0.05	0.05
Securities premium	6.00	0.96
Employee share option outstanding account	120.83	87.73
Retained earnings	770.06	574.78
Other comprehensive income	1.14	0.62
Debenture redemption reserve	75.00	-
Total	**973.08**	**664.14**

[Note: For movements in reserves - refer 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 Share Option Plan (ESOP).

Employee share option outstanding account

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

Retained earnings

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

Debenture redemption reserve

Debenture redemption reserve is a Statutory Reserve (as per the Companies Act, 2013) created out of profits of the Company for the purpose of redemption of debentures issued by the Company. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debenture issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. On completion of redemption, the reserve is transferred to retained earnings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

15 Financial liabilities - Borrowings

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Measured at amortized cost		
i) Non-Current Borrowings		
Secured		
Debentures	349.26	648.55
	349.26	**648.55**
ii) Current maturities of Borrowings - (Refer Note 19)		
Debentures	300.00	-
Total	**649.26**	**648.55**

Terms of Debentures:

Particulars of Debentures	Series A	Series B	Series C
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000
Date of allotment	24th June, 2016	24th June, 2016	24th June, 2016
As at 31st March, 2019 (₹ crore)	300.00	170.00	180.00
As at 31st March, 2018 (₹ crore)	300.00	170.00	180.00
Interest	8.95% p.a. payable annually	8.95% p.a. payable annually	8.95% p.a. payable annually
Terms of repayment	Redeemable at face value at the end of 3 years from the date of allotment	Redeemable at face value at the end of 4 years from the date of allotment	Redeemable at face value at the end of 5 years from the date of allotment

Debentures are secured by:

(a) Charge on 'Crompton' Brand and Registered Trade Marks of the Company; and

(b) Charge by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.

16 Non-current Provisions

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits	17.29	17.48
	17.29	**17.48**

17 Current financial liabilities - Borrowings

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Working capital demand loan from bank	-	-
	-	**-**

[Note: Working capital demand loan is secured by way of charge on the Company's inventory and trade receivables]

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

18 Current Financial liabilities - Trade payables

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Acceptances	158.57	258.86
Due to micro and small enterprises (refer note below)	9.19	34.23
Due to creditors other than micro and small enterprises	496.41	475.14
	664.17	**768.23**

Note:

(a) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2019. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	31st March, 2019	31st March, 2018
Principal amount due to suppliers under MSMED Act	9.19	34.23
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	10.29	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	0.06	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	0.07	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

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

19 Financial liabilities - Others

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of non-convertible debentures (Refer Note 15)	300.00	-
Interest accrued but not due on borrowings	44.47	44.31
Security deposits	21.22	19.64
	365.69	**63.95**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

20 Other current liabilities

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances from customers	8.98	9.75
Statutory dues payables	8.79	6.22
Others	5.33	13.61
	23.10	**29.58**

21 Current Provisions

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits	2.39	2.06
Other provisions (refer note below)	149.42	95.50
	151.81	**97.56**

Note:

₹ crore

(a) Movement of provisions	Warranty	Sales tax / VAT/ Other taxes	Other litigation claims
Carrying amount at the beginning of the year	73.37	9.53	0.06
Additional provision made during the year	131.64	1.56	-
Amounts used during the year	(73.37)	-	-
Unused amounts reversed during the year	-	-	-
Carrying amount at the end of the year	**131.64**	**11.09**	**0.06**

₹ crore

Movement of provisions	Others	Total
Carrying amount at the beginning of the year	12.54	95.50
Additional provision made during the year	6.63	139.83
Amounts used during the year	(12.54)	(85.91)
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	**6.63**	**149.42**

(b) Nature of provisions:

(i) 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 years.

(ii) Provision for sales tax / VAT / other taxes represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Acts / Rules.

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

(iv) Others represent provision made towards probable cash discount and probable return of goods from customers.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

22 Income taxes

(a) Tax expense recognised in Statement of profit and loss comprises :

₹ crore

	2018-19	2017-18
Current income tax charge	171.12	181.80
Deferred tax (asset) / liability (net)		
Origination and reversal of temporary differences	(12.08)	(20.15)
Tax expense for the year	**159.04**	**161.65**

(b) Amounts recognised in Other comprehensive income (OCI)

₹ crore

	2018-19			2017-18		
	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	0.80	(0.28)	0.52	5.13	(1.78)	3.35
	0.80	**(0.28)**	**0.52**	**5.13**	**(1.78)**	**3.35**

(c) Reconciliation of effective tax rate

₹ crore

	2018-19	2017-18
Profit before tax	561.56	485.44
Applicable tax rate	34.94%	34.61%
Computed tax expense	196.23	168.00
Exempted dividend income	(3.72)	(5.55)
Tax incentive under Section 80-IC of Income tax Act, 1961	(7.13)	(6.13)
Tax effect on various other items	2.11	5.32
Income tax expense for the current year	**187.49**	**161.65**
Effective tax rate	**33.39%**	**33.30%**

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

₹ crore

Sr. no.	Particulars	Balance sheet		Statement of profit and loss	
		As at 31st March, 2019	As at 31st March, 2018	2018-19	2017-18
(a)	Deferred tax asset on employee share option outstanding	38.56	26.78	11.78	16.07
(b)	Items disallowed under Section 43B of the Income Tax Act, 1961 on payment basis	11.80	10.69	1.11	2.40
(c)	Allowance for doubtful debts and advances	6.86	4.97	1.89	0.42
(d)	Difference between book depreciation and tax depreciation	(4.11)	(4.38)	0.27	0.10
(e)	Other temporary differences	6.54	9.79	(2.97)	1.16
	Deferred tax income /(expense)			**12.08**	**20.15**
	Net deferred tax assets / (liabilities)	**59.65**	**47.85**		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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

₹ crore

Sr. no.	Particulars	2018-19	2017-18
(a)	Opening balance as at 1st April	47.85	29.48
(b)	Tax (income)/expense during the year recognised in:		
(i)	Statement of profit and loss in profit or loss	12.08	20.15
(ii)	Statement of profit and loss under OCI	(0.28)	(1.78)
(c)	Closing balance as at 31st March	**59.65**	**47.85**

23 Revenue from Operations

₹ crore

Particulars	2018-19	2017-18
A. Sales of products and services		
Sale of products		
(i) Electrical consumer durables	3,200.35	2,816.19
(ii) Lighting products	1,261.95	1,273.69
	4,462.30	**4,089.88**
Sale of services		
(i) Electrical consumer durables	-	-
(ii) Lighting products	1.58	1.88
	1.58	**1.88**
	4,463.88	**4,091.76**
B. Other operating revenue		
Export benefits and other incentives	6.80	6.27
Scrap sales	8.23	7.09
	15.03	**13.36**
	4,478.91	**4,105.12**

Notes:

(i) For the period before GST implementation (upto 30th June, 2017), revenue has been shown as gross of excise duty and after GST implementation (1st July, 2017 onwards) as net of GST.

(ii) Excise duty collected from customers included in sale of products amounted to ₹ Nil; (Previous year ₹ 25.46 crore).

24 Other income

₹ crore

Particulars	2018-19	2017-18
Interest income	19.67	12.69
Income from mutual funds	10.62	16.03
Net gain / (loss) on sale or fair valuation of investments	16.05	1.26
Other	1.48	0.77
Income from subsidiary companies	0.44	-
	48.26	**30.75**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

25 Cost of materials consumed

₹ crore

Particulars	2018-19	2017-18
Opening stock	53.55	38.76
Add: Purchases	1,015.61	824.87
Less: Closing stock	79.32	53.55
Raw materials consumed	989.84	810.08
Add: Sub-contracting charges	66.65	65.71
	1,056.49	**875.79**

26 Purchase of stock-in-trade

₹ crore

Particulars	2018-19	2017-18
Electrical consumer durables	1,442.17	1,273.49
Lighting products	616.45	665.06
	2,058.62	**1,938.55**

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

₹ crore

Particulars	2018-19	2017-18
Opening Stock :		
Finished goods	77.24	94.56
Stock-in-trade	140.21	113.46
Work-in-progress	29.10	23.74
	246.55	**231.76**
Less:		
Closing Stock:		
Finished goods	61.76	77.24
Stock-in-trade	181.05	140.21
Work-in-progress	27.03	29.10
	269.84	**246.55**
Changes in inventories:		
Finished goods	15.48	17.32
Stock-in-trade	(40.84)	(26.75)
Work-in-progress	2.07	(5.36)
	(23.29)	**(14.79)**

28 Employee benefits expense

₹ crore

Particulars	2018-19	2017-18
Salaries, wages, bonus and other benefits	229.16	200.19
Contribution to provident and other funds	9.47	9.29
Staff welfare expenses	18.82	16.14
Share-based payments to employees (Refer Note 39)	34.43	57.03
	291.88	**282.65**

[Note: Remuneration paid to key management personnel - Refer Note 36]

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

29 Finance costs

₹ crore

Particulars	2018-19	2017-18
Interest	59.60	63.74
	59.60	**63.74**

30 Other expenses

₹ crore

Particulars	2018-19	2017-18
Consumption of stores and spares	17.10	13.74
Power and fuel	6.15	6.81
Rent	19.23	17.79
Repair to property, plant and equipment	2.59	2.54
Insurance	1.74	1.71
Rates and taxes	13.39	18.78
Freight and forwarding	129.36	99.92
Packing materials	63.88	60.46
After sales service including warranty	48.03	37.38
Sales promotion	62.49	66.78
Corporate social responsibility expenses (Refer Note 33)	7.20	1.48
Advertising	28.67	38.79
Legal and professional charges	57.85	55.16
Miscellaneous expenses	51.74	45.08
	509.42	**466.42**
Payment to the auditors (included in Miscellaneous expenses)		
Auditors' remuneration (excluding taxes)		
Audit fees	0.32	0.32
Tax audit fees	0.07	0.07
Other services		
(i) Certification work	0.01	0.03
(ii) Others	0.29	0.25
Reimbursement of expenses	0.07	0.04
	0.76	**0.71**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

31 Contingent liabilities and commitments

₹ crore

Sr no.	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	**Contingent Liabilities: (to the extent not provided for)**		
(a)	Claims against the Company not acknowledged as debts	0.74	0.69
(b)	Income tax liability that may arise in respect of matters in appeal	26.81	20.78
(c)	Sales tax / VAT liability that may arise in respect of matters in appeal	30.63	38.82
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16.51	0.06

Notes:

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

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

32 Expenditure on research and development

₹ crore

Sr no.	Particulars	2018-19	2017-18
(a)	**Capital expenditure**	1.83	0.72
	Sub-total (a)	**1.83**	**0.72**
(b)	**Revenue expenditure**		
	Raw materials consumed	0.03	0.06
	Employee benefits	5.78	5.95
	Depreciation and amortisation expense	0.99	0.94
	Other expenses		
	Consumption of stores and spares	1.57	0.29
	Repairs and maintenance	0.12	-
	Miscellaneous expenses	3.25	5.88
	Sub-total (b)	**11.74**	**13.12**
	Total (a) + (b)	**13.57**	**13.84**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

33 Expenditure on Corporate Social Responsibility (CSR)

The particulars of CSR expenditure are as follows:

(a) Gross amount required to be spent by the Company during the year is ₹ 7.20 crore; (Previous year ₹ 3.95 crore).

(b) Amount spent during the year is ₹ 7.20 crore; (Previous year ₹ 1.48 crore).

₹ crore

Sr no.	Particulars	Disclosed under	2018-19			2017-18		
			In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of assets charged to the statement of profit and loss	-	-	-	-	-	-	-
ii)	For purpose other than (i) above	Note 30	7.20	-	7.20	1.44	0.04	1.48
	Total		**7.20**	**-**	**7.20**	**1.44**	**0.04**	**1.48**

34 Disclosure pursuant to Indian Accounting Standard (Ind AS) 17, *Leases*

A. Company as lessee

The Company has entered into cancellable and non-cancellable operating lease agreements.

i. Future minimum lease payments

The future minimum lease payments in respect of the non-cancellable lease agreements as on the year end is as below:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Less than one year	7.01	7.02
Between one and five years	2.50	8.50
More than five years	-	-
Minimum Lease payments	**9.51**	**15.52**

ii. Amounts recognised in Statement of profit and loss

₹ crore

Particulars	2018-19	2017-18
Rent expense	19.23	17.79
Total	**19.23**	**17.79**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

35 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19, *Employee Benefits*

(a) Defined contribution plans (Refer Accounting Policy Note 1.16) **as per Acturial Valuation**

Amount of ₹ 9.47 crore; (Previous year : ₹ 9.29 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 28)

₹ crore

Benefits (Contribution to)	2018-19	2017-18
Provident fund	6.16	5.43
Superannuation fund	1.47	1.54
Employee state insurance scheme	0.09	0.13
Labour welfare scheme	0.01	0.01
Gratuity	1.38	1.92
National Pension Scheme	0.36	0.26
Total	**9.47**	**9.29**

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.16) **as per Actuarial Valuation:**

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2018-19 (Funded)	2017-18 (Funded)	2018-19 (Non funded)	2017-18 (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	18.86	19.80	6.79	7.26
	Amount recognised in statement of profit and loss	-	-	-	-
	Interest cost	1.43	1.41	0.53	0.54
	Current service cost	1.74	1.75	0.40	0.49
	Past service cost	-	0.05	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial (gains) / losses	-	-	(1.53)	(1.27)
	Financial assumptions	0.11	(0.48)	-	-
	Due to experience	0.48	(1.80)	-	-
	Benefits paid	(1.97)	(1.87)	(0.35)	(0.23)
	Present Value of defined benefit obligation at the end of the year	20.65	18.86	5.84	6.79
II	**Change in fair value of plan assets during the year**				
	Fair value of plan assets at the beginning of the year	23.68	18.17	-	-
	Expected return on plan assets	1.79	1.29	-	-
	Contributions	0.26	4.25	-	-
	Benefits paid from the fund	(1.90)	(1.61)	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial gain / (loss)	(0.15)	1.58	-	-
	Fair value of plan assets at the end of the year	23.68	23.68	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2018-19 (Funded)	2017-18 (Funded)	2018-19 (Non funded)	2017-18 (Non funded)
III	**Actual return on plan assets**				
	Expected return on plan assets	(1.79)	1.29	-	-
	Actuarial gain / (loss)	(0.15)	1.58	-	-
	Actual return on plan assets	(1.94)	2.87	-	-
IV	**Net asset / (liability) recognised in the balance sheet**				
	Present Value of defined benefit obligation at the end of the year	(20.65)	(18.86)	(5.84)	(6.79)
	Fair value of plan assets at the end of the year	23.68	23.68	-	-
	Asset / (Liability) recognised in the balance sheet	3.03	4.82	(5.84)	(6.79)
V	**Expenses recognised in the statement of profit and loss**				
	Current service cost	1.74	1.75	0.40	0.49
	Interest cost	(0.36)	0.12	0.53	0.54
	Past Service cost	-	0.05	-	-
		1.38	1.92	0.93	1.03
VI	**Expenses recognised in the other comprehensive income**				
	Remeasurements (gain) / loss on defined benefit plans	0.74	(3.86)	(1.53)	(1.27)
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	(1.20)	(1.11)	(0.64)	(0.74)
	1% decrease in discount rate	1.35	1.25	0.80	0.92
	1% increase in salary escalation rate	1.35	1.26	-	-
	1% decrease in salary escalation rate	(1.23)	(1.14)	-	-
	1% increase in employee turnover rate	0.06	0.08	-	-
	1% decrease in employee turnover rate	(0.07)	(0.09)	-	-
	1% increase in Medical inflation rate	-	-	0.81	0.93
	1% decrease in Medical inflation rate	-	-	(0.65)	(0.75)
IX	**Maturity profile of defined benefit obligations**				
	Within the next 12 months	3.02	2.62	-	-
	Between 1 and 5 years	7.19	6.45	-	-
	Between 5 and 10 years	10.44	9.79	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2018-19 (Funded)	2017-18 (Funded)	2018-19 (Non funded)	2017-18 (Non funded)
X	**Actuarial assumptions**				
	Discount rate	7.47%	7.56%	7.92%	7.76%
	Expected Return on Plan Assets (p.a.)	7.47%	7.56%	N.A	N.A
	Employee turnover rate	6.00%	6.00%	6.00%	6.00%
	Salary escalation	6.00%	6.00%	N.A	N.A
	Mortality pre retirement rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Mortality post retirement rate	N.A	N.A	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Medical premium inflation rate	N.A	N.A	2%	2%

(c) The sensitivity analysis 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, 2019 and 31st March, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

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

(i) The Company expects to fund ₹ Nil; (Previous year: ₹ Nil) towards its gratuity plan during the year 2019-20.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

36 Disclosure pursuant to Indian Accounting Standard (Ind AS) 24, *Related Party Disclosures*

i) List of related parties over which control exist:

Name of the subsidiary companies:

1 Pinnacles Lighting Project Private Limited (from 31st December, 2018)

2 Nexustar Lighting Project Private Limited (from 2nd January, 2019)

ii) Other Related Parties:

1 ASK Wealth Advisors Private Limited

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

1 Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust

2 Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund

iv) Key Management Personnel:

1 Mr. H. M. Nerurkar, Chairman and Independent Director

2 Mr. D. Sundaram, Independent Director

3 Mr. P. M. Murty, Independent Director

4 Ms. Smita Anand, Independent Director (from 10th December, 2018)

5 Ms. Shweta Jalan, Non-Executive Director

6 Mr. Sahil Dalal, Non-Executive Director

7 Mr. Promeet Ghosh, Non-Executive Director

8 Mr. Ravi Narain, Non-Executive Director (upto 5th March, 2018)

9 Mr. Shantanu Khosla, Managing Director

10 Mr. Mathew Job, Chief Executive Officer

11 Mr. Sandeep Batra, Chief Financial Officer

12 Ms. Pragya Kaul, Company Secretary

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

v) Details of related party transactions:

₹ crore

Sr no.	Nature of transaction	2018-19	2017-18
1	**Services received**		
	ASK Wealth Advisors Private Limited	0.19	0.13
	Total	**0.19**	**0.13**
2	**Services rendered**		
	Pinnacles Lighting Project Private Limited	0.22	-
	Nexustar Lighting Project Private Limited	0.22	-
	Total	**0.44**	**-**
3	**Investment in equity shares of subsidiary companies**		
	Pinnacles Lighting Project Private Limited	6.70	-
	Nexustar Lighting Project Private Limited	7.50	-
	Total	**14.20**	**-**
4	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	0.26	4.25
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.60	1.54
	Total	**1.86**	**5.79**
5	**Compensation to Key Management Personnel**		
	Short-term benefits	16.94	16.26
	Share-based payments [refer note (b) below]	28.48	50.32
	Directors' sitting fees	0.18	0.18
	Commission	0.35	0.35
	Total	**45.95**	**67.10**

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, 2019	As at 31st March, 2018
1	**Other Receivable**		
	Pinnacles Lighting Project Private Limited	0.22	-
	Nexustar Lighting Project Private Limited	0.22	-
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.03	4.82
	Total	**3.47**	**4.82**
2	**Other Payable**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.12	0.25
	Total	**0.12**	**0.25**

Notes:

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

37 Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, *Earnings Per Share*

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.

			2018-19	2017-18
(a)	**Basic earnings per share**			
	Numerator for earnings per share			
	Profit after tax	₹ crore	402.52	323.79
	Denominator for earnings per share			
	Weighted number of equity shares outstanding during the year	Nos	62,68,41,880	62,67,54,920
	Earnings per share - Basic (one equity share of ₹ 2 each)	₹	6.42	5.17
(b)	**Diluted earnings per share**			
	Numerator for earnings per share			
	Profit after tax	₹ crore	402.52	323.79
	Denominator for earnings per share			
	Weighted number of equity shares outstanding for basic EPS during the year	Nos	62,68,41,880	62,67,54,920
	Add: Weighted average number of potential equity shares on account of Employee share option schemes	Nos	38,87,606	25,76,149
	Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,07,29,486	62,93,31,069
	Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	6.38	5.15

38 Disclosure pursuant to Indian Accounting Standard (Ind AS) 36, *Impairment of Assets*

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

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Electric Consumer Durables	590.10	590.10
Lighting Products	189.31	189.31
Total	**779.41**	**779.41**

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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, 2019 and 31st March, 2018 as the recoverable value of the cash generating unit exceeded the carrying value.

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

39 Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, *Share-based Payment*

Employee share options - equity settled

(a) The Members of the Company have approved on 22nd October, 2016 by way of postal ballot grant of Employee share 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.

Details of Share options outstanding account and charge to the statement of profit and loss are set out in the table below:

₹ crore

	31st March, 2019	31st March, 2018
Charge for the year	34.43	57.03
Share options outstanding account	120.83	87.73

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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

Particulars	31st March, 2019			31st March, 2018		
	ESOP	PSP 1	PSP 2	ESOP	PSP 1	PSP 2
Date of Shareholder's approval	22nd October, 2016	22nd October, 2016	22nd October, 2016	22nd October, 2016	22nd October, 2016	22nd October, 2016
Total number of options approved under ESOS	40,00,000	1,09,68,057	31,33,731	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-10 Years	1-10 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 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 2016 would vest not earlier than one year and not later than 5 years from the date of Grant	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of Grant	
Source of shares (Primary, Secondary or combination)	Primary					
Variation in terms of options	There have been no variations in the terms of the options					

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

(c) Options movement during the year:-

Particulars	31st March, 2019			31st March, 2018		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	31,56,404	1,09,68,057	31,33,731	30,00,000	1,09,68,057	31,33,731
No. of options granted during the year	5,20,000	-	-	8,00,000	-	-
No. of options forfeited / lapsed during the year	3,41,820	-	-	6,04,633	-	-
Number of options vested but not exercised at the end of the year	10,06,269	39,48,500	11,28,142	6,25,367	26,32,334	7,52,095
Number of options exercised during the year	2,00,815	-	-	38,963	-	-
Money realised by exercise of options (₹)	3,74,72,079	-	-	72,70,496	-	-
No. of options outstanding at the end of the year	31,33,769	1,09,68,057	31,33,731	31,56,404	1,09,68,057	31,33,731
No. of options exercisable at the end of the year	10,06,269	39,48,500	11,28,142	5,86,404	26,32,334	7,52,095
Weighted Average Remaining Contractual Life (in years)	5.52	5.89	5.89	6.29	6.89	6.89

(d) Weighted average information for year:

Particulars	2018-19			2017-18		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose						
Exercise price equals market price	235.20	-	-	-	-	-
Exercise price is greater than market price	-	-	-	221.15	-	-
Exercise price is less than market price	-	-	-	225.83	-	-
Weighted average fair value of options granted during the year whose						
Exercise price equals market price	94.95	-	-	-	-	-
Exercise price is greater than market price	-	-	-	80.26	-	-
Exercise price is less than market price	-	-	-	98.10	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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

Particulars	2018-19 ESOP 2016	2017-18 ESOP 2016
Price of the underlying share in market at the time of the option grant (₹)	235.20	221.56
Exercise price (₹)	235.20	222.90
Risk free interest rate (based on government securities)	7.87%	6.87%
Expected life (years)	5.00	5.00
Expected volatility	32.48%	33.28%
Dividend yield	0.64%	0.55%

(f) Number and Weighted Average Exercise Price of Options

Particulars	2018-19		2017-18	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	1,72,58,192	128.25	1,71,01,788	126.29
Granted during the year	5,20,000	235.20	8,00,000	222.90
Forefeited during the year	3,41,820	210.06	6,04,633	194.13
Exercised during the year	2,00,815	186.60	38,963	186.60
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,72,35,557	129.18	1,72,58,192	128.25
Exercisable at the end of the period	60,82,911	126.13	39,70,833	124.26

(g) Weighted average share price of options exercised during the year is ₹ 223.43 crore; (Previous year ₹ 244.43 crore).

40 Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, *Operating Segments*

A. General Information

The segment reporting of the Company has been prepared in accordance with the standard.

(i) Basis of identifying operating segments :

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The Company has two reportable segments as described under 'Segment Composition' below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

(ii) Reportable segments :

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

(iii) Segment profit :

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's Board of Directors

(iv) Segment composition :

Electrical Consumer Durables comprises the product categories of Fans, Pumps and Appliances

Lighting products comprises of Luminaires and Light Sources

B. Information about reportable segments

₹ crore

2018-19	Reportable segments		
Particulars	**Electrical Consumer Durables**	**Lighting Products**	**Total**
Revenue			
External Customers	3,213.57	1,265.34	4,478.91
Inter-segment	-	-	-
Total revenue	**3,213.57**	**1,265.34**	**4,478.91**
Segment profit	**616.15**	**106.87**	**723.02**
Segment profit includes:			
Depreciation and amortization expense	3.79	5.53	9.32
Segment assets	**606.19**	**497.33**	**1,103.52**
Segment liabilities	**384.81**	**453.35**	**838.16**
Other disclosures			
Capital expenditure	10.61	4.34	14.95

₹ crore

2017-18	Reportable segments		
Particulars	**Electrical Consumer Durables**	**Lighting Products**	**Total**
Income			
External Customers	2,828.12	1,277.00	4,105.12
Inter-segment	-	-	-
Total income	**2,828.12**	**1,277.00**	**4,105.12**
Segment profit	**534.67**	**147.28**	**681.95**
Segment profit includes:			
Depreciation and amortization expense	4.13	5.91	10.04
Segment assets	**610.68**	**424.71**	**1,035.39**
Segment liabilities	**485.83**	**401.72**	**887.55**
Other disclosures			
Capital expenditure	7.60	5.49	13.09

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

C. Reconciliation of information on reportable segments

₹ crore

Particulars	2018-19	2017-18
(a) Income		
Total income for reportable segments	4,478.91	4,105.12
Elimination of inter-segment revenue	-	-
Total income (Refer Note 23)	**4,478.91**	**4,105.12**
(b) Profit before tax		
Total profit before tax for reportable segments	723.02	681.95
Unallocated amounts:		
Expense on Employee Share Option Scheme	(34.43)	(57.03)
Finance cost	(59.60)	(63.74)
Other unallocable expenditure net of unallocable Income	(67.43)	(75.74)
Total profit before tax from operations as reported in Statement of profit and loss	**561.56**	**485.44**

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(c) Assets		
Total assets for reportable segments	1,103.52	1,035.39
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	727.22	562.34
Deferred tax asset	59.65	47.85
Total assets as reported in Balance sheet	**2,669.80**	**2,424.99**
(d) Liabilities		
Total liabilities for reportable segments	838.16	887.55
Other unallocated amounts		
Borrowings	649.26	648.55
Other liabilities	83.90	99.39
Total liabilities as reported in Balance sheet	**1,571.32**	**1,635.49**

D. Geographic information

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

E. Information about major customers

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

41 Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, *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, 2019	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		6.80	6.80				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.28	0.28				
Others		2.87	2.87				
Cash and cash equivalents		116.34	116.34				
Bank balance other than cash and cash equivalents		26.07	26.07				
Current investments	529.98		529.98		529.98		529.98
Trade receivables		565.98	565.98				
Other current financial assets		12.86	12.86				
	529.98	**731.20**	**1,261.18**	**-**	**529.98**	**-**	**529.98**
Financial liabilities							
Borrowings		649.26	649.26				
Trade payables		664.17	664.17				
Other current financial liabilities		65.69	65.69				
	-	**1,379.12**	**1,379.12**	**-**	**-**	**-**	**-**

₹ crore

As at 31st March, 2018	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		5.87	5.87				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.23	0.23				
Others		6.83	6.83				
Cash and cash equivalents		172.49	172.49				
Bank balance other than cash and cash equivalents		4.89	4.89				
Current investments	367.58		367.58		367.58		367.58
Trade receivables		553.64	553.64				
Other current financial assets	-	13.73	13.73				
	367.58	**757.68**	**1,125.26**	**-**	**367.58**	**-**	**367.58**
Financial liabilities							
Borrowings		648.55	648.55				
Trade payables		768.23	768.23				
Other current financial liabilities		63.95	63.95				
	-	**1,480.73**	**1,480.73**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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

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D. Financial risk management

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

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

Risk management framework

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

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

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

i. Interest rate risk

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

Exposure to interest rate risk

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

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed-rate instruments		
Financial assets		
Bank deposits	110.66	146.39
Total	**110.66**	**146.39**
Financial liabilities		
Non-current borrowings	349.26	648.55
Current maturities of non-current borrowings	300.00	-
Total	**649.26**	**648.55**

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for the year ended 31st March, 2019

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.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party 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, 2019	As at 31st March, 2018
Not past due	402.42	404.62
Past due 1–360 days	158.84	146.23
Past due 361- 720 days	4.72	2.79
more than 720 days	-	-
	565.98	**553.64**

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, 2017	**15.35**
Impairment loss recognised/ (reversed)	5.13
Write off of bad debts	(6.27)
Balance as at 31st March, 2018	**14.21**
Impairment loss recognised	11.92
Write off of bad debts	(6.49)
Balance as at 31st March, 2019	**19.64**

Cash and cash equivalents and bank deposits

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

Derivatives

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

Investment in mutual funds

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

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

iii. Liquidity risk

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

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

Exposure to liquidity risk

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

₹ crore

As at 31st March, 2019	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Borrowings (including interest)	693.73	755.45	358.02	201.33	196.11	-
Current financial liabilities						
Trade payables	664.17	664.17	664.17	-	-	-
Other financial liabilities	21.22	21.22	21.22	-	-	-

₹ crore

As at 31st March, 2018	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Borrowings (including interest)	693.18	769.16	58.18	337.58	373.40	-
Current financial liabilities						
Trade payables	768.23	768.23	768.23	-	-	-
Other financial liabilities	19.64	19.64	19.64	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

iv. Market risk

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

v. Currency risk

The Company is exposed to currency risk on account of its receivable and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward foreign exchange contracts and options foreign exchange contracts to hedge its currency risk, mostly 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	9.17	Buy	As at 31st March, 2019
Hedges of recognised liabilities	Forward Contract	USD	INR	1.78	Buy	As at 31st March, 2019
Hedges of recognised liabilities	Option contract	USD	INR	5.47	Buy	As at 31st March, 2018

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, 2019	As at 31st March, 2018
Financial assets		
Trade receivables	19.05	9.13
	19.05	**9.13**
Financial liabilities		
Trade payables	92.41	34.70
	92.41	**34.70**
Net foreign currency exposure	**(73.36)**	**(25.57)**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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, 2019			
USD	5%	(3.67)	3.67
		(3.67)	**3.67**

Effect in ₹ crore	Movement	Profit or loss	
		Strengthening	Weakening
31st March, 2018			
USD	5%	(1.28)	1.28
		(1.28)	**1.28**

42 Capital Management

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

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

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

The Company's adjusted net debt-to-equity ratio at 31st March, 2019 was as follows:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total borrowings (including current portion of long-term debts)	649.26	648.55
Less : Cash and cash equivalent	116.34	172.49
Less : Other bank balances	26.07	4.89
Less : Current investments	529.98	367.58
Adjusted net debt	**(23.13)**	**103.59**
Total equity	**1,098.48**	**789.50**
Adjusted net debt to adjusted equity ratio	**(0.02)**	**0.13**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

43 Disclosure pursuant to Indian Accounting Standard (Ind AS) 27, *Separate Financial Statements*

Investments in following subsidiary companies are accounted at cost:

S. No	Name of the subsidiary company	Principal place of business	Proportion of direct ownership as on 31st March 2019
1	Pinnacles Lighting Project Private Limited	India	100%
2	Nexustar Lighting Project Private Limited	India	100%

44 Based on assessment order received during the year, the Company has written-back an amount of ₹ 28.45 crore in respect of earlier years and the same is netted-off from current tax expense for the year ended 31st March, 2019.

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

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

Signatures to Notes 1 to 46

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385
Mumbai, 21st May, 2019

H. M. Nerurkar
Chairman
DIN: 00265887

Mathew Job
Chief Executive Officer

Shantanu Khosla
Managing Director
DIN: 00059877

Sandeep Batra
Chief Financial Officer

Mumbai, 21st May, 2019

D. Sundaram
Director
DIN: 00016304

Pragya Kaul
Company Secretary
Membership. No. A17167

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 consolidated financial statements of **Crompton Greaves Consumer Electricals Limited** (the 'Holding Company'/'Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2019, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2019, and of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. 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.

1. Goodwill

On the demerger of the Consumer Business from Crompton Greaves Limited (CGL) (now CG Power and Industrial Solutions Limited) and in terms of 'Scheme of Arrangement' the assets and liabilities of the Consumer Business along with certain brand usage rights were transferred to Crompton Greaves Consumer Electricals Limited (CGCEL). The excess of liabilities over net assets based on fair value and the share capital amounting to ₹ 779.41 crore, was shown as Goodwill in the books of CGCEL. The Company has adopted the policy of amortising the goodwill in the books of account, on the basis of impairment test, only if there is an indication of impairment as at the reporting date. Based on the valuation done by the management's consultant, the value of the goodwill is more than book value of goodwill as at 31st March, 2019, and hence, there is no indication of impairment.

Due to the inherent uncertainty involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates, which are the basis for computing the value of goodwill and the assessment of recoverability, these are the key judgement areas. In view of the above, the Company has carried out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The calculation involved using certain assumptions around discount rates, growth rates and cash flow forecasts. This is considered as the key audit matter.

Audit Procedures

We have performed the audit procedures, including:

a) Critically reviewing the Company's assumptions pertaining to externally derived data in relation to key inputs, such as, long-term growth rates and discount rates;

b) Assessed the appropriateness of the forecasted cash flows based on our understanding of the business and sector experience;

c) Recalculated the weighted average cost of capital (WACC) used to discount the cash flows and assessed those rates to be reasonable based on knowledge of the economic environment and the risk premium associated with respective industries and countries.

d) Compared the cash flow forecasts used in the impairment assessment prepared by management consultant with the budgeted numbers to the extent available;

e) Evaluated the reasonableness of the forecasts made by the management by comparing past forecasts to historical results, where this was available, and by comparing to the current year results of the Company;

f) Subjected related key assumptions to sensitivity analysis;

g) Evaluated whether the Company's disclosures concerning the sensitivity of the impairment assessment to changes in key assumptions, reasonably reflected the risks inherent in the valuation of goodwill;

h) Skeptically reviewed management's assumptions, judgement and the appropriateness of the valuation model used;

i) Tested the mathematical accuracy of management's calculations.

Our audit procedures did not reveal in any material variations.

2. Ongoing tax matters, including provision for tax

The Company's unsettled tax positions includes matters under dispute which involves significant judgment to determine the possible outcome of these disputes. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices. Provision for tax is also based on the presumption of significant estimates and assumptions on the allowability / disallowablilty of claims. Hence, it is considered as a Key Audit Matter.

Audit Procedures

We have performed audit procedures, which including:

a) Obtained information of completed tax assessments and demands / refunds received by the Company during the financial year 2018-19;

b) Critically reviewed the processes and controls in place over tax assessments and demands / refunds through discussions with the management's internal experts / external consultants and reviewed the communications with those charged with governance pertaining to this issue;

c) Involved our tax team to critically evaluate the assumptions in estimating the tax provisions and the possible outcome of the assessment / demands. Our tax team considered past precedence and other rulings in evaluating Company's position on these uncertain tax positions.

d) Assessed whether the Company's disclosures in Note 30 to the consolidated financial statements, the Contingent liabilities and commitments, adequately disclose the relevant facts and circumstances and potential liabilities of the Company.

e) Also, considered the effect of all the information in respect of uncertain tax positions as at 31st March, 2019 and provision for tax to evaluate whether any review was necessary to Company's position on these uncertainties.

Our audit procedures did not reveal any negative observations in the matter.

3. Estimates - Provision for warranty

Computation of provision for warranties and returns involves critical evaluation of historical data with respect to the nature of repair and returns, and estimation of costs in respect of future warranty claims and refunds. In view of the estimates being based on facts and circumstances that can change from period to period, this is considered to be a significant management judgement. Hence, a Key Audit Matter.

Audit Procedures

We have performed audit procedures, which includes:

a) Reviewed management's contract risk assessments by enquiries, inspection of meeting minutes and review of correspondence with customers, where available. As we have the knowledge gained through field involvement and feedback on review of the operation, contract and project reviews, we also assessed the justification for and the accuracy of provisions;

b) Reviewed the recognition and appropriateness of provisions by re-computing the amounts, obtaining management statements, evidence and supporting documents, such as, correspondence with clients or legal assessments of internal sources, where available;

c) Considered the historical accuracy of estimates made by management through reviews of actual facts. In order to gain a complete and clear understanding, additionally performed enquiry procedures and reviewed relevant documents.

Our audit procedures did not reveal any observations of any material differences.

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 annual 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 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 consolidated financial statements 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 Indian Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, 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 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 companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

(a) 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;

(b) 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 system in place and the operating effectiveness of such controls;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statement of which we are 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, where applicable and 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.

Report on Other Legal and Regulatory Requirements

1. 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statement.

(d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of Group companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2019 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 over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'**;

(g) with respect to the other matters to be included in the Auditors Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act; and

(h) 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:

(1) the Consolidated financial statement has disclosed the impact of pending litigations on consolidated financial position of the Group - (Refer Note 30 to the consolidated financial statements);

(2) the Group did not have any material foreseeable losses on the long-term contracts including derivative contracts; and

(3) the requirements to transfer amounts to the Investor Education and Protection Fund is not presently applicable to the Group.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 21st May, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Crompton Greaves Consumer Electricals Limited** (the 'Company') as of 31st March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Director of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). 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 Companies Act, 2013 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintain in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 21st May, 2019

Consolidated Balance Sheet

As at 31st March, 2019

₹ crore

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	78.55	76.00
(b) Capital work-in-progress		0.98	0.61
(c) Goodwill	2	779.41	779.41
(d) Other intangible assets	2	5.19	6.17
(e) Financial assets			
(i) Others	3	9.95	12.93
(f) Deferred tax assets (net)	21	60.25	47.85
(g) Other non-current assets	4	15.45	14.68
Total non-current assets		**949.78**	**937.65**
(2) Current assets			
(a) Inventories	5	352.38	303.24
(b) Financial assets			
(i) Investments	6	541.21	367.58
(ii) Trade receivables	7	565.98	553.64
(iii) Cash and cash equivalents	8	116.98	172.49
(iv) Bank balances other than (iii) above	9	26.07	4.89
(v) Others	10	12.42	13.73
(c) Current tax assets (net)		18.09	-
(d) Other current assets	11	86.74	71.77
Total current assets		**1,719.87**	**1,487.34**
TOTAL ASSETS		**2,669.65**	**2,424.99**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	125.40	125.36
(b) Other equity	13	971.94	664.14
Total equity		**1,097.34**	**789.50**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	349.26	648.55
(b) Provisions	15	17.29	17.48
Total non-current liabilities		**366.55**	**666.03**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	-
(ii) Trade payables			
(a) Due to micro and small enterprises	17	9.19	34.23
(b) Due to creditors other than micro and small enterprises	17	655.82	734.00
(iii) Other financial liabilities	18	365.69	63.95
(b) Other current liabilities	19	23.25	29.58
(c) Provisions	20	151.81	97.56
(d) Current tax liabilities (net)		-	10.14
Total current liabilities		**1,205.76**	**969.46**
Total liabilities		**1,572.31**	**1,635.49**
TOTAL EQUITY AND LIABILITIES		**2,669.65**	**2,424.99**
Significant accounting policies	1		
Contingent liabilities and commitments	30		
Other notes	31 to 45		

The accompanying notes form an integral part of the financial statements

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Edwin P. Augustine
Partner
Membership No. 043385
Mumbai, 21st May, 2019

Mathew Job
Chief Executive Officer

Sandeep Batra
Chief Financial Officer

Mumbai, 21st May, 2019

Pragya Kaul
Company Secretary
Membership. No. A17167

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

₹ crore

Particulars		Notes	2018-19	2017-18
Income				
I.	Revenue from operations	22	4,478.91	4,105.12
II.	Other income	23	48.01	30.75
III.	**Total Income (I+II)**		**4,526.92**	**4,135.87**
IV.	**Expenses**			
	Cost of materials consumed	24	1,056.49	875.79
	Purchase of stock-in-trade	25	2,058.62	1,938.55
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(23.29)	(14.79)
	Excise duty on sale of goods		-	25.46
	Employee benefits expense	27	291.88	282.65
	Finance costs	28	59.60	63.74
	Depreciation and amortisation expense	2	12.89	12.61
	Other expenses	29	510.89	466.42
	Total Expenses (IV)		**3,967.08**	**3,650.43**
V.	**Profit before tax**		**559.84**	**485.44**
VI.	**Tax expense:**			
	Current tax (Refer note 42)		171.12	181.80
	Deferred tax	21	(12.67)	(20.15)
VII.	**Profit for the year**		**401.38**	**323.79**
VIII.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements gain / (loss) on defined benefit plans		0.80	5.13
	(ii) Income tax related to items that will not be reclassified to profit or loss		(0.28)	(1.78)
	Other comprehensive income for the year (net of tax)		0.52	3.35
IX.	**Total comprehensive income for the year**		**401.90**	**327.14**
X.	**Earnings per equity share**	36		
	1. Basic (₹)		6.40	5.17
	2. Diluted (₹)		6.36	5.15
Significant accounting policies		1		
Other Notes		31 to 45		

The accompanying notes form an integral part of the financial statements

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Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

(A) EQUITY SHARE CAPITAL

	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance at the beginning of the reporting period	62,67,85,105	125.36	62,67,46,142	125.35
Changes in equity share capital during the year	2,00,815	0.04	38,963	0.01
Balance at the end of the reporting period	**62,69,85,920**	**125.40**	**62,67,85,105**	**125.36**

(B) OTHER EQUITY - OWNERS

₹ crore

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium	Employee share options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at 1st April, 2017	**0.05**	**-**	**30.94**	**-**	**364.14**	**(2.73)**	**392.40**
Profit for the year					323.79		323.79
Dividends paid including dividend distribution tax					(113.15)		(113.15)
Securities premium received		0.72					0.72
Amount transferred to Securities premium		0.24	(0.24)				-
Movement in Other comprehensive income for the year						3.35	3.35
Add: Employee compensation expense for the year (Refer Note 27)			57.03				57.03
Balance at 31st March, 2018	**0.05**	**0.96**	**87.73**	**-**	**574.78**	**0.62**	**664.14**
Profit for the year					401.38		401.38
Dividends paid including dividend distribution tax					(132.24)		(132.24)
Securities premium received		3.71					3.71
Amount transferred to Securities premium		1.33	(1.33)				-
Amount transferred to Debenture redemption reserve				75.00	(75.00)		-
Movement in Other comprehensive income for the year						0.52	0.52
Add: Employee compensation expense for the year (Refer Note 27)			34.43				34.43
Balance at 31st March, 2019	**0.05**	**6.00**	**120.83**	**75.00**	**768.92**	**1.14**	**971.94**

As per our report attached

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Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

₹ crore

Particulars		2018-19	2017-18
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**559.84**	**485.44**
Adjustments for:			
Depreciation and amortisation expense		12.89	12.61
Interest expense		59.60	63.74
Loss on sale of property, plant and equipment		0.09	0.25
Provision for expenses on employee share options		34.43	57.03
Net loss / (gain) on sale or fair valuation of investments		(16.16)	(1.26)
Interest income		(19.74)	(12.69)
Income from mutual funds		(10.63)	(16.03)
Unrealised exchange (gain) / loss (net)		(1.28)	0.86
		59.20	**104.51**
Cash Generated from operations before working capital changes		**619.04**	**589.95**
Adjustments for			
(Increase) / Decrease in trade and other receivables		(19.44)	(102.42)
(Increase) / Decrease in inventories		(49.14)	(29.89)
Increase / (Decrease) in trade and other payables		(107.77)	17.92
Increase / (Decrease) in provisions		55.59	21.09
		(120.76)	**(93.30)**
Cash generated from operations		498.28	496.65
Taxes paid		(199.35)	(181.24)
Net cash (used in) / generated from operating activities	**[A]**	**298.93**	**315.41**
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Interest income		15.28	12.42
Income from mutual funds		10.63	16.03
Sale of property, plant and equipment		0.40	0.15
		26.31	**28.60**
Less: Outflows from investing activities			
Purchase / sale of current investments (net)		157.47	47.44
Investment in bank deposits		21.18	0.75
Purchase of property, plant and equipment and intangible assets		15.95	13.46
		194.60	**61.65**
Net Cash (used in) / generated from investing activities	**[B]**	**(168.29)**	**(33.05)**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

₹ crore

Particulars		2018-19	2017-18
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of equity shares		3.75	0.73
		3.75	**0.73**
Less: Outflows from financing activities			
Payment of dividend including dividend distribution tax		131.17	112.85
Interest paid		58.73	63.35
		189.90	**176.20**
Net Cash (used in) / generated from financing activities	**[C]**	**(186.15)**	**(175.47)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**(55.51)**	**106.89**
(a) Cash and cash equivalents at beginning of the year (Refer Note 8)		172.49	65.60
(b) Cash and cash equivalents at end of the year (Refer Note 8)		116.98	172.49
(c) Net increase / (decrease) in cash and cash equivalents	**(c = b-a)**	**(55.51)**	**106.89**

Notes:

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

2 Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year.

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

As per our report attached

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Mumbai, 21st May, 2019

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Chief Executive Officer

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Chief Financial Officer

Mumbai, 21st May, 2019

Pragya Kaul
Company Secretary
Membership. No. A17167

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

Company Overview:

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

The consolidated financial statements comprise the financial statements of Crompton Greaves Consumer Electricals Limited ("the Company") and its subsidiaries (collectively, the Group).

1. Significant Accounting policies

1) Statement of compliances and basis of preparation and presentation

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

b) Basis of presentation

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

The Consolidated financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 21st May, 2019.

c) Basis of preparation

The financial statements have been prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

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

These financial statements are prepared by applying uniform accounting policies with those used by the parent Company. Subsidiaries are consolidated on a line-by-line basis. Intercompany transactions, balances, income and expenses are eliminated on consolidation.

d) Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. 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 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.

The Company classifies all other liabilities as non-current.

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

e) The operating cycle is the time between the acquisition of assets for processing and their

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.Fair Value Measurement:

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

- **Level 1:** Level 1 inputs include financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimate. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2; and
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

2. Rounding of amounts

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

3. Key estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcome that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Assessment of functional currency [Refer Note (1.4)];
- Financial instruments [Refer Note (40)];
- Estimates of useful lives and residual value of property, plant and equipment and intangible assets [Refer Note (1.5) and (1.6)];
- Valuation of inventories [Refer Note (1.10)];
- Measurement of recoverable amounts of cash-generating units [Refer Note (37)];
- Measurement of Defined Benefit Obligation, key actuarial assumptions [Refer Note (34)];
- Provisions and Contingencies [Refer Note (1.13) and (30)];
- Provision for product warranty [Refer Note (1.13)]
- Recognition of revenue from contracts based on stage on completion [Refer Note (1.14)]; and
- Evaluation of recoverability of deferred tax assets [Refer Note (1.18)].

4. Foreign currency translation

(a) Functional and presentation currency

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

(b) Transactions and balances

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

5. Property, plant and equipment (PPE)

(a) Recognition and measurement

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

The cost of an item of PPE comprises:

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

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

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

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

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 Statement of profit and loss.

Any gain or loss on disposal of an item of PPE is recognised in Statement of profit and loss.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Depreciation

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

6. Intangible assets

(a) Recognition and measurement

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

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

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

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

(b) Subsequent expenditure

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

(c) Amortisation

Intangible assets comprise computer software purchased, which are not an integral part of the related hardware and technical know-how and are amortised on a straight line basis over a period of 5 years, which in management's estimate represents the period during which the economic benefits will be derived from their use.

(d) Goodwill

Goodwill arising as a result of business combination is not amortised and is tested for impairment every year.

(e) Research and development cost

(i) Research cost

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

(ii) Development cost

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

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

ii. the Company has intention to complete the development of intangible asset and use or sell it;

iii. the Company has ability to use or sell the intangible asset;

iv. the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

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

vi. the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

(f) Intangibles which are not ready for intended use as on the date of Balance sheet are disclosed as Intangibles under development.

7. Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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. 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). Impairment loss is charged to the Statement of profit and loss in the year in which the asset is identified as impaired. The carrying amount of the asset is reduced to its recoverable amount.

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.

Goodwill impairment

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

8. Borrowings and loans

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

9. Borrowing costs

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

10. Inventories

Inventories are valued after providing for obsolescence, where considered necessary, as under:

(a)	Raw materials, components, stores and spare parts.	:	At lower of cost computed, on weighted average basis and net realisable value
(b)	Work -in-progress -Manufacturing	:	At lower of cost of materials, plus appropriate production overheads and net realisable value
(c)	Finished goods – Manufacturing	:	At lower of cost of materials plus appropriate production overheads and net realisable value
(d)	Finished goods –Trading :	:	At lower of cost computed, on weighted average basis and net realisable value

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in the production of inventories are not written down, if the finished goods in which they will be used are expected to be sold at or above cost.

11. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, 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.

12. Financial instruments

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

(a) Financial assets

Classification

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

i. those measured at amortised cost, and

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

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments

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

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

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

Subsequent measurement

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

- **Amortised cost**

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.
- On de-recognition of financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition 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 de-recognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits and bank balances

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

(b) Financial liabilities

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

Classification

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

Initial recognition and measurement

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

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for the year ended 31st March, 2019

Subsequent measurement

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

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

De-recognition

A 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Other financial liabilities

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

Offsetting of financial instruments

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

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 derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

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

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

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

13. Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

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

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for the year ended 31st March, 2019

disclosed unless the possibility of outflow of resources is remote.

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

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

14. Revenue recognition

(a) Revenue from Goods and Services:-

Revenue is recognized upon transfer of control of goods or services to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services.

(b) Dividend income

Dividend is recognised as revenue when the right to receive payment has been established,

(c) Interest income

For all interest bearing financial assets measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

(d) Other income

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

15. Government grants and incentives

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

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

16. Employee benefit plans

(a) Short-term employee benefits:

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

(b) Post-employment benefits:

Defined contribution plans:

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

Defined benefit plans:

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

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

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for the year ended 31st March, 2019

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

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

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

(c) Long-term employee benefits:

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

(d) Termination benefits:

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

(e) Share-based payment:

Employees of the Company receive remuneration in the form of share-based payment in consideration of the services rendered.

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

17. Leases- Operating

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of the inception.

Assets taken on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Payments made under operating leases are generally recognised in Statement of profit or loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

18. Income taxes

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

(a) Current tax

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

Current tax assets and liabilities are offset only if:

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

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

(b) Deferred tax

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

Deferred tax assets are recognised for deductible temporary differences (if any) to the extent that

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for the year ended 31st March, 2019

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

Deferred tax assets and deferred tax liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

19. Earnings per share (EPS)

Basic EPS is computed by dividing the profit attributable to owners of the Company, by using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

20. Exceptional items:

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

21. Segment accounting

(a) Segment accounting policies:

Segment accounting policies are in line with the accounting policies of the Company. The Company identifies primary business segment based on the different risks and returns, the organization structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

iv) Segment results include margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

(b) Inter-segment transfer pricing:

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

22. Statement of cash flows

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

23. Recent accounting pronouncements and effective dates

(a) Ind AS 116, *Leases* :

Ind AS 116 is applicable for financial reporting periods beginning on or after 1st April, 2019 and replaces existing lease accounting guidance, namely Ind AS 17, *Leases*. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ('ROU') asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company is in the process of analysing the impact of new lease standard on its financial statements.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12 is required to be disclosed.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019.

(c) Amendment to Ind AS 12, *Income Taxes* :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, *Income Taxes*, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. At present the standard is not applicable to the Company.

(d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, *Employee Benefits*, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company does not have any material impact on account of this amendment.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

2. Property, plant and equipment and Intangible assets

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2018	Additions	Deductions	As at 31st March, 2019	Upto 31st March, 2018	For the year	Deductions	Upto 31st March, 2019	As at 31st March, 2019	As at 1st April, 2018
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.41	-	-	4.41	-	-	-	-	4.41	4.41
Leasehold land	2.69	-	-	2.69	0.69	0.03	-	0.72	1.97	2.00
Buildings	29.91	0.36	-	30.27	3.10	1.57	-	4.67	25.60	26.81
Plant and equipment	44.41	10.15	0.42	54.14	12.12	6.21	0.15	18.18	35.96	32.29
Furniture and fixtures	4.56	0.30	0.11	4.75	1.16	0.57	0.04	1.69	3.06	3.40
Office equipment	6.66	1.80	0.10	8.36	1.93	1.99	0.06	3.86	4.50	4.73
Vehicles	2.78	1.54	0.14	4.18	0.42	0.76	0.05	1.13	3.05	2.36
Sub-total (i)	**95.42**	**14.15**	**0.77**	**108.80**	**19.42**	**11.13**	**0.30**	**30.25**	**78.55**	**76.00**
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total (ii)	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
(iii) Other Intangibles										
Computer software	7.52	0.79	0.02	8.29	1.76	1.64	0.01	3.39	4.90	5.76
Technical knowhow	1.90	-	-	1.90	1.67	-	-	1.67	0.23	0.23
Research and development	0.68	-	-	0.68	0.50	0.12	-	0.62	0.06	0.18
Sub-total (iii)	**10.10**	**0.79**	**0.02**	**10.87**	**3.93**	**1.76**	**0.01**	**5.68**	**5.19**	**6.17**
Total (i) + (ii)+(iii)	**884.93**	**14.94**	**0.79**	**899.08**	**23.35**	**12.89**	**0.31**	**35.93**	**863.15**	**861.58**

Note: (a) Cost of freehold land included ₹ 0.34 crore, (Previous year ₹ 0.34 crore); for which conveyance is yet to be completed.

(b) Cost / valuation of buildings includes ownership accommodation in various co-operative societies and apartments: ₹ 0.67 crore; (Previous year ₹ 0.67 crore), including 3 shares of ₹ 100 each, which is in the process of transferring in the Company's name.

(c) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 785.44 crore; (Previous year ₹ 785.47 crore).

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2017	Additions	Deductions	As at 31st March, 2018	Upto 31st March, 2017	For the year	Deductions	Upto 31st March, 2018	As at 31st March, 2018	As at 1st April, 2017
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.17	0.24	-	4.41	-	-	-	-	4.41	4.17
Leasehold land	2.19	0.50	-	2.69	0.03	0.66	-	0.69	2.00	2.16
Buildings	29.37	0.54	-	29.91	1.52	1.58	-	3.10	26.81	27.85
Plant and equipments	40.00	4.58	0.17	44.41	6.30	5.89	0.07	12.12	32.29	33.70
Furniture and fixtures	3.84	0.77	0.05	4.56	0.52	0.65	0.01	1.16	3.40	3.32
Office equipment	3.72	3.17	0.23	6.66	0.97	1.08	0.12	1.93	4.73	2.75
Vehicles	1.97	1.04	0.23	2.78	0.16	0.32	0.06	0.42	2.36	1.81
Sub-total (i)	**85.26**	**10.84**	**0.68**	**95.42**	**9.50**	**10.18**	**0.26**	**19.42**	**76.00**	**75.76**
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total (ii)	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
(iii) Other Intangibles										
Computer software	5.27	2.25	-	7.52	0.27	1.49	-	1.76	5.76	5.00
Technical know-how	1.90	-	-	1.90	0.94	0.73	-	1.67	0.23	0.96
Research and development	0.68	-	-	0.68	0.29	0.21	-	0.50	0.18	0.39
Sub-total (iii)	**7.85**	**2.25**	**-**	**10.10**	**1.50**	**2.43**	**-**	**3.93**	**6.17**	**6.35**
Total (i) + (ii)+(iii)	**872.52**	**13.09**	**0.68**	**884.93**	**11.00**	**12.61**	**0.26**	**23.35**	**861.58**	**861.52**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

3 Non-current financial assets - others

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits	6.80	5.87
Deposits with banks (with maturity period of more than 12 months)	0.28	0.23
Others	2.87	6.83
	9.95	**12.93**

[Note: Deposits of ₹ 0.28 crore; (Previous year ₹ 0.23 crore) are under lien with banks]

4 Other non-current assets

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	1.94	1.31
Less: Allowance for doubtful advances	(1.07)	(1.07)
	0.87	**0.24**
Others	14.58	14.44
	15.45	**14.68**

5 Inventories (At lower of cost and net realisable value)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials	68.12	52.86
Add: Goods-in-transit	11.20	0.69
	79.32	**53.55**
Work-in-progress - manufacturing	27.03	29.10
Finished goods - manufacturing	52.37	68.47
Add: Goods-in-transit	9.39	8.77
	61.76	77.24
Stock-in-trade	162.75	120.79
Add: Goods-in-transit	18.30	19.42
	181.05	**140.21**
Stores, spares and packing materials	3.22	3.14
	352.38	**303.24**

[Note: Inventories are hypothecated with the bankers against working capital facilities - (Refer Note 16)]

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

6 Current financial assets - Investments

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Investment in Bonds (Quoted)	20.07	-
(B) Investment in Mutual funds (Unquoted)	521.14	367.58
	541.21	**367.58**

Particulars	Face Value per Bond/ Unit	Number of Bond/ Units as at 31st March	As at 31st March, 2019 ₹ crore	As at 31st March, 2018 ₹ crore
(A) Investment in Bonds (Quoted)				
8.5% NABARD Unsecured Rated Listed Redeemable Non Convertible Taxable Bonds	10,00,000	100	10.06	-
8.12% ONGC Mangalore Petrochemicals Limited Secured Redeemable Non Convertible Debentures	10,00,000	100	10.01	-
Total (A)			**20.07**	**-**
(B) Investment in Mutual funds (Unquoted)				
Unquoted				
Aditya Birla SL Liquid Fund Growth - Direct	100	3,86,488	11.61	-
Aditya Birla Sun Life Cash Plus - Daily Dividend - Direct Plan - Reinvestment	100	-	-	8.02
Aditya Birla Sun Life Money Manager Fund - Growth - Direct	100	13,98,045	35.18	-
Aditya Birla Sun Life Floating Rate Long term - Daily Dividend - Direct Plan - Reinvestment	100	-	-	7.08
Aditya Birla Sun Life Short Term Fund - Monthly Dividend - Direct Plan - Reinvestment	10	-	-	28.61
Aditya Birla Sun Life Interval Income Fund - Quarterly Plan - Series 1 Dividend - Direct Reinvestment	10	-	-	5.04
DSP Liquidity Fund - Direct Plan - Growth	1,000	39,985	10.69	-
DSP BlackRock Banking And PSU Debt Fund - Direct - Daily Dividend	10	-	-	0.83
DSP Savings Fund Direct Plan - Growth	10	27,03,631	10.06	-
HDFC Liquid Fund - Direct Plan - Growth option	1,000	76,077	27.98	-
HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvested	1,000	-	-	7.46
HDFC Ultra Short Term Fund - Direct Growth	10	39,10,336	4.10	-
HDFC Short Term Opportunities Fund - Direct Plan - Fortnight Dividend	10	-	-	26.24
HDFC FMP 92D February 2018 (1) - Direct - Normal Dividend - Series 39	10	-	-	10.07
ICICI Prudential Liquid Fund Direct Plan - Growth	100	2,17,674	2.64	-
ICICI Prudential Liquid Direct Plan - Daily Dividend	100	-	-	13.94
ICICI Prudential Savings Fund - Direct - Growth	100	2,11,013	7.62	-
ICICI Prudential Money Market Fund Direct - Growth	1,000	6,18,138	41.25	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

Particulars	Face Value per Bond/ Unit	Number of Bond/ Units as at 31st March	As at 31st March, 2019 ₹ crore	As at 31st March, 2018 ₹ crore
ICICI Prudential Corporate Bond Fund - Direct Plan Growth	10	47,08,147	9.26	-
ICICI Prudential Fixed Maturity Plan - Series 82 - 103 Days Plan O Direct Plan	10	-	-	10.06
IDFC Low Duration Fund - Growth (Direct Plan)	10	19,11,293	5.11	-
IDFC Corporate Bond - Direct - Growth	10	1,89,24,347	24.34	-
IDFC Cash Fund - Daily Dividend - (Direct Plan)	1,000	-	-	12.01
IDFC Ultra Short Term Fund - Daily Dividend - (Direct Plan)	10	-	-	44.68
IDFC Corporate Bond Fund Direct Plan - Monthly Dividend - Reinvestment	10	-	-	24.71
Invesco India Liquid Fund Direct - Growth	1,000	33,184	8.54	-
Invesco India Money Market Fund Direct - Growth	1,000	1,52,755	33.15	-
Invesco India Short Term Fund Direct Plan - Daily Dividend	1,000	-	-	11.41
Kotak Liquid Fund Direct - Growth	1,000	28,805	10.90	-
Kotak Money Market Fund Direct - Growth	1,000	1,03,271	31.88	-
Kotak Savings Fund - Direct Plan - Growth	10	99,48,392	30.39	-
Kotak Floater Short Term - Direct Plan - Daily Dividend - Reinvestment	1,000	-	-	11.06
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend	10	-	-	38.67
Kotak FMP Series 218 Direct Plan - Dividend	10	-	-	10.07
L&T Ultra Short Term Fund Direct Plan - Growth	10	55,23,485	17.20	-
Reliance Liquid Fund Direct - Growth	1,000	23,129	10.55	-
Reliance Money Market Direct - Growth	1,000	1,46,337	41.54	-
Reliance Quarterly Interval Fund Series II	10	35,76,105	9.24	-
Reliance Liquid Fund - Treasury Plan - Direct - Daily Dividend - Reinvestment	1,000	-	-	31.13
Reliance Fixed Horizon Fund - XXXVI - Seried 4 - Direct Dividend Plan	10	-	-	10.08
SBI Liquid Fund Direct - Growth	1,000	40,564	11.88	-
SBI Magnum Low Duration Fund - Direct Growth	1,000	70,602	17.17	-
SBI Debt Fund Series C – 31 (365 Days) Direct - Growth	10	1,00,00,000	10.31	-
SBI Debt Fund Series C – 37 (365 Days) Direct - Growth	10	1,00,00,000	10.20	-
SBI Debt Fund Series C – 42 (365 Days) Direct - Growth	10	90,00,000	9.12	-
SBI Debt Fund Series C – 47 (360 Days) Direct - Growth	10	1,00,00,000	10.06	-
Sundaram Money Fund Direct Plan - Growth	10	13,14,521	5.18	-
Tata Liquid Fund Direct - Growth	1,000	90,211	26.56	-
Tata Money Market Fund Direct Plan - Daily Dividend	1,000	-	-	9.49
Tata Short Term Bond Fund Direct Plan - Monthly Dividend	10	-	-	46.92
UTI Money Market Fund - Direct Growth Plan	1,000	1,29,267	27.31	-
Yes Liquid Fund - Direct - Growth	1,000	1,00,000	10.12	-
Total (B)			**521.14**	**367.58**
			541.21	**367.58**

[Refer: Note 40 A for information about fair value measurement; and Note 40(ii) for credit risk of investments]

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

Details of investments:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Aggregate amount of quoted current investments and market value thereof:		
Book Value	20.07	-
Market value	20.07	-
Aggregate amount of unquoted current investments:		
Book Value (Accounted based on NAV)	521.14	367.58

7 Current financial assets - Trade receivables

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Trade receivables considered good	565.98	553.64
Trade receivable considered doubtful	19.64	14.21
	585.62	**567.85**
Less: Allowance for doubtful trade receivables	19.64	14.21
	565.98	**553.64**

8 Current financial assets - Cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with banks :		
In current accounts	31.57	30.90
In deposit accounts (with less than 3 months maturity)	85.38	141.57
Cash on hand	0.03	0.02
	116.98	**172.49**

9 Current financial assets - Other bank balances

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Bank deposits with maturity more than 3 months but less than 12 months	25.00	4.59
Unclaimed dividend account	1.07	0.30
	26.07	**4.89**

[Note: Deposits of ₹ Nil; (Previous year ₹ 4.59 crore) are under lien with banks]

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

10 Current financial assets - Others

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits	12.42	13.73
	12.42	**13.73**

11 Other current assets

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance to suppliers	19.57	11.83
Balances with Indirect tax authorities	4.99	16.84
Reimburseable from suppliers	38.02	21.43
Others	24.16	21.67
	86.74	**71.77**

12 Share capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital				
Equity shares of ₹ 2 each	65,00,00,000	130.00	65,00,00,000	130.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each, fully paid-up	62,69,85,920	125.40	62,67,85,105	125.36
	62,69,85,920	**125.40**	**62,67,85,105**	**125.36**

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount ₹ crore	Number	Amount ₹ crore
At the beginning of the year	62,67,85,105	125.36	62,67,46,142	125.35
Shares issued on account of exercising ESOP	2,00,815	0.04	38,963	0.01
Outstanding at the end of the year	**62,69,85,920**	**125.40**	**62,67,85,105**	**125.36**

b. Rights, preferences and restrictions on shares

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
Amalfiaco Limited	14,00,37,623	22.34%	14,00,37,623	22.34%
Macritchie Investments Pte Ltd	7,54,04,873	12.03%	7,54,04,873	12.03%
Aditya Birla Sun Life Trustee Private Limited	3,21,59,335	5.13%	2,51,11,463	4.01%

d. Shares reserved for issuance under Stock Option Plans of the Company (Also Refer Note 39)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	31,33,769	0.63	31,56,404	0.63
Crompton Performance Share Plan 1 2016 (PSP 1)	1,09,68,057	2.19	1,09,68,057	2.19
Crompton Performance Share Plan 2 2016 (PSP 2)	31,33,731	0.63	31,33,731	0.63

e. There are no bonus shares issued/ shares bought back.

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

g. The Board of Directors has recommended a dividend of ₹ 2; (Previous year ₹ 1.75) per fully paid up equity share of ₹ 2 each, aggregating to ₹ 151.17 crore; (Previous year ₹ 132.24 crore), including dividend distribution tax.

13 Other Equity

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital reserve	0.05	0.05
Securities premium	6.00	0.96
Employee share option outstanding account	120.83	87.73
Retained earnings	768.92	574.78
Other comprehensive income	1.14	0.62
Debenture redemption reserve	75.00	-
Total	**971.94**	**664.14**

[Note: for movements in reserves - refer 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 Share Option Plan (ESOP).

Employee share option outstanding account

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

Retained earnings

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

Debenture redemption reserve

Debenture redemption reserve is a Statutory Reserve (as per The Companies Act, 2013) created out of profits of the Company for the purpose of redemption of debentures issued by the Company. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debenture issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. On completion of redemption, the reserve is transferred to retained earnings

14 Financial liabilities - Borrowings

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Measured at amortized cost		
i) Non-Current Borrowings		
Secured		
Debentures	349.26	648.55
	349.26	**648.55**
ii) Current maturities of Borrowings - (Refer Note 18)		
Debentures	300.00	-
Total	**649.26**	**648.55**

Terms of Debentures:

Particulars of Debentures	Series A	Series B	Series C
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000
Date of allotment	24th June, 2016	24th June, 2016	24th June, 2016
As at 31st March, 2019 (₹ crore)	300.00	170.00	180.00
As at 31st March, 2018 (₹ crore)	300.00	170.00	180.00
Interest	8.95% p.a. payable annually	8.95% p.a. payable annually	8.95% p.a. payable annually
Terms of repayment	Redeemable at face value at the end of 3 years from the date of allotment	Redeemable at face value at the end of 4 years from the date of allotment	Redeemable at face value at the end of 5 years from the date of allotment

Debentures are secured by:

(a) Charge on 'Crompton' Brand and Registered Trade Marks of the Company; and

(b) Charge by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

15 Non-current Provisions

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits	17.29	17.48
	17.29	**17.48**

16 Current financial liabilities - Borrowings

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Working capital demand loan from bank	-	-
	-	**-**

(Note: Working capital demand loan is secured by way of charge on the Company's inventory and trade receivables.)

17 Current Financial liabilities - Trade payables

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Acceptances	158.57	258.86
Due to micro and small enterprises (refer note below)	9.19	34.23
Due to creditors other than micro and small enterprises	497.25	475.14
	665.00	**768.23**

Note:

(a) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2019. The disclosure pursuant to the said Act is as under:

Particulars	31st March, 2019	31st March, 2018
Principal amount due to suppliers under MSMED Act	9.19	34.23
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	10.29	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	0.06	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	0.07	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

18 Financial liabilities - Others

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of non-convertible debentures (Refer Note 14)	300.00	-
Interest accrued but not due on borrowings	44.47	44.31
Security deposits	21.22	19.64
	365.69	**63.95**

19 Other current liabilities

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances from customers	8.98	9.75
Statutory dues payables	8.94	6.22
Others	5.33	13.61
	23.25	**29.58**

20 Current Provisions

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits	2.39	2.06
Other provisions (Refer Note below)	149.42	95.50
	151.81	**97.56**

Note:

₹ crore

(a) Movement of provisions	Warranty	Sales tax / VAT/ Other taxes	Other litigation claims
Carrying amount at the beginning of the year	73.37	9.53	0.06
Additional provision made during the year	131.64	1.56	-
Amounts used during the year	(73.37)	-	-
Unused amounts reversed during the year	-	-	-
Carrying amount at the end of the year	**131.64**	**11.09**	**0.06**

₹ crore

Movement of provisions	Others	Total
Carrying amount at the beginning of the year	12.54	95.50
Additional provision made during the year	6.63	139.83
Amounts used during the year	(12.54)	(85.91)
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	**6.63**	**149.42**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

(b) Nature of provisions:

(i) 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 years.

(ii) Provision for sales tax / VAT / other taxes represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Acts / Rules.

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

(iv) Others represent provision made towards probable cash discount and probable return of goods from customers.

21 Income taxes

(a) Tax expense recognised in Statement of profit and loss comprises :

₹ crore

	2018-19	2017-18
Current income tax charge	171.12	181.80
Deferred tax (asset) / liability (net)		
Origination and reversal of temporary differences	(12.67)	(20.15)
Tax expense for the year	**158.45**	**161.65**

(b) Amounts recognised in Other comprehensive income (OCI) ₹ crore

	2018-19			2017-18		
	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	0.80	(0.28)	0.52	5.13	(1.78)	3.35
	0.80	**(0.28)**	**0.52**	**5.13**	**(1.78)**	**3.35**

(c) Reconciliation of effective tax rate

₹ crore

	2018-19	2017-18
Profit before tax	559.84	485.44
Applicable tax rate	34.94%	34.61%
Computed tax expense	195.63	168.00
Exempted dividend income	(3.72)	(5.55)
Tax incentive under Section 80-IC of Income tax Act, 1961	(7.13)	(6.13)
Tax effect on various other items	2.12	5.32
Income tax expense for the current year	**186.90**	**161.65**
Effective tax rate	33.38%	33.30%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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

₹ crore

Sr. no.	Particulars	Balance sheet		Statement of profit and loss	
		As at 31st March, 2019	As at 31st March, 2018	2018-19	2017-18
(a)	Deferred tax asset on employee share option outstanding	38.56	26.78	11.78	16.07
(b)	Items disallowed under Section 43B of the Income Tax Act, 1961 on payment basis	11.80	10.69	1.11	2.40
(c)	Allowance for doubtful debts and advances	6.86	4.97	1.89	0.42
(d)	Difference between book depreciation and tax depreciation	(4.11)	(4.38)	0.27	0.10
(e)	Other temporary differences	7.14	9.79	(2.38)	1.16
	Deferred tax income /(expense)			**12.67**	**20.15**
	Net deferred tax assets / (liabilities)	**60.25**	**47.85**		

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

₹ crore

Sr. no.	Particulars	2018-19	2017-18
(a)	Opening balance as at 1st April	47.85	29.48
(b)	Tax (income)/expense during the year recognised in:		
(i)	Statement of profit and loss in profit or loss	12.67	20.15
(ii)	Statement of profit and loss under OCI	(0.28)	(1.78)
(c)	Closing balance as at 31st March	**60.25**	**47.85**

22 Revenue from Operations

₹ crore

Particulars	2018-19	2017-18
A. Sales of products and services		
Sale of products		
(i) Electrical consumer durables	3,200.35	2,816.19
(ii) Lighting products	1,261.95	1,273.69
	4,462.30	**4,089.88**
Sale of services		
(i) Electrical consumer durables	-	-
(ii) Lighting products	1.58	1.88
	1.58	**1.88**
	4,463.88	**4,091.76**
B. Other operating revenue		
Export benefits and other incentives	6.80	6.27
Scrap sales	8.23	7.09
	15.03	**13.36**
	4,478.91	**4,105.12**

Notes:

(i) For the period before GST implementation (upto 30th June, 2017), revenue has been shown as gross of excise duty and after GST implementation (1st July, 2017 onwards) as net of GST.

(ii) Excise duty collected from customers included in sale of products amounted to ₹ Nil; (Previous year ₹ 25.46 crore).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

23 Other income

₹ crore

Particulars	2018-19	2017-18
Interest income	19.74	12.69
Income from mutual funds	10.63	16.03
Net gain / (loss) on sale or fair valuation of investments	16.16	1.26
Other	1.48	0.77
	48.01	**30.75**

24 Cost of materials consumed

₹ crore

Particulars	2018-19	2017-18
Opening stock	53.55	38.76
Add: Purchases	1,015.61	824.87
Less: Closing stock	79.32	53.55
Raw materials consumed	989.84	810.08
Add: Sub-contracting charges	66.65	65.71
	1,056.49	**875.79**

25 Purchase of stock-in-trade

₹ crore

Particulars	2018-19	2017-18
Electrical consumer durables	1,442.17	1,273.49
Lighting products	616.45	665.06
	2,058.62	**1,938.55**

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

₹ crore

Particulars	2018-19	2017-18
Opening Stock:		
Finished goods	77.24	94.56
Stock-in-trade	140.21	113.46
Work-in-progress	29.10	23.74
	246.55	**231.76**
Less:		
Closing Stock:		
Finished goods	61.76	77.24
Stock-in-trade	181.05	140.21
Work-in-progress	27.03	29.10
	269.84	**246.55**
Changes in inventories:		
Finished goods	15.48	17.32
Stock-in-trade	(40.84)	(26.75)
Work-in-progress	2.07	(5.36)
	(23.29)	**(14.79)**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

27 Employee benefits expense

₹ crore

Particulars	2018-19	2017-18
Salaries, wages, bonus and other benefits	229.16	200.19
Contribution to provident and other funds	9.47	9.29
Staff welfare expenses	18.82	16.14
Share-based payments to employees (Refer Note 38)	34.43	57.03
	291.88	**282.65**

[Note: Remuneration paid to key management personnel - Refer Note 35]

28 Finance costs

₹ crore

Particulars	2018-19	2017-18
Interest	59.60	63.74
	59.60	**63.74**

29 Other expenses

₹ crore

Particulars	2018-19	2017-18
Consumption of stores and spares	17.10	13.74
Power and fuel	6.15	6.81
Rent	19.23	17.79
Repair to property, plant and equipment	2.59	2.54
Insurance	1.76	1.71
Rates and taxes	13.39	18.78
Freight and forwarding	129.36	99.92
Packing materials	63.88	60.46
After sales service including warranty	48.03	37.38
Sales promotion	62.49	66.78
Corporate social responsibility expenses (Refer Note 32)	7.20	1.48
Advertising	28.67	38.79
Legal and professional charges	59.06	55.16
Miscellaneous expenses	51.98	45.08
	510.89	**466.42**
Payment to the auditors (included in Miscellaneous expenses)		
Auditors' remuneration (excluding taxes)		
Audit fees	0.32	0.32
Tax audit fees	0.07	0.07
Other services		
(i) Certification work	0.01	0.03
(ii) Others	0.29	0.25
Reimbursement of expenses	0.07	0.04
	0.76	**0.71**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

30 Contingent liabilities and commitments

₹ crore

Sr no.	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	**Contingent Liabilities: (to the extent not provided for)**		
(a)	Claims against the Company not acknowledged as debts	0.74	0.69
(b)	Income tax liability that may arise in respect of matters in appeal	26.81	20.78
(c)	Sales tax / VAT liability that may arise in respect of matters in appeal	30.63	38.82
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16.51	0.06

Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (c) above, pending resolution of the arbitration/appellate proceedings.

31 Expenditure on research and development

₹ crore

Sr no.	Particulars	2018-19	2017-18
(a)	**Capital expenditure**	1.83	0.72
	Sub-total (a)	**1.83**	**0.72**
(b)	**Revenue expenditure**		
	Raw materials consumed	0.03	0.06
	Employee benefits	5.78	5.95
	Depreciation and amortisation expense	0.99	0.94
	Other expenses		
	Consumption of stores and spares	1.57	0.29
	Repairs and maintenance	0.12	-
	Miscellaneous expenses	3.25	5.88
	Sub-total (b)	**11.74**	**13.12**
	Total (a) + (b)	**13.57**	**13.84**

32 Expenditure on Corporate Social Responsibility (CSR)

The particulars of CSR expenditure are as follows:

(a) Gross amount required to be spent by the Company during the year is ₹ 7.20 crore; (Previous year ₹ 3.95 crore).

(b) Amount spent during the year is ₹ 7.20 crore; (Previous year ₹ 1.48 crore).

₹ crore

Sr no.	Particulars	Disclosed under	2018-19			2017-18		
			In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of assets charged to the statement of profit and loss	-	-	-	-	-	-	-
ii)	For purpose other than (i) above	Note 29	7.20	-	7.20	1.44	0.04	1.48
	Total		**7.20**	**-**	**7.20**	**1.44**	**0.04**	**1.48**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

33 Disclosure pursuant to Indian Accounting Standard (Ind AS) 17, *Leases*

A. Company as lessee

The Company has entered into cancellable and non-cancellable operating lease agreements.

i. Future minimum lease payments

The future minimum lease payments in respect of the non-cancellable lease agreements as on the year end is as below:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Less than one year	7.01	7.02
Between one and five years	2.50	8.50
More than five years	-	-
Minimum lease payments	**9.51**	**15.52**

ii. Amounts recognised in Statement of profit and loss

₹ crore

Particulars	2018-19	2017-18
Rent expense	19.23	17.79
Total	**19.23**	**17.79**

34 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19, *Employee Benefits*

(a) Defined contribution plans (Refer Accounting Policy Note 1.16)

Amount of ₹ 9.47 crore; (Previous year: ₹ 9.29 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 27)

₹ crore

Benefits (Contribution to)	2018-19	2017-18
Provident fund	6.16	5.43
Superannuation fund	1.47	1.54
Employee state insurance scheme	0.09	0.13
Labour welfare scheme	0.01	0.01
Gratuity	1.38	1.92
National Pension Scheme	0.36	0.26
Total	**9.47**	**9.29**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.16) **as per Actuarial Valuation:**

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2018-19 (Funded)	**2017-18 (Funded)**	**2018-19 (Non funded)**	**2017-18 (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	18.86	19.80	6.79	7.26
	Amount recognised in statement of profit and loss	-	-	-	-
	Interest cost	1.43	1.41	0.53	0.54
	Current service cost	1.74	1.75	0.40	0.49
	Past service cost	-	0.05	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial (gains) / losses	-	-	(1.53)	(1.27)
	Financial assumptions	0.11	(0.48)	-	-
	Due to experience	0.48	(1.80)	-	-
	Benefits paid	(1.97)	(1.87)	(0.35)	(0.23)
	Present Value of defined benefit obligation at the end of the year	20.65	18.86	5.84	6.79
II	**Change in fair value of plan assets during the year**				
	Fair value of plan assets at the beginning of the year	23.68	18.17	-	-
	Expected return on plan assets	1.79	1.29	-	-
	Contributions	0.26	4.25	-	-
	Benefits paid from the fund	(1.90)	(1.61)	-	-
	Amount recognised in other comprehensive income	-	-		
	Actuarial gain / (loss)	(0.15)	1.58	-	-
	Fair value of plan assets at the end of the year	23.68	23.68	-	-
III	**Actual return on plan assets**				
	Expected return on plan assets	(1.79)	1.29	-	-
	Actuarial gain / (loss)	(0.15)	1.58	-	-
	Actual return on plan assets	(1.94)	2.87	-	-
IV	**Net asset / (liability) recognised in the balance sheet**				
	Present Value of defined benefit obligation at the end of the year	(20.65)	(18.86)	(5.84)	(6.79)
	Fair value of plan assets at the end of the year	23.68	23.68	-	-
	Asset / (Liability) recognised in the balance sheet	3.03	4.82	(5.84)	(6.79)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2018-19 (Funded)	2017-18 (Funded)	2018-19 (Non funded)	2017-18 (Non funded)
V	**Expenses recognised in the statement of profit and loss**				
	Current service cost	1.74	1.75	0.40	0.49
	Interest cost	(0.36)	0.12	0.53	0.54
	Past Service cost	-	0.05	-	-
		1.38	1.92	0.93	1.03
VI	**Expenses recognised in the other comprehensive income**				
	Remeasurements (gain) / loss on defined benefit plans	0.74	(3.86)	(1.53)	(1.27)
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	(1.20)	(1.11)	(0.64)	(0.74)
	1% decrease in discount rate	1.35	1.25	0.80	0.92
	1% increase in salary escalation rate	1.35	1.26	-	-
	1% decrease in salary escalation rate	(1.23)	(1.14)	-	-
	1% increase in employee turnover rate	0.06	0.08	-	-
	1% decrease in employee turnover rate	(0.07)	(0.09)	-	-
	1% increase in Medical inflation rate	-	-	0.81	0.93
	1% decrease in Medical inflation rate	-	-	(0.65)	(0.75)
IX	**Maturity profile of defined benefit obligations**				
	Within the next 12 months	3.02	2.62	-	-
	Between 1 and 5 years	7.19	6.45		
	Between 5 and 10 years	10.44	9.79		
X	**Actuarial assumptions**				
	Discount rate	7.47%	7.56%	7.92%	7.76%
	Expected Return on Plan Assets (p.a.)	7.47%	7.56%	N.A	N.A
	Employee turnover rate	6.00%	6.00%	6.00%	6.00%
	Salary escalation	6.00%	6.00%	N.A	N.A
	Mortality pre retirement rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Mortality post retirement rate	N.A	N.A	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Medical premium inflation rate	N.A	N.A	2%	2%

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(c) The sensitivity analysis 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, 2019 and 31st March, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

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

(i) The Company expects to fund ₹ Nil; (Previous year ₹ Nil) towards its gratuity plan during the year 2019-20.

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

35 Disclosure pursuant to Indian Accounting Standard (Ind AS) 24, *Related Party Disclosures*

i) Other Related Parties:

1 ASK Wealth Advisors Private Limited

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

1 Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust

2 Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund

iii) Key Management Personnel:

1 Mr. H. M. Nerurkar, Chairman and Independent Director

2 Mr. D. Sundaram, Independent Director

3 Mr. P. M. Murty, Independent Director

4 Ms. Smita Anand,Independent Director (from 10th December, 2018)

5 Ms. Shweta Jalan, Non-Executive Director

6 Mr. Sahil Dalal, Non-Executive Director

7 Mr. Promeet Ghosh, Non-Executive Director

8 Mr. Ravi Narain, Non-Executive Director (upto 5th March, 2018)

9 Mr. Shantanu Khosla, Managing Director

10 Mr. Mathew Job, Chief Executive Officer

11 Mr. Sandeep Batra, Chief Financial Officer

12 Ms. Pragya Kaul, Company Secretary

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

iv) Details of related party transactions:

₹ crore

Sr no.	Nature of transaction	2018-19	2017-18
1	**Services received**		
	ASK Wealth Advisors Private Limited	0.19	0.13
	Total	**0.19**	**0.13**
2	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	0.26	4.25
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.60	1.54
	Total	**1.86**	**5.79**
3	**Compensation to Key Management Personnel**		
	Short-term benefits	16.94	16.26
	Share-based payments [refer note (b) below]	28.48	50.32
	Directors' sitting fees	0.18	0.18
	Commission	0.35	0.35
	Total	**45.95**	**67.10**

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.

v) Amount due to / from related parties

₹ crore

Sr no.	Nature of transaction	As at 31st March, 2019	As at 31st March, 2018
1	**Other Receivable**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.03	4.82
	Total	**3.03**	**4.82**
2	**Other Payable**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.12	0.25
	Total	**0.12**	**0.25**

Notes:

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

36 Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, *Earnings Per Share*

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.

			2018-19	2017-18
(a)	**Basic earnings per share**			
	Numerator for earnings per share			
	Profit after tax	₹ crore	401.38	323.79
	Denominator for earnings per share			
	Weighted number of equity shares outstanding during the year	Nos	62,68,41,880	62,67,54,920
	Earnings per share - Basic (one equity share of ₹ 2 each)	₹	6.40	5.17
(b)	**Diluted earnings per share**			
	Numerator for earnings per share			
	Profit after tax	₹ crore	401.38	323.79
	Denominator for earnings per share			
	Weighted number of equity shares outstanding for basic EPS during the year	Nos	62,68,41,880	62,67,54,920
	Add: Weighted average number of potential equity shares on account of Employee share option schemes	Nos	38,87,606	25,76,149
	Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,07,29,486	62,93,31,069
	Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	6.36	5.15

37 Disclosure pursuant to Indian Accounting Standard (Ind AS) 36, *Impairment of Assets*

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

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Electric Consumer Durables	590.10	590.10
Lighting Products	189.31	189.31
Total	**779.41**	**779.41**

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

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

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

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

Notes to the Consolidated Financial Statements

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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, 2019 and 31st March, 2018 as the recoverable value of the cash generating unit exceeded the carrying value.

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

38 Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, *Share-based Payment*

Employee share options - equity settled

(a) The Members of the Company have approved on 22nd October 2016 by way of postal ballot grant of Employee share 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.

Details of Share options outstanding account and charge to the statement of profit and loss are set out in the table below:

₹ crore

	31st March, 2019	31st March, 2018
Charge for the year	34.43	57.03
Share options outstanding account	120.83	87.73

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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

Particulars	31st March, 2019			31st March, 2018		
	ESOP	PSP 1	PSP 2	ESOP	PSP 1	PSP 2
Date of Shareholder's approval	22nd October, 2016	22nd October, 2016	22nd October, 2016	22nd October, 2016	22nd October, 2016	22nd October, 2016
Total number of options approved under ESOS	40,00,000	1,09,68,057	31,33,731	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-10 Years	1-10 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 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 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	31st March, 2019			31st March, 2018		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	31,56,404	1,09,68,057	31,33,731	30,00,000	1,09,68,057	31,33,731
No. of options granted during the year	5,20,000	-	-	8,00,000	-	-
No. of options forfeited / lapsed during the year	3,41,820	-	-	6,04,633	-	-
Number of options vested but not exercised at the end of the year	10,06,269	39,48,500	11,28,142	6,25,367	26,32,334	7,52,095
Number of options exercised during the year	2,00,815	-	-	38,963	-	-
Money realised by exercise of options (₹)	3,74,72,079	-	-	72,70,496	-	-
No. of options outstanding at the end of the year	31,33,769	1,09,68,057	31,33,731	31,56,404	1,09,68,057	31,33,731
No. of options exercisable at the end of the year	10,06,269	39,48,500	11,28,142	5,86,404	26,32,334	7,52,095
Weighted Average Remaining Contractual Life (in years)	5.52	5.89	5.89	6.29	6.89	6.89

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

(d) Weighted average information for year:

Particulars	2018-19			2017-18		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose						
Exercise price equals market price	235.20	-	-	-	-	-
Exercise price is greater than market price	-	-	-	221.15	-	-
Exercise price is less than market price	-	-	-	225.83	-	-
Weighted average fair value of options granted during the year whose						
Exercise price equals market price	94.95	-	-	-	-	-
Exercise price is greater than market price	-	-	-	80.26	-	-
Exercise price is less than market price	-	-	-	98.10	-	-

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

Particulars	2018-19	2017-18
	ESOP 2016	ESOP 2016
Price of the underlying share in market at the time of the option grant (₹)	235.20	221.56
Exercise price (₹)	235.20	222.90
Risk free interest rate (based on government securities)	7.87%	6.87%
Expected life (years)	5.00	5.00
Expected volatility	32.48%	33.28%
Dividend yield	0.64%	0.55%

(f) Number and Weighted Average Exercise Price of Options:

Particulars	2018-19		2017-18	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	1,72,58,192	128.25	1,71,01,788	126.29
Granted during the year	520,000	235.20	8,00,000	222.90
Forefeited during the year	341,820	210.06	6,04,633	194.13
Exercised during the year	200,815	186.60	38,963	186.60
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,72,35,557	129.18	1,72,58,192	128.25
Exercisable at the end of the period	60,82,911	126.13	39,70,833	124.26

(g) Weighted average share price of options exercised during the year is ₹ 223.43 crore; (Previous year ₹ 244.43 crore).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

39 Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, *Operating Segments*

A. General Information

The segment reporting of the Company has been prepared in accordance with the Standard.

(i) Basis of identifying operating segments :

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The Company has two reportable segments as described under 'Segment Composition' below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

(ii) Reportable segments :

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(iii) Segment profit :

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's Board of Directors.

(iv) Segment composition :

Electrical Consumer Durables comprises the product categories of Fans, Pumps and Appliances

Lighting products comprises of Luminaires and Light Sources

B. Information about reportable segments

₹ crore

2018-19	Reportable segments		
Particulars	**Electrical Consumer Durables**	**Lighting Products**	**Total**
Revenue			
External Customers	3,213.57	1,265.34	4,478.91
Inter-segment	-	-	-
Total revenue	**3,213.57**	**1,265.34**	**4,478.91**
Segment profit	**616.15**	**106.87**	**723.02**
Segment profit includes:			
Depreciation and amortization expense	3.79	5.53	9.32
Segment assets	**606.19**	**497.33**	**1,103.52**
Segment liabilities	**384.81**	**453.35**	**838.16**
Other disclosures			
Capital expenditure	10.61	4.34	14.95

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₹ crore

2017-18	Reportable segments		
Particulars	Electrical Consumer Durables	Lighting Products	Total
Income			
External Customers	2,828.12	1,277.00	4,105.12
Inter-segment	-	-	-
Total income	**2,828.12**	**1,277.00**	**4,105.12**
Segment profit	**534.67**	**147.28**	**681.95**
Segment profit includes:			
Depreciation and amortization expense	4.13	5.91	10.04
Segment assets	**610.68**	**424.71**	**1,035.39**
Segment liabilities	**485.83**	**401.72**	**887.55**
Other disclosures			
Capital expenditure	7.60	5.49	13.09

C. Reconciliation of information on reportable segments

₹ crore

Particulars	2018-19	2017-18
(a) Income		
Total income for reportable segments	4,478.91	4,105.12
Elimination of inter-segment revenue	-	-
Total income (Refer Note 22)	**4,478.91**	**4,105.12**
(b) Profit before tax		
Total profit before tax for reportable segments	723.02	681.95
Unallocated amounts:		
Expense on Employee Share Option Scheme	(34.43)	(57.03)
Finance cost	(59.60)	(63.74)
Other unallocable expenditure net of unallocable Income	(69.16)	(75.74)
Total profit before tax from operations as reported in Statement of profit and loss	**559.84**	**485.44**

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(c) Assets		
Total assets for reportable segments	1,103.52	1,035.39
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	726.47	562.34
Deferred tax asset	60.25	47.85
Total assets as reported in Balance sheet	**2,669.65**	**2,424.99**
(d) Liabilities		
Total liabilities for reportable segments	838.16	887.55
Other unallocated amounts		
Borrowings	649.26	648.55
Other liabilities	84.89	99.39
Total liabilities as reported in Balance sheet	**1,572.31**	**1,635.49**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

D. Geographic information

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

E. Information about major customers

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

40 Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, *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, 2019	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		6.80	6.80				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.28	0.28				
Others		2.87	2.87				
Cash and cash equivalents		116.98	116.98				
Bank balance other than cash and cash equivalents		26.07	26.07				
Current investments	541.21		541.21		541.21		541.21
Trade receivables		565.98	565.98				
Other current financial assets		12.42	12.42				
	541.21	**731.41**	**1,272.62**	**-**	**541.21**	**-**	**541.21**
Financial liabilities							
Borrowings		649.26	649.26				
Trade payables		665.00	665.00				
Other current financial liabilities		65.69	65.69				
	-	**1,379.96**	**1,379.96**	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

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₹ crore

As at 31st March, 2018	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		5.87	5.87				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.23	0.23				
Others		6.83	6.83				
Cash and cash equivalents		172.49	172.49				
Bank balance other than cash and cash equivalents		4.89	4.89				
Current investments	367.58		367.58		367.58		367.58
Trade receivables		553.64	553.64				
Other current financial assets	-	13.73	13.73				
	367.58	**757.68**	**1,125.26**	**-**	**367.58**	**-**	**367.58**
Financial liabilities							
Borrowings		648.55	648.55				
Trade payables		768.23	768.23				
Other current financial liabilities		63.95	63.95				
	-	**1,480.73**	**1,480.73**	**-**	**-**	**-**	**-**

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.

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C. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

D. Financial risk management

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

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

Risk management framework

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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

i. Interest rate risk

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

Exposure to interest rate risk

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

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed-rate instruments		
Financial assets		
Bank deposits	110.66	146.39
Total	**110.66**	**146.39**
Financial liabilities		
Non-current borrowings	349.26	648.55
Current maturities of non-current borrowings	300.00	-
Total	**649.26**	**648.55**

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.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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, 2019	As at 31st March, 2018
Not past due	402.42	404.62
Past due 1–360 days	158.84	146.23
Past due 361- 720 days	4.72	2.79
more than 720 days	-	-
	565.98	**553.64**

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, 2017	**15.35**
Impairment loss recognised/ (reversed)	5.13
Write off of bad debts	(6.27)
Balance as at 31st March, 2018	**14.21**
Impairment loss recognised	11.92
Write off of bad debts	(6.49)
Balance as at 31st March, 2019	**19.64**

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 counter parties with good credit ratings.

Investment in mutual funds

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

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

iii. Liquidity risk

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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, 2019	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Borrowings (including interest)	693.73	755.45	358.02	201.33	196.11	-
Current financial liabilities						
Trade payables	665.00	665.00	665.00	-	-	-
Other financial liabilities	21.22	21.22	21.22	-	-	-

₹ crore

As at 31st March, 2018	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Borrowings (including interest)	693.18	769.16	58.18	337.58	373.40	-
Current financial liabilities						
Trade payables	768.23	768.23	768.23	-	-	-
Other financial liabilities	19.64	19.64	19.64	-	-	-

iv. Market risk

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

v. Currency risk

The Company is exposed to currency risk on account of its receivable and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward foreign exchange contracts and options foreign exchange contracts to hedge its currency risk, mostly 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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	9.17	Buy	As at 31st March, 2019
Hedges of recognised liabilities	Forward Contract	USD	INR	1.78	Buy	As at 31st March, 2019
Hedges of recognised liabilities	Option contract	USD	INR	5.47	Buy	As at 31st March, 2018

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, 2019	As at 31st March, 2018
Financial assets		
Trade receivables	19.05	9.13
	19.05	**9.13**
Financial liabilities		
Trade payables	92.41	34.70
	92.41	**34.70**
Net foreign currency exposure	**(73.36)**	**(25.57)**

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, 2019			
USD	5%	(3.67)	3.67
		(3.67)	**3.67**

Effect in ₹ crore	**Movement**	**Profit or loss**	
		Strengthening	**Weakening**
31st March, 2018			
USD	5%	(1.28)	1.28
		(1.28)	**1.28**

41 Capital Management

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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

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

The Company's adjusted net debt-to-equity ratio at 31st March, 2019 was as follows:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total borrowings (including current portion of long-term debts)	649.26	648.55
Less : Cash and cash equivalent	116.98	172.49
Less : Other bank balances	26.07	4.89
Less : Current investments	541.21	367.58
Adjusted net debt	**(35.01)**	**103.59**
Total equity	**1,097.34**	**789.50**
Adjusted net debt to adjusted equity ratio	**(0.03)**	**0.13**

42 Based on assessment order received during the year, the Company has written-back an amount of ₹ 28.45 crore in respect of earlier years and the same is netted-off from current tax expense for the year ended 31st March, 2019.

43 As the subsidiaries of the Company were incorporated during the year, the consolidated financial statements for the previous year represents standalone financial results of the Company.

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

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

Signatures to Notes 1 to 45

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385
Mumbai, 21st May, 2019

H. M. Nerurkar
Chairman
DIN: 00265887

Mathew Job
Chief Executive Officer

Shantanu Khosla
Managing Director
DIN: 00059877

Sandeep Batra
Chief Financial Officer

Mumbai, 21st May, 2019

D. Sundaram
Director
DIN: 00016304

Pragya Kaul
Company Secretary
Membership. No. A17167

Crompton

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