

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

T: +91 22 6167 8499 F: +91 22 6167 8383

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

Date: June 29, 2021

To, BSE Limited ("BSE"), Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, National Stock Exchange of India Limited ("NSE"), "Exchange Plaza", 5 th 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: 41/2021-22	Our Reference: 41/2021-22

Dear Sir/Madam,

Sub: Notice of Annual General Meeting ('AGM') - Intimation under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

We wish to inform you that the AGM of Crompton Greaves Consumer Electricals Limited ('the Company') will be held on Friday, 23rd July, 2021 at 3.00 P.M. through Video Conferencing or Other Audio Visual Means and the deemed venue of the meeting shall be the Registered Office of the Company at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.

In accordance with the General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by Ministry of Corporate Affairs ("MCA Circulars") and Circulars dated 12th May, 2020 and 15th January, 2021 issued by the Securities and Exchange Board of India ('SEBI Circulars') and relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations, AGM of the Company will be held without the physical presence of the Shareholders at a common venue.

In terms of the provisions of Regulation 30 and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Annual Report of Crompton Greaves Consumer Electricals Limited ("Company") for the Financial Year 2021-22 ("Annual Report") along with the Notice of the 7th Annual General Meeting ("AGM") is enclosed herewith.

The Annual Report contains the information to be given and disclosures required to be made in terms of Regulation 34(2) and 34(3) of the SEBI Listing Regulations.

Further, in accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Shareholders whose email addresses are registered with the Company/ Depository Participants. The Annual Report together with the Notice of the AGM is being dispatched to the Shareholders today, i.e. 29th June, 2021.



Crompton Greaves Consumer Electricals LimitedRegistered & Corporate Office: Tower 3, 1st Floor,

East Wing, Equinox Business Park, LBS Marg,

Kurla (West), Mumbai - 400 070.India

T: +91 22 6167 8499 F: +91 22 6167 8383

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

The agenda items proposed to be taken up at the AGM as recommended by the Board of Directors are as mentioned below:

Sr. No.	Item(s) proposed to be transacted	Resolution(s) to be passed	Manner of approval
1.	Adoption of financial statements	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
2.	Confirmation of the Interim Dividend and Declaration of Final Dividend	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
3.	Re-appointment of M/s. Sharp and Tannan, Chartered Accountants, Statutory Auditors of the Company and to fix their remuneration	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
4.	Appointment of Mr. Shantanu Khosla (DIN: 00059877) as a Director liable to retire by rotation	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
5.	Retirement of Ms. Shweta Jalan (DIN: 00291675) who retires by rotation at the conclusion of this meeting but does not seek re-appointment	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
6.	Managerial remuneration of Mr. Shantanu Khosla (DIN:00059877), Managing Director, in the event of exercise of ESOPs	Special Resolution	Voting through electronic means and/or at the time of AGM
7.	Managerial remuneration of Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer, in the event of exercise of ESOPs	Special Resolution	Voting through electronic means and/or at the time of AGM
8.	Remuneration to all Directors in the event of exercise of ESOPs by Mr. Shantanu Khosla (DIN:00059877), Managing Director and Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
9.	Appointment of Mr. P.R. Ramesh (DIN: 01915274) as an Independent Director	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
10.	Ratification of remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the Company	Ordinary Resolution	Voting through electronic means and/or at the time of AGM

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



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 7th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Seventh Annual General Meeting (the "AGM")** of the Members of Crompton Greaves Consumer Electricals Limited (the "Company") will be held on **Friday, 23rd July, 2021 at 3.00 P.M. (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business. The venue of the AGM shall be deemed to be the Registered Office of the Company at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.

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, 2021 together with the Reports of the Board of Directors and Auditors thereon.

2. Confirmation of the Interim Dividend and Declaration of Final Dividend

To confirm payment of Interim Dividend of ₹ 3/- per Equity Share paid during the year and to declare a final dividend of ₹ 2.50/- per Equity Share of the face value of ₹ 2/- each for the year ended 31st March, 2021.

3. Re-appointment of M/s. Sharp and Tannan, Chartered Accountants, Statutory Auditors of the Company and to fix their remuneration

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

"RESOLVED THAT, in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, M/s. Sharp and Tannan, Chartered Accountants, having Firm Registration No. 109982W retiring Auditors of the Company be and are hereby re-appointed as the Auditors of the Company from the conclusion of this Meeting to hold such office for a period of four years till the conclusion of 11th Annual General Meeting of the Company, at a

remuneration of ₹ 46.00 Lakhs (Rupees Forty Six Lakhs only) plus reimbursement of out of pocket expenses and applicable taxes to conduct the audit for the financial year 2021-22 and the Board of Directors of the Company be and are hereby authorised to increase and pay such Statutory Audit fees as recommended by the Audit Committee and as they may deem fit for the remaining tenure of their appointment.

RESOLVED FURTHER THAT any of the Directors or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution."

4. Appointment of Mr. Shantanu Khosla (DIN: 00059877) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Shantanu Khosla (DIN: 00059877) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

5. Retirement of Ms. Shweta Jalan (DIN: 00291675) who retires by rotation at the conclusion of this meeting but does not seek re-appointment

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

"RESOLVED THAT pursuant to the provisions of Sections 152(7) and other applicable provisions, if any, of the Companies Act, 2013 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) Ms. Shweta Jalan (DIN:00291675), a Director liable to retire by rotation, who does not seek re-appointment, be not re-appointed a Director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled."

6. **Managerial remuneration of Mr. Shantanu Khosla (DIN:00059877), Managing Director, in the event of exercise of ESOPs**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the said Act, subject to the provisions of the Articles of Association and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company and in furtherance of the resolution dated 24th July, 2020 approval of the Members be and is hereby accorded for the payment of remuneration to Mr. Shantanu Khosla (DIN: 00059877), Managing Director of the Company, as set out in detail in the explanatory statement annexed to the notice for a period of three financial years with effect from 1st April, 2021, and that such remuneration payable to Mr. Shantanu Khosla may exceed 5% of the net profits of the Company in the above financial years computed in the manner as laid down in Section 198 of the Companies Act, 2013, in the event of the exercise by Mr. Shantanu Khosla of some or all of the Employee Stock Options granted to him under any Employee Stock Option Plan, as are in force or as may be announced by the Company.

RESOLVED FURTHER THAT any of the Directors or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

7. **Managerial remuneration of Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer, in the event of exercise of ESOPs**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including

rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the said Act, subject to the provisions of the Articles of Association, based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, and in furtherance of the resolution dated 2nd May, 2021 approval of the Members be and is hereby accorded for the payment of remuneration to Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer of the Company, as set out in detail in the explanatory statement annexed to the notice for a period of three financial years with effect from 1st April 2021, and that such remuneration payable to Mr. Mathew Job may exceed 5% of the net profits of the Company in the above financial years computed in the manner as laid down in Section 198 of the Companies Act, 2013, in the event of the exercise by Mr. Mathew Job of some or all of the Employee Stock Options granted to him under any Employee Stock Option Plan, as are in force or as may be announced by the Company.

RESOLVED FURTHER THAT any of the Directors or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

8. **Remuneration to all Directors in the event of exercise of ESOPs by Mr. Shantanu Khosla (DIN:00059877), Managing Director and Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer**

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

RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the said Act and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the Members of the Company, be and is hereby accorded to increase the overall maximum managerial remuneration limit payable to all the Directors including Managing Director, Whole-Time Director and Non-Executive Directors, for the three financial years with effect from 1st April,

2021, which may exceed 11% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Companies Act, 2013, in the event of the exercise by Mr. Shantanu Khosla and/ or Mr. Mathew Job of some or all of the Employee Stock Options granted under any Employee Stock Option Plan, as are in force or as may be announced by the Company.

RESOLVED FURTHER THAT any of the Directors or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

9. **Appointment of Mr. P.R. Ramesh (DIN: 01915274) as an Independent Director**

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

RESOLVED THAT Mr. P.R. Ramesh (DIN: 01915274) who was appointed as an Additional and Independent Director, pursuant to the provisions of Sections 149, 152 and 161 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the Nomination and Remuneration Committee, and that of the Board, be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a period of five years up to 21st May 2026.

RESOLVED FURTHER THAT any of the Directors or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

10. **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 Number 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, 2022 amounting to ₹ 5.50 Lakhs (Rupees Five Lakhs Fifty thousand only) (excluding all taxes and reimbursement of out of pocket expenses) be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any of the Directors or the Key Managerial Personnel of the Company, be and are hereby severally authorised 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 : 24th June, 2021

Place : Mumbai

NOTES:

1. In view of the continued outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members at the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Explanatory Statement pursuant to Section 102 of the Act relating to Item No. 3 and Item Nos. 5 to 10 of the Notice of the 7th AGM, as required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), is

annexed hereto. Also, relevant details in respect of Directors seeking re-appointment at the AGM, in terms of Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings are also annexed to this notice.

3. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for atleast 1000 Members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.crompton.co.in The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com. The notice shall be circulated in electronic mode only as per the aforesaid circular.
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020, MCA Circular No. 20/2020 dated 5th May, 2020 and MCA Circular No. 2/2021 dated 13th January, 2021.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 10th July, 2021 to Friday, 23rd July, 2021 (both days inclusive) for the purpose of Annual General Meeting.
11. The dividend, if declared at the Annual General Meeting, would be paid/despached on or after Monday, 26th July, 2021 but before 30 days from the date of AGM to those persons or their mandates:
 - a. whose names appear as Beneficial Owners as at the end of the business hours on Friday, 9th July, 2021 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 Friday, 9th July, 2021.
12. Members holding shares in electronic form are requested that correct bank particulars are registered against their respective depository accounts which will be used by the Company for any payment of dividend in future. The Company or its Registrar and Transfer Agent, KFin Technologies Private Limited cannot act

on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members.

13. Members are requested to check that the correct account number has been recorded with the depository. Members holding shares in electronic form are requested to intimate any change in their address, E-mail ID, Signature or bank mandates to their respective Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to intimate such changes to the Registrar and Transfer Agent of the Company.
14. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent – KFin Technologies Private Limited for assistance in this regard.
15. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.
16. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are requested to update their PAN with the Company/Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).
17. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF)**

In terms of the provisions of Sections 124 and 125 of the Act, dividend which remains unpaid/ unclaimed for a period of 7 (seven) years from the date of declaration

is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Those Members who have not encashed their dividends are requested to lodge their claims in that regard with the Company or KFin Technologies Private Limited.

Further, in terms of the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), equity shares, in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration, are also required to be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules. Further, all equity shares of the Company on which dividend has not been paid or claimed for 7 (seven) consecutive years or more, shall be transferred by the Company to the IEPF from time to time.

18. In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in dematerialised form are requested to submit the said details to their Depository Participant(s) and the Members holding shares in physical form, are requested to submit the said details to the Company or KFin Technologies Private Limited.
19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an email to the Company at crompton.investorrelations@crompton.co.in.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 19th July, 2021 at 9:00 A.M. and ends on Thursday, 22nd July, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 16th July, 2021 may cast their vote electronically. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16th July, 2021.

The Board of Directors of the Company have appointed Mr. Makarand M. Joshi (FCS 5533), Partner or failing him Ms. Kumudini Bhalerao (FCS 6667), Partner at M/s. Makarand M. Joshi & Co, Practicing Company Secretaries (ICSI Unique Code: P2009MH007000), as Scrutiniser to scrutinize the entire e-voting process at the Annual General Meeting and remote e-voting in a fair and transparent manner.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Members holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="555 893 1441 1280">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="555 1301 1441 1390">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="555 1411 1441 1786">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Member/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective E-voting Service Provider (ESP) i.e. NSDL where the e-Voting is in progress.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for evoting and joining virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Member/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 116224 then user ID is 116224001***

5. Password details for Members other than Individual Members are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you

need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those Members whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.

- b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager – NSDL or Ms. Pallavi Mhatre, Manager, NSDL or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at evoting@nsdl.co.in.

Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to crompton.investorrelations@crompton.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to crompton.investorrelations@crompton.co.in. If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode.**
3. Alternatively Member/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Scrutiniser's report and declaration of results

- (i) The Scrutiniser shall, after the conclusion of e-voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting. He shall submit a Consolidated Scrutiniser's Report of the total votes cast in favour or against, within two working days from the conclusion of the AGM, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (ii) 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 NSDL i.e. www.evoting.nsdl.com. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/Member, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

20. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Member/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
21. Members are encouraged to join the Meeting through Laptops for better experience.
22. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
23. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
24. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email ID mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at crompton.investorrelations@crompton.co.in from Thursday 15th July, 2021 (from 9.00 a.m.) to Monday, 19th July, 2021 (up to 5.00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to

express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

25. Members who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at crompton.investorrelations@crompton.co.in. The same will be replied by the company suitably.
26. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/KFin Technologies Private Limited.
27. Members are requested to intimate changes, if any, pertaining to their name, postal address, Email ID, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.), with necessary documentary evidence, to their Depository Participants in case the shares are held by them in dematerialised form and to the Company/ KFin Technologies Private Limited

in case the shares are held by them in physical form.

28. Members are requested to quote their Folio No. or DP ID - Client ID, as the case may be, in all correspondence with the Company or the KFin Technologies Private Limited.
29. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Friday, 16th July, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990** and **1800 22 44 30**. In case of Individual Members holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, 16th July, 2021, may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

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. 3

Re-appointment of M/s. Sharp and Tannan, Chartered Accountants, Statutory Auditors of the Company and to fix their remuneration

The Members of the Company at the 1st Annual General Meeting (AGM) held on 24th July, 2015 had approved the appointment of M/s. Sharp and Tannan, Chartered Accountants, having Firm Registration No. 109982W, as the Statutory Auditors of the Company till the expiry of the 2nd Annual General Meeting and the Members of the Company at the 2nd Annual General Meeting ('AGM') held on 11th August, 2016 had approved the appointment of M/s. Sharp and Tannan, Chartered Accountants, having Firm Registration No. 109982W, as the Auditors of the Company for a period of five years from the conclusion of the said AGM.

M/s. Sharp and Tannan, Chartered Accountants will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of M/s. Sharp and Tannan, Chartered Accountants for conducting the audit for the financial year 2020-21, as approved by the Members, is ₹ 40 Lakhs plus taxes as applicable, and reimbursement of out-of-pocket expenses incurred.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s. Sharp and Tannan, Chartered Accountants as the Auditors of the Company for a period of four years from the conclusion of this AGM till the conclusion of the 11th AGM. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of M/s. Sharp and Tannan, Chartered Accountants for the financial year 2021-22 as set out in the Resolution relating to their appointment, i.e. ₹ 46.00 Lakhs (excluding reimbursement of out of pocket expenses and applicable taxes).

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc. and found M/s. Sharp and Tannan, Chartered Accountants to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

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

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

Item No. 5

Retirement of Ms. Shweta Jalan (DIN: 00291675) who retires by rotation at the conclusion of this meeting but does not seek re-appointment

Ms. Shweta Jalan (DIN: 00291675) joined the Company's Board on 16th August, 2016 as a Non Executive Director. She is also member of the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee & Risk Management Committee of the Company.

In terms of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Ms. Shweta Jalan is due to retire by rotation at this meeting. However, she has not offered herself for re-appointment, resulting in a vacancy on the Board and, the Board has resolved, subject to approval of Members, that the vacancy in the Board so created shall not be filled.

The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Ms. Shweta Jalan (DIN: 00291675) during her tenure as a Director on the Board of the Company.

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

Except Ms. Jalan, none of the Promoters, Directors, Key Managerial Personnel and their relatives is considered to be concerned or interested financially or otherwise, in the proposed Resolution as set out in the notice.

Item No. 6

Managerial remuneration of Mr. Shantanu Khosla (DIN:00059877), Managing Director, in the event of exercise of ESOPs

The Members of the Company at its 6th Annual General Meeting held on 24th July, 2020 had re-appointed Mr. Shantanu Khosla ("Mr. Khosla") as Managing Director of the Company for a period of 5 years effective from 1st January, 2021 till 31st December, 2025 along with other terms & conditions of appointment, including payment of remuneration.

Further, considering the performance evaluation, knowledge of various aspects relating to the Company's affairs, long business experience and contribution of Mr. Khosla for smooth and efficient running of the business and the progress made by the Company under his leadership and guidance, and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members are requested to approve the remuneration of Mr. Shantanu Khosla as mentioned below for a period of three financial years which shall be subject to revisions by the Board:

Fixed Pay*	₹ 4,11,80,368/- (Rupees Four Crore Eleven Lakh Eighty Thousand Three Hundred Sixty Eight only) per annum for the financial year 2021-22. The Fixed Pay includes the following benefits, perquisites and amenities, which is paid and/or provided to him. i. Basic salary and special allowance; ii. Employer's contribution towards provident fund; iii. Gratuity; iv. Housing Rent Allowance (HRA) or Residential Accommodation; v. Leave Travel Concession (LTC); vi. Reimbursement of telephone expenses; vii. Reimbursement of fuel expenses; viii. Payment of driver salary; ix. Education and hostel allowance for children; x. Payment towards vehicle used for Company's business; and xi. Payment of premium towards Group Mediclaim, as per the rules of the Company.
Bonus*	Pay out of ₹ 5,83,94,552/- (Rupees Five Crore Eighty Three Lakhs Ninety Four Thousand Five Hundred Fifty Two only) at Company Performance Factor of 100% with maximum payout of 150% of Company Performance Factor.
Stock Options	Employee Stock Options granted under any Employee Stock Option Plan ("ESOP") as are in force or as may be announced by the Company.

*The compensation details in the Table above relate to current compensation of financial year 2021-22.

The Nomination and Remuneration Committee and the Board of Directors of the Company will decide the increment up to a ceiling of 15% of the fixed pay and bonus in the immediate previous year excluding perquisite value of ESOP exercised.

In this context, please note following details of Stock Options ("Options") duly approved by the Nomination & Remuneration Committee and the Board of Directors granted to Mr. Khosla:

S. No.	Name of Scheme	Date of Grant	No. of Options Granted	Exercise Price	No. of options vested	No. of options lapsed	No. of options exercised	Exercise period
1	PSP-1	25.10.2016	47,00,596	₹ 92.83	45,19,088	81,508	1,00,000	October 2017 to November 2025
2	PSP -2	25.10.2016	31,33,731	₹ 185.66	30,79,392	54,339	-	October 2017 to November 2025
3	ESOP 2019	21.01.2021	20,13,875	₹ 405.95	-	-	-	January 2022 to January 2031
TOTAL			98,48,202	-	75,98,480	1,35,847	1,00,000	-

The perquisite value of such Options at the time of exercise of such Options is treated as a perquisite and accordingly, will be disclosed as the total remuneration to Mr. Khosla in the respective years. It may be noted that in the financial years covering the vesting period of the options granted as above, the expense on account of these options has been duly charged in the P&L and suitably disclosed.

Mr. Khosla is entitled to exercise the options mentioned above during the financial years 2021-22 to 2030-31. If Mr. Khosla exercises all or part of the options which he is entitled to exercise, during any one or more of the next three financial years,

the total managerial remuneration payable by the Company to Mr. Khosla as Managing Director may exceed 5% of the net profits of the Company for that financial year(s).

Further, if Mr. Khosla (Managing Director) and Mr. Job (Executive Director and Chief Executive Officer) exercise all or some of their respective stock options, the remuneration payable to either the Managing Director or the Executive Director & Chief Executive Officer individually, including the perquisite value of such exercised options, and the remuneration collectively payable to Managing Director and Executive Director and Chief Executive Officer may exceed 10% of the net profits of the Company for that financial year(s). The Company therefore seeks shareholders' approval by means of a special resolution to enable the Company to pay such managerial remuneration, pursuant to provisions of section 197 of the Companies Act, 2013.

The Members are also informed that the above increase in the maximum limit for payment of Directors' remuneration will not require or result in any payment of cash compensation in addition to the overall remuneration already approved by the Members of the Company by resolution passed at the Annual General Meeting held on 24th July, 2020

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon to any bank or public financial institution or Non-Convertible Debenture holders in the Company in the preceding financial year and in the current financial year.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013, the following Statement is given:

General Information				
Nature of industry		Electrical Consumer Durables		
Date or expected date of commencement of commercial production:	The Company was incorporated on 25 th February, 2015. <i>Date of commercial production</i> The Company was demerged from Crompton Greaves Limited with effect from 1 st January, 2016 and that date may be considered as the date of commencement of commercial production/operations.			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable			
Financial performance based on given indicators as per audited financial results for the last three years:	Performance for last three financial years (On standalone basis): (In ₹)			
	Particulars	2020-21	2019-20	2018-19
	Gross Revenue	4,749.95	4,511.97	4478.91
	Profit after tax	604.74	494.70	402.52
	Dividend			
	a. Interim Dividend	₹ 3.00/- per share	Nil	Nil
	b. Final Dividend	₹ 2.50/- per Share	Nil	₹ 2.00/- per share
	EPS:			
	Basis	9.64	7.89	6.42
	Diluted	9.56	7.83	6.38
	Computation of Net Profit in accordance with Section 198 of the Act	689.14	586.22	574.14
	Net Worth	1918.99	1467.80	1098.48
Foreign investments or collaborations, if any:	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company during the previous three financial years. The foreign investors, mainly comprises Promoter Group entities, Foreign Institutional Investors (FII's), Foreign Portfolio Investors (FPI's) and NRIs in the Company. As on March 31, 2021, the aggregate foreign shareholding in the Company was 51.22%.			

Information about the appointee																					
Background details:	<p>Mr. Khosla holds a Bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Bombay and MBA from Indian Institute of Management, Calcutta. Prior to joining CGCEL, he served as the Managing Director and Chief Executive Officer (CEO) of Procter & Gamble from July 2002 to June 2015.</p> <p>He has been working with Crompton as Additional Director since September 2015 and as Managing Director since January 2016.</p>																				
Past remuneration:	<p>The remuneration drawn by Mr. Khosla during the last three financial year i.e. 2018-19, 2019-20 & 2020-21 as Managing Director is as below:</p> <p style="text-align: right;">(In ₹)</p> <table border="1"> <thead> <tr> <th></th> <th>2020-2021</th> <th>2019-2020</th> <th>2018-2019</th> </tr> </thead> <tbody> <tr> <td>Fixed Pay</td> <td>3,64,07,703</td> <td>3,50,46,324</td> <td>3,50,18,676</td> </tr> <tr> <td>Variable Pay (Actual Paid)</td> <td>1,54,12,000</td> <td>4,56,43,000</td> <td>3,99,34,200</td> </tr> <tr> <td>Perquisites</td> <td>61,497</td> <td>28,800</td> <td>28,800</td> </tr> <tr> <td>Total</td> <td>5,18,81,200</td> <td>8,07,18,124</td> <td>7,49,81,676</td> </tr> </tbody> </table>		2020-2021	2019-2020	2018-2019	Fixed Pay	3,64,07,703	3,50,46,324	3,50,18,676	Variable Pay (Actual Paid)	1,54,12,000	4,56,43,000	3,99,34,200	Perquisites	61,497	28,800	28,800	Total	5,18,81,200	8,07,18,124	7,49,81,676
	2020-2021	2019-2020	2018-2019																		
Fixed Pay	3,64,07,703	3,50,46,324	3,50,18,676																		
Variable Pay (Actual Paid)	1,54,12,000	4,56,43,000	3,99,34,200																		
Perquisites	61,497	28,800	28,800																		
Total	5,18,81,200	8,07,18,124	7,49,81,676																		
Recognition or awards:	<p>Under the dynamic leadership of Mr. Shantanu Khosla, the Company has been winning awards year on year. The notable awards won during the last 3 years are:</p> <ol style="list-style-type: none"> 1. Crompton featured two times in the top 10 list of S&P BSE 100 (BSE 100) Companies evaluated on Indian Corporate Governance Scorecard. 2. Crompton bagged the "National Energy Conservation Award" for the "Most Energy Efficient Appliances" in the category of ceiling fans from Ministry of Power. 3. Crompton was honoured with the Indian Outdoor LED Lighting Company Award by Frost & Sullivan. 4. Crompton was bestowed with the honour of 'Indian Fan Company of the Year' at the Frost and Sullivan's - Best Practices Award. 																				
Job profile and his suitability:	<p>Mr. Shantanu Khosla has been the Managing Director of the Company since January 2016 and has been associated with the Company since its inception. The turnover and profits of the Company have been increasing consistently over the years. The growth in the Company's operations, to a large extent, can be attributable to the efforts of Mr. Khosla. Several new initiatives have been and are being taken by Mr. Khosla to further the growth and the profitability of the Company.</p> <p>Taking into consideration his qualifications and expertise, Mr. Khosla is best suited for the responsibilities currently assigned to him by the Board of Directors of the Company.</p>																				
Remuneration proposed:	As stated in the Explanatory Statement at Item No. 6 of the Notice of the Meeting.																				
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	The remuneration is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and nature of its business. Moreover, in his position as Managing Director of the Company, Mr. Khosla devotes his substantial time in overseeing the operations of the Company.																				
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Besides the remuneration paid/payable to him, the Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.																				

Other Information:	
Reasons of loss or inadequate profits:	The Company has posted a net profit after tax of ₹ 604.74 (on standalone basis) crores for the year ended 31 st March, 2021. The Company is not envisaging loss or inadequate profits.
Steps taken or proposed to be taken for improvement:	The Company takes various steps on a regular basis such as better product mix, cost control, borrowing at cheaper rate, improving efficiency, etc. Further, the management has adopted focused business strategies in all spheres of business activities to improve the sales and profitability of the Company.
Expected increase in productivity and profits in measurable terms:	The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration paid or payable to Directors for the year ended 31st March, 2021.

Brief details pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are annexed to this statement.

In compliance with Section 190 of the Act, details relating to Item No. 6, shall be open for inspection by the Members of the Company. Members are requested to e-mail any requests for inspection of said documents at designated e-mail ID i.e. crompton.investorrelations@crompton.co.in. On receipt of requests, the Company shall arrange to make the copy available for inspection.

The Board recommends the resolution as set out at item no.6 in the Notice for the approval of the Members of the Company as a Special Resolution.

Except Mr. Khosla, none of the Promoters, Directors, Key Managerial Personnel and their relatives is considered to be concerned or interested financially or otherwise, in the proposed Resolution as set out in the notice.

Item No. 7

Managerial remuneration of Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer, in the event of exercise of ESOPs

The Members of the Company through postal ballot dated 2nd May, 2021 had appointed Mr. Mathew Job ("Mr. Job") as the Executive Director and Chief Executive Officer of the Company for a period of 5 years effective from 22nd January, 2021 till 21st January, 2026 along with other terms & conditions of appointment, including payment of remuneration.

Further, considering the performance evaluation, knowledge of various aspects relating to the Company's affairs, long business experience and contribution of Mr. Job for smooth and efficient running of the business and the progress made by the Company under his leadership and guidance, and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members are requested to approve the remuneration of Mr. Mathew Job as mentioned below for a period of three financial years which shall be subject to revisions by the Board:

Fixed Pay*	<p>₹ 3,02,65,813 /- (Rupees Three Crore Two Lakh Sixty Five Thousand Eight Hundred and Thirteen only) per annum for the financial year 2021-22.</p> <p>The Fixed Pay includes the following benefits, perquisites and amenities, which is paid and/ or provided to him.</p> <ol style="list-style-type: none"> Basic salary and special allowance; Employer's contribution towards provident fund; Gratuity; Housing Rent Allowance (HRA) or Residential Accommodation; Leave Travel Consession (LTC);
------------	---

	vi. Reimbursement of telephone expenses; vii. Reimbursement of fuel expenses; viii. Payment of driver salary; ix. Education and hostel allowance for children; x. Payment towards vehicle used for Company's business; and xi. Payment of premium towards Group Mediclaim, as per the rules of the Company.
Bonus*	Pay out of ₹ 4,29,21,891 (Rupees Four Crore Twenty Nine Lakh Twenty One Thousand Eight Hundred and Ninety One only) at Company Performance Factor of 100% with maximum payout of 150% of Company Performance Factor.
Stock Options	Employee Stock Options granted under any Employee Stock Option Plan ("ESOP") as are in force or as may be announced by the Company.

*The compensation details in the Table above relate to current compensation of financial year 2021-22.

The Nomination and Remuneration Committee and the Board of Directors of the Company will decide the increment up to a ceiling of 15% of the fixed pay and bonus in the immediate previous year excluding perquisite value of ESOP exercised.

In this context, please note following details of Stock Options ("Options") duly approved by the Nomination & Remuneration Committee and the Board of Directors granted to Mr. Job:-

S. No.	Name of Scheme	Date of Grant	No. of Options Granted	Exercise Price	No. of options vested	No. of options lapsed	No. of options exercised	Exercise period
1	PSP-1	25.10.2016	47,00,596	₹ 92.83	46,19,088	81,508	-	October 2017 to November 2025
2	ESOP 2019	21.01.2021	15,10,406	₹ 405.95	-	-	-	January 2022 to January 2031
TOTAL			62,11,002	-	46,19,088	81,508	-	-

The perquisite value of such options at the time of exercise of such options is treated as a perquisite and accordingly, will be disclosed as the total remuneration to Mr. Job in the respective years. It may be noted that in the financial years covering the vesting period of the options granted as above, the expense on account of these options has been duly charged in the P&L and suitably disclosed.

Mr. Job is entitled to exercise the Options mentioned above during the financial years 2021-22 to 2030-31. If Mr. Job exercises all or part of the options which he is entitled to exercise, during any one or more of the next three financial years, the total managerial remuneration payable by the Company to Mr. Job as the Executive Director and Chief Executive Officer may exceed 5% of the net profits of the Company for that financial year(s).

Further, if Mr. Job (Executive Director and Chief Executive Officer) and Mr. Khosla (Managing Director) exercise all or some of their respective stock options, the remuneration payable to either the Managing Director or the Executive Director and Chief Executive Officer individually, including the perquisite value of such exercised options, and the remuneration collectively payable to Managing Director and Executive Director and Chief Executive Officer may exceed 10% of the net profits of the Company for that financial year(s). The Company therefore seeks shareholders' approval by means of a special resolution to enable the Company to pay such managerial remuneration, pursuant to provisions of section 197 of the Companies Act, 2013.

The Members are also informed that the above increase in the maximum limit for payment of Directors' remuneration will not require or result in any payment of cash compensation in addition to the overall remuneration already approved by the Members of the Company by resolution passed through postal ballot dated 2nd May, 2021.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon to any bank or public financial institution or non-convertible debenture holders in the Company in the preceding financial year and in the current financial year

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:

General Information																																													
Nature of industry	Electrical Consumer Durables																																												
Date or expected date of commencement of commercial production:	The Company was incorporated on 25 th February, 2015. <i>Date of commercial production</i> The Company was demerged from Crompton Greaves Limited with effect from 1 st January, 2016 and that date may be considered as the date of commencement of commercial production/operations.																																												
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable																																												
Financial performance based on given indicators as per audited financial results for the last three years:	Performance last three financial years (On standalone basis): (₹ in Crore) <table border="1"> <thead> <tr> <th>Particulars</th> <th>2020-21</th> <th>2019-20</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>Gross Revenue</td> <td>4,749.95</td> <td>4,511.97</td> <td>4478.91</td> </tr> <tr> <td>Profit after tax</td> <td>604.74</td> <td>494.70</td> <td>402.52</td> </tr> <tr> <td>Dividend</td> <td></td> <td></td> <td></td> </tr> <tr> <td>a. Interim Dividend</td> <td>₹ 3.00/- per share</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>b. Final Dividend</td> <td>₹ 2.50/- per Share</td> <td>Nil</td> <td>₹ 2.00/- per share</td> </tr> <tr> <td>EPS:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Basis</td> <td>9.64</td> <td>7.89</td> <td>6.42</td> </tr> <tr> <td>Diluted</td> <td>9.56</td> <td>7.83</td> <td>6.38</td> </tr> <tr> <td>Computation of Net Profit in accordance with Section 198 of the Act</td> <td>689.14</td> <td>586.22</td> <td>574.14</td> </tr> <tr> <td>Net Worth</td> <td>1918.99</td> <td>1467.80</td> <td>1098.48</td> </tr> </tbody> </table>	Particulars	2020-21	2019-20	2018-19	Gross Revenue	4,749.95	4,511.97	4478.91	Profit after tax	604.74	494.70	402.52	Dividend				a. Interim Dividend	₹ 3.00/- per share	Nil	Nil	b. Final Dividend	₹ 2.50/- per Share	Nil	₹ 2.00/- per share	EPS:				Basis	9.64	7.89	6.42	Diluted	9.56	7.83	6.38	Computation of Net Profit in accordance with Section 198 of the Act	689.14	586.22	574.14	Net Worth	1918.99	1467.80	1098.48
Particulars	2020-21	2019-20	2018-19																																										
Gross Revenue	4,749.95	4,511.97	4478.91																																										
Profit after tax	604.74	494.70	402.52																																										
Dividend																																													
a. Interim Dividend	₹ 3.00/- per share	Nil	Nil																																										
b. Final Dividend	₹ 2.50/- per Share	Nil	₹ 2.00/- per share																																										
EPS:																																													
Basis	9.64	7.89	6.42																																										
Diluted	9.56	7.83	6.38																																										
Computation of Net Profit in accordance with Section 198 of the Act	689.14	586.22	574.14																																										
Net Worth	1918.99	1467.80	1098.48																																										
Foreign investments or collaborations, if any:	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company during the previous three financial years. The foreign investors, mainly comprises Promoter Group entities, Foreign Institutional Investors (FIIs), Foreign Portfolio Investors (FPI's) and NRIs in the Company. As on 31 st March, 2021, the aggregate foreign shareholding in the Company was 51.22%.																																												
Information about the appointee																																													
Background details:	Mr. Job holds a Bachelor's degree in Technology (Electrical and Electronics) from University of Kerala and MBA from Indian Institute of Management, Calcutta. Prior to joining Crompton, he served as the Managing Director of Racold (Ariston) Thermo Limited till September 2015. Prior to that, he was the Vice President and Managing Director of Grohe India Private Limited from November 2009 to January 2012 and also held various key roles with Philips Electronics India Limited from June 1994 to October 2009. He has been working with Crompton as Chief Executive Officer since January 2016 and as Executive Director since January 2021.																																												

Past remuneration:	<p>The remuneration drawn by Mr. Job during the last three financial years i.e. 2018-19, 2019-20 & 2020-21 as Chief Executive Officer during the period 1st April 2018 to 21st January, 2021 and as Executive Director and Chief Executive Officer from 22nd January, 2021 onwards, is as follows:</p> <p style="text-align: right;">(In ₹)</p> <table border="1"> <thead> <tr> <th></th> <th>2020-2021</th> <th>2019-2020</th> <th>2018-2019</th> </tr> </thead> <tbody> <tr> <td>Fixed Pay</td> <td>2,57,69,436</td> <td>2,46,75,560</td> <td>2,46,58,560</td> </tr> <tr> <td>Variable Pay (Actual Paid)</td> <td>1,09,39,000</td> <td>3,23,95,000</td> <td>2,83,40,400</td> </tr> <tr> <td>Perquisites</td> <td>57,446</td> <td>32,400</td> <td>32,400</td> </tr> <tr> <td>Total</td> <td>3,67,65,882</td> <td>5,71,02,960</td> <td>5,30,31,360</td> </tr> </tbody> </table>		2020-2021	2019-2020	2018-2019	Fixed Pay	2,57,69,436	2,46,75,560	2,46,58,560	Variable Pay (Actual Paid)	1,09,39,000	3,23,95,000	2,83,40,400	Perquisites	57,446	32,400	32,400	Total	3,67,65,882	5,71,02,960	5,30,31,360
	2020-2021	2019-2020	2018-2019																		
Fixed Pay	2,57,69,436	2,46,75,560	2,46,58,560																		
Variable Pay (Actual Paid)	1,09,39,000	3,23,95,000	2,83,40,400																		
Perquisites	57,446	32,400	32,400																		
Total	3,67,65,882	5,71,02,960	5,30,31,360																		
Recognition or awards:	Mr. Job was recognized as the “Most Promising Business leaders of Asia 2020-21” by the Economic Times - 5 th Edition.																				
Job profile and his suitability:	<p>Mr. Job has been the Chief Executive Officer of the Company since 2016 and has been associated with the Company since demerger. The turnover and profits of the Company have been increasing consistently over the years. The growth in the Company’s operations, to a large extent, can be attributable to the efforts of Mr. Job. Several new initiatives have been and are being taken by Mr. Job to further the growth and the profitability of the Company.</p> <p>Taking into consideration his qualifications and expertise, Mr. Job is best suited for the responsibilities currently assigned to him by the Board of Directors of the Company.</p>																				
Remuneration proposed:	As stated in the Explanatory Statement at Item No. 7 of the Notice of the Meeting.																				
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	The remuneration is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and nature of its business. Moreover, in his position as Executive Director and Chief Executive Officer of the Company, Mr. Job devotes his substantial time in overseeing the operations of the Company.																				
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Besides the remuneration paid/payable to him, the Executive Director and Chief Executive Officer does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.																				
Other Information:																					
Reasons of loss or inadequate profits:	The Company has posted a net profit after tax of ₹ 604.74 crores (on standalone basis) for the year ended 31 st March, 2021. The Company is not envisaging loss or inadequate profits.																				
Steps taken or proposed to be taken for improvement:	The Company takes various steps on a regular basis such as better product mix, cost control, borrowing at cheaper rate, improving efficiency, etc. Further, the management has adopted focused business strategies in all spheres of business activities to improve the sales and profitability of the Company.																				
Expected increase in productivity and profits in measurable terms:	The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.																				

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration paid or payable to Directors for the year ended 31st March, 2021.

Brief details pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are annexed to this statement.

In compliance with Section 190 of the Act, details relating to Item No. 7, shall be open for inspection by the Members of the Company. Members are requested to e-mail any requests for inspection of said documents at designated e-mail ID i.e. crompton.inverstorrelations@crompton.co.in. On receipt of requests, the Company shall arrange to make the copy available for inspection.

The Board recommends the resolution as set out at item no. 7 in the Notice for the approval of the Members of the Company as a Special Resolution.

Except Mr. Job, none of the Promoters, Directors, Key Managerial Personnel and their relatives is considered to be concerned or interested financially or otherwise, in the proposed Resolution as set out in the notice.

Item No. 8

Remuneration to all Directors in the event of exercise of ESOPs by Mr. Shantanu Khosla (DIN:00059877), Managing Director and Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer

As per Section 197 of the Companies Act, 2013 and subject to Schedule V of the Companies Act, 2013, the total managerial remuneration payable by the Company to its Directors, including Managing Director, Whole-time Director and Manager, in respect of any financial year, may exceed 11% of the net profit computed in accordance with the provisions of Section 198 of the Companies Act, 2013, provided the same has been recommended by the Nomination and Remuneration Committee and the Board of Directors and Members approval by way of an ordinary resolution.

In this context, please note that, upon exercise of the options by Mr. Khosla and/or Mr. Job the total managerial remuneration, i.e., the value of aggregate remuneration payable by the Company to its Directors, including Managing Director, Whole-time Director, Non-Executive Director and Manager may exceed 11% of the net profits computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

Accordingly, the Nomination and Remuneration Committee and the Board of Directors at their meeting dated 24th June, 2021 recommended to increase the overall limit of total managerial remuneration payable by the Company to exceed 11% of the net profit computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

The Board recommends the resolution as set out at item no. 8 in the Notice for the approval of the Members of the Company as an Ordinary Resolution.

Except Mr. Job and Mr. Khosla and their relatives, none of the Promoters, Directors, Key Managerial Personnel and their relatives is considered to be concerned or interested financially or otherwise, in the proposed Resolution as set out in the notice.

Item No. 9

Appointment of Mr. P.R. Ramesh (DIN: 01915274) as an Independent Director

The Members are informed that Mr. P.R. Ramesh (DIN: 01915274) was appointed by the Board of Directors as an Additional Non-Executive, Independent Director, effective 21st May, 2021. Mr. P.R. Ramesh (DIN: 01915274) is Fellow Member of the Institute of Chartered Accountants of India ("ICAI"). Mr. P.R. Ramesh retired as Director of Deloitte & Touche Assurance & Enterprise Risk Services India Private Limited on 31st March 2020 and has also served as a member of Deloitte Global Board and Deloitte Asia Pacific Board and has over 40 years of experience and has served clients in manufacturing, banking and financial services, technology, media, telecommunications, energy and resources and consumer business sectors throughout his professional career. Mr. P R Ramesh is also a regular speaker at various programmes, and workshops conducted by ICAI, the Institute of Internal Auditors, RBI, CII and SEBI on the matters of professional interest.

In the opinion of the Nomination and Remuneration Committee and the Board the appointment of Mr. P.R. Ramesh on the Board of the Company would be beneficial to the Company considering his vast experience.

Mr. P.R. Ramesh fulfills 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 his re-appointment as a Director.

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

None of the Directors or Key Managerial Personnel or their relatives, except Mr. P.R. Ramesh are in any way concerned or interested in the proposed resolution as set out in the Notice.

Item No. 10

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

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, 2021 at a remuneration of ₹ 5.50 Lakhs and reimbursement of out of pocket expenses and taxes as may be applicable to the Cost Auditors as considered and approved by the Board of Directors in their meeting held on 21st May, 2021 for the Financial Year 2021-22.

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. 10 of the Notice

for ratification of the remuneration payable to the Cost Auditors for the financial year 2021-22.

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

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.

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 : 24th June, 2021

Place : Mumbai

ANNEXURE A

Details of Director seeking appointment/Reappointment/Fixation of Remuneration in the forthcoming Annual General Meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36(3) of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

Name of the Director	Mr. Shantanu Khosla	Mr. Mathew Job	Mr. P. R. Ramesh
Director Identification Number	00059877	02922413	01915274
Category	Managing Director	Executive Director and Chief Executive Officer	Non-Executive, Independent Director
Date of Birth	25 th January, 1960	3 rd May, 1969	17 th January, 1956
Age	61 years	52 years	65 years
Nationality	Indian	Indian	Indian
Date of First Appointment on the Board	21 st September, 2015	22 nd January, 2021	21 st May, 2021
Relationship with Directors and KMPs	There is no relationship with other Directors, managers and KMPs on the Board.	There is no relationship with other Directors, managers and KMPs on the Board.	There is no relationship with other Directors, managers and KMPs on the Board.
Qualifications	BE (Metallurgical Engineering) from Indian Institute of Technology, Bombay and M.B.A from Indian Institute of Management, Calcutta.	B. Tech in Technology (Electrical and Electronics) from University of Kerala and M.B.A from Indian Institute of Management, Calcutta.	Chartered Accountant (C.A.)
Expertise in specific functional area	Wide managerial experience in Consumer Products Industry	Wide managerial experience in Consumer Products Industry	Manufacturing, banking and financial services, technology, media, telecommunications, energy and resources and consumer business sectors
Details of Board Meetings attended by the Directors during the year	11	2*	N.A.#
Terms and Conditions of Appointment or re-appointment along with remuneration	As mentioned in the explanatory statement annexed to the Notice. 6	As mentioned in the explanatory statement annexed to the Notice. 7	Mr. P.R. Ramesh has been appointed as Non- Executive, Independent Director. He will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s) and Commission.
Membership of Committees of CGCEL	1. Stakeholders' Relationship and Share Transfer Committee 2. Corporate Social Responsibility Committee	1. Strategic Investment Committee 2. ESG Committee	1. Audit Committee 2. Risk Committee
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil	Nil	1. Nestle India Limited 2. The Clearing Corporation of India Limited 3. NSE Investments Limited
Membership/ Chairmanship of Committees across other Public Companies (listed as well as unlisted)	Nil	Nil	Nestle India Limited 1. Audit Committee (Member) NSE Investments Limited 1. Audit Committee (Member)
Shareholding in CGCEL	Nil	793 equity shares	Nil

*Appointed w.e.f. 22nd January, 2021 and he attended all the Board Meetings held previously as the Chief Executive Officer.

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

Information at a glance

Particulars	Details
Mode	Video conference and other audio-visual means
Time and date of AGM	3:00 PM 23 rd July, 2021
Participation through video-conferencing	https://www.evoting.nsdl.com/
Helpline number for VC participation	1800-222-990/1800-224-430
Cut-off date for e-voting	16 th July, 2021
E-voting start time and date	9:00 AM 19 th July, 2021
E-voting end time and date	5:00 PM 22 nd July, 2021
E-voting website of NSDL	https://www.evoting.nsdl.com/
Name, address and contact details of e-voting service provider	<p>Contact person: Mr. Amit Vishal - Senior Manager Ms. Pallavi Mhatre – Manager Mr. Sagar Ghosalkar – Assistant Manager</p> <p>National Securities Depository Limited, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, India</p> <p>Email id : sagar.ghosalkar@nsdl.co.in; evoting@nsdl.co.in;</p> <p>Contact number: 1800-1020-990 1800-224-430</p>
Name, address and contact details of Registrar and Transfer Agent	<p>Contact person: Ms. Krishna Priya M Manager - RIS Corporate Registry</p> <p>KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032</p> <p>Email id: priya.maddula@kfintech.com einward.ris@kfintech.com</p> <p>Contact number: +91 40 6716 1510</p>



PEOPLE

POWERING

PROGRESS

Contents

- 02 Letter from the Chairman
- 05 Our 5-Dimensional Growth Strategy
- 06 Brand Excellence
- 08 Portfolio Excellence
- 10 Go-to-Market Excellence
- 11 Operational Excellence
- 12 Organisational Excellence
- 14 Standalone Financial Highlights
- 15 Giving Back to Society
- 17 Awards & Accolades
- 18 Corporate Information

Corporate Overview 01-18

-
- 19 Management Discussion & Analysis
 - 32 Board Report & Annexures
 - 81 Corporate Governance Report & Annexure
 - 107 Corporate Governance Certificate
 - 108 CEO & CFO Certificate
 - 109 Business Responsibility Report

Statutory Reports 19-122

Standalone Financial Statements

- 123 Independent Auditors' Report
- 132 Balance Sheet
- 133 Statement of Profit and Loss
- 134 Statement of Changes in Equity
- 135 Statement of Cash Flows
- 137 Notes to Financial Statements

Financial Statements 123-253

Consolidated Financial Statements

- 189 Independent Auditors' Report
- 196 Balance Sheet
- 197 Statement of Profit and Loss
- 198 Statement of Changes in Equity
- 199 Statement of Cash Flows
- 201 Notes to Financial Statements



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



LET'S
HANGOUT
GHAR PE!

2020-21 was a landmark year, in which every member of Crompton and our extended family went the extra mile to enable the organisation to forge ahead, while also fully responding to the call to protect human health.

In unprecedented times such as the nationwide lockdown due to the novel coronavirus pandemic, our workforce's resilience enabled business continuity and earned greater trust from our community of customers, suppliers, traders, and vendors. The year proved, yet again, that our people form the cornerstone of our success.

The normal rhythm of the economy that drives our business was undoubtedly disrupted, as many of the sectors vital for Crompton were heavily impacted by the lockdown and the reverse migration, putting several challenges in our way. Nonetheless, we focussed on identifying fresh opportunities, capturing new territories, and highlighting the stories of our market-leading product innovation through focussed communication at every level, from field sales to online campaigns.

We are proud of our team, our extended family of stakeholders, and the effectiveness with which they traversed the transformed business landscape. Our people have shown commendable commitment, and we are confident that having withstood the toughest test for any business in a lifetime, we can continue creating sustained value in the years ahead.

This year, let us celebrate People Powering Progress.



Letter from the Chairman

Dear Shareholders,

It is my pleasure to present, on behalf of our Board of Directors, the Annual Report of your Company for the financial year ended 31st March, 2021.

During the year under review, the COVID-19 outbreak triggered an unprecedented health crisis, causing huge economic disruption and lockdown across the country. Against this extraordinary backdrop, we delivered a creditable performance underpinned by our investments in long-term strategic choices and decisive action in response to the pandemic. This includes our investment in customer-centric product innovation, enabling us to bring meaningful offerings to the market. Our aggressive go-to-market strategy focussed on empowering our channel partners, supporting them through this period of uncertainty, and growing our distribution footprint. We also stepped up our investments in people, e-commerce and rural channels and

intensified our focus on leveraging technology, a crucial enabler of our business efficiency. Fiscal prudence remained the order of the day in these uncertain times, amply reflected in cost optimisation measures, efficient management of working capital and a strong balance sheet.

Looking back, Crompton and its people can be proud of the way with which they navigated the challenging landscape, and we would like to commend the commitment that our people have shown in supporting our channel partners, customers, communities as well as each other throughout this difficult period.

Macro-Economic Overview

The Indian economy was severely impacted on account of the COVID-19 pandemic and contraction of economic activity following the nationwide lockdown. As per the advance estimates released by the National Statistics Organisation (NSO), the economy is estimated to contract by 7.7% in FY21, as compared to 4.2% economic growth recorded in the previous fiscal.

Recent economic indications and data suggest that the economy is headed for a gradual revival; however, the intensity and depth of the second wave of COVID-19 may derail this rebound. Notwithstanding the short-term challenges due to the pandemic, the medium and long-term growth drivers are in place. The Government's fiscal support package to support demand and economic recovery, significantly higher allocation for infrastructural development, and policy reforms implemented under the vision of 'Atmanirbhar Bharat' or



self-reliant India will be fundamental in shaping the growth story of the Indian economy. Resumption in economic activity will also be contingent on the fast and successful roll-out of the vaccination drive.

Industry Growth Drivers

Rapidly growing urbanisation and rising disposable income are driving the adoption of consumer electrical goods among Indian households. Moreover, with increased consumer awareness of energy-efficient and better products, the demand for offerings that embed newer technologies is witnessing a strong acceptance. The Government's continued strong focus on rural electrification and affordable housing also augur well for the consumer electrical goods industry. At Crompton, we offer products in both the mass as well as premium segments, enabling us to reach out to a wider consumer base across income groups. The COVID-19 pandemic has also fuelled the demand for electrical appliances that can help consumers and their families to live healthily and stay safe. Further, with the work from home trend expected to continue, consumers want smart electrical products that can make their life easier and productive. We are proactively investing in R&D to respond to these new market trends and develop products that meet emerging expectations.

Business Performance

Despite the manufacturing and distribution hurdles faced in the early part of the pandemic, a dip in market demand till almost the first half of the year, and commodity inflation in the fourth quarter, we reported a resilient financial performance for the full year. Our Total Income stood at



Our sustained results were driven by a strong performance from our Electrical Consumer Durables segment which includes our fans, appliances and pumps businesses. In the fans business, we introduced superior new additions, especially in the premium category, and enhanced our reach, which enabled us to increase our market share.

₹ 4,825.58 crore while Profit After Tax was ₹ 604.74 crore, as against ₹ 4,570.84 crore and ₹ 494.70 crore respectively in the previous fiscal.

Our sustained results were driven by a strong performance from our Electrical Consumer Durables segment which includes our fans, pumps and appliances businesses. In the fans business, we introduced superior new additions, especially in the premium category, and enhanced our reach, which enabled us to increase our market share. In the pumps segment, with the plan of creating product differentiation and segmentation, various new products were introduced across segments, especially in premium segment. In the appliances segment, the revamping of our product range in the water heater, air cooler and mixer grinder categories, undertaken over the past few years, rewarded us well. In the Lighting vertical, while the B2C business witnessed healthy volume growth, this was partly offset by the subdued performance of the B2B business due to slower than anticipated recovery in the institutional sector.

Our lean cost structure, aided by our asset-light business model, enabled us to cope better with the high level of uncertainty throughout the year. A rigorous focus on cost controls along with ₹ 153 crore saved in the year from our ongoing cost rationalisation exercise, Project Unnati, further helped in delivering a strong/healthy operating performance.

Five-dimensional Growth Strategy

We continue to execute against our five-dimensional plan, taking the necessary actions and making the essential investments to shape the future of your Company and deliver long-term growth and outperformance.

Brand excellence: Our success in building a resilient brand was reflected through robust improvement in brand recall in focus segments and geographies and in our strong sales across categories in a difficult year. To further deepen our engagement with consumers, we are reaching out to them through multiple channels. Responding to the step-change

Letter from the Chairman



I want to thank all the people that help to make CGCEL successful - our consumers, channel partners, suppliers, investors and employees, and last but not the least, our community.



604.74 crore

Profit after tax in 2020-21

in e-commerce growth, we have enhanced our focus on direct-to-consumer programmes, which includes our presence on leading e-commerce platforms.

Portfolio excellence: By driving customer-centric innovation through investments in R&D and technology, our emphasis is on building a strong portfolio of differentiated products across categories. We also remain focussed on developing premium category products and driving their saliency. Our premium category products have been generating strong sales year-on-year, endorsing the strength of our strategy.

Go-to-market excellence: Our go-to-market execution remained strong in terms of leveraging technology to drive productivity and improve customer reach, building alternate channels like ecommerce, modern retail and rural. We focussed on enhancing our superior partnership with our trade partners and supporting them during the lockdown with extended credit and other support areas. Continuous efforts and investments are being made to improve the number of retail points where our products are available.

Operational excellence: In addition to building our portfolio and enhancing our reach, we believe that a culture of continuous improvement will be a critical enabler of business performance. Several new initiatives were implemented to drive operational excellence. We continued to invest in growth initiatives and strengthen digital enablement and help achieve the objective of enabling the business using technology i.e.: Make people

productive, make processes efficient and make product relevant. Acutely aware of the impact that digitisation has on operations, we are taking our digital transformation journey to the next level with our ongoing programme 'Urja'.

Organisational excellence: Our Company's progress is rooted in the skills and capabilities of our people. We continued to invest in their development by offering extensive opportunities for learning through specially-designed training programmes. Throughout this pandemic, our foremost priority has been the health and safety of our employees. Apart from adopting government and public health authority guidelines, additional measures, such as the installation of the MyShield app to enable contact tracing and monitoring of physical presence, were put in place to support the health and well-being of all our employees. We also enabled them with technology solutions so that they could work remotely from their homes with safety.

In Closing

I want to thank all the people **who have helped** Crompton succeed - our consumers, channel partners, suppliers, investors and employees, and last but not the least, our community. Crompton could not have grown into the Company it is today without your confidence and support. While the pandemic has created near-term challenges, we are well placed to recover and deliver sustained value in the years ahead.

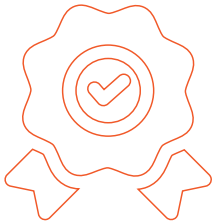
Stay safe, stay well.

Sincerely,
Hemant Nerurkar
Chairman

Our 5-Dimensional Growth Strategy



Brand Excellence



We continue to grow by building deeper consumer and channel connect and offering meaningful & differentiated innovative products. These principles of growth has led the brand to grow despite the tough economic environment. Staying true to the brand core proposition, we offered consumers products making home the best place to hangout during the pandemic.

Crompton is seen as a reliable brand that has been trusted for generations. Our focus over the last few years has been to make the brand more aspirational and thus build a stronger connection with the consumers. Building this stronger connection became particularly more important during last year due to evolving consumer touchpoints in a pandemic environment. We intensified our efforts to reach out to each stakeholder in the value chain be it the channel partner, influencer or the consumers by driving brand awareness & consideration through multiple touchpoints.

With the growing traction of digital platforms during pandemic, we maximised our reach on the online platforms through e-commerce and social media network. With these initiatives, we aimed to maximise our Top of Mind recall with the consumers and drive consideration for our brands.

Our brand marketing campaigns talk about the unique blend of pioneering technology, elegant aesthetics and energy efficiency offered in our fans & lights range. Our appliance range, including water heaters and air coolers, were positioned as ideal additions to your home with their modern and contemporary designs. We put particular emphasis on Crompton

water heaters delivering the “perfect hot water” in our campaigns. These brand building efforts resulted in driving consumer preference for our brands thereby an increased market share in a slowed down economy.

We further enhanced discoverability of our brands on the e-commerce space by increased investment in development of A+ content and better product placement. We continue to aim at higher product visibility and

ease of availability through these platforms knowing the future growth prospects the e-commerce channel offers.

Staying conscious of the consumer need to experience the product in the offline world, we plan to offer great in store experience with our future retail programme. We plan to offer great product displays, demo kits, visualisation tool and after sales support through this channel.

Newspaper advertisement

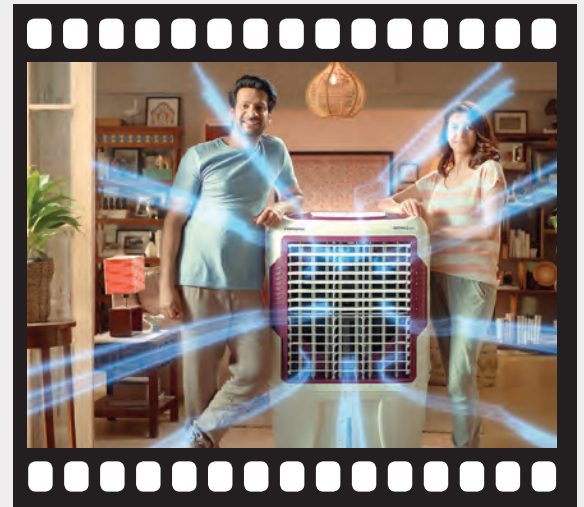
▲ SilentPro fan

Outdoor advertisement



▲ Pumps

Television commercial



▲ TVC screengrab of air cooler

Social Media Posts



▲ Immensa



▲ Air Cooler



▲ Pumps



▲ Water Heater



▲ Mixer Grinder



▲ Social Distancing

Portfolio Excellence



We put great thought into each product design. Each item in our portfolio has its USP, making it a differentiated product. Every Crompton product guarantees durability, superior aesthetics, performance and best-in-class energy efficiency.

The Crompton brand has given the Indian consumer some pathbreaking products, such as the silent fans, with their anti-dust technology and remote control; anti-bac LED bulbs that serves dual purpose by providing illumination and killing bacteria, while also limiting energy consumption for the consumer. These are all result of our consistent investment in research and development (R&D), the very wellspring of our innovation.

Consumers today want technology, aesthetics, energy efficiency, for an aspirational lifestyle. Adding value to consumers' daily lives, through completely new ideas and novel technology, is the thought behind every product that we add to our portfolio. This philosophy has been extended to the way we integrate Internet of Things (IoT) into our product lines.

During the year, we have retained our leadership in the fans segment commanding a greater share of the

market. This was led by our premium range of fans and their increased availability. Key innovation in this segment includes launch of designer fans with 5-star ratings and energy-efficient fans with BLDC technology.

In the pumps segment, we have launched 'Mini', a premium range of residential pumps, two variants of solar pumps, new enhanced variants of existing submersible pumps, Ultimate and Magna series with superior performance. Reliability and energy efficiency through technology are the most important features of our pumps.

Power-saving technologies are also core to our new appliances launch, such as water heaters with 5-star ratings, mixer grinders, and air coolers. Energy efficiency has indeed been an important consideration for consumers, as longer periods of staying at home even after the unlock has meant increased use of such appliances.

Our consumer lighting business finished the year with strong growth despite the lockdown and slow unlock having a major impact in the first two quarters. The B2B segment was adversely affected as many office buildings and large commercial establishments, such as malls and multiplexes, remained closed for months. Nevertheless, we have launched some great products in this segment knowing the high potential LED lighting offers. Challenger, Pluto, Falcon, Parabola are some of the series of products that were launched in the professional lighting, exhibiting superior features, performance and energy efficiency.

In the consumer lighting segment, we launched Eye Smile range of panels, Star Lord and Super Lumen batten with superior consumer features and performance delivering superior value to the consumer. Our strategy is to build greater consumer awareness of these products.

Fans



Gianna



Markle Designer



SilentPro



Torpedo Table



Torpedo Pedestal



Torpedo Wall Mounting



High Flo Wave Plus



High Flo Wave Plus - Table



High Flo Wave Plus - Wall Mounting

Pumps



Mini Neo



Armor Digital Control Panel



V6 Borewell submersible ULTIMA MAGNA Series



V4 Borewell submersible 4WSS Series



Aquagold 150

Appliances



Optimus Neo 35i



Ameo Neo



Ritz Plus



Iron



InstaDelight



InstaComfy Lit

Lighting

B2B



Challenger Pro 500W



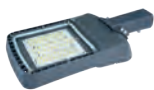
Challenger Pro



Pluto Pro Plus



Pluto Pro



Falcon Pro - I



Raptor Pro II



Rover Pro



Parabola

B2C



Super Lumen



Immensa



Flood Light



Street Light



Star Lord



Star Dura Eye Smile



Star Striko

Go-To-Market Excellence



The primary objective of our go-to-market strategy is to get as close to the potential customer as possible across geographies, through the traditional sales channels and through digital commerce.

As economic activities across India resumed slowly following the lockdown, we honed our strategy to enhance our presence in the most territories, both in terms of demand and logistics. Using big data, we divided our markets into red (COVID hotspots), amber (districts with limited cases), green (districts with zero cases), our special focus was on the amber and green zones to drive sales. With this industry-first RAG model, Crompton has become a pioneer not just in technology, but also in go-to-market strategy.

We are leveraging technology in various ways to expand and deepen our presence in the most cost-efficient manner. Some of our key digital initiatives in the area of go-to-market include the Dealer Portal, through which channel partners can directly engage with Crompton, and can also monitor stocks, orders etc. This facility is being used by about 400 channel partners now. More features are being added to this portal to offer the direct channel partners still more benefits, and the portal will soon become available as a mobile app, so that the channel partners can access all the information on the go.

Integration of all the sales-related data being generated by various parts of the Company has been done through the initiative 'One Truth For All (OTFA)'. This helps create a consolidated

report and lets us track sales looking at the big picture.

The sales and service teams have been given new and simpler KPIs (key performance indicators) to motivate them to garner a larger market share for Crompton. In addition, our employees are being trained in tele-sales and digital channel assessment and appointment.

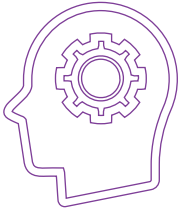
Through a 'Son of the Soil' model, we are targeting increased presence in population centres that have population of 10,000 - 1 lakh. The initiative has taken off very well, and we aim to cover 60% of high potential

population centres in the next few years. Tie-ups with micro-finance institutions are yet another way to reach out to the rural and peri-urban consumers and help them become Crompton customers.

Our go-to-market strategy is also about staying connected to customers' after sales and encouraging a lifelong relationship with the Crompton brand. To facilitate this and to eliminate the barriers of time and place, a first-of-its-kind WhatsApp chatbot has been launched, enabling 360-degree complaint registration for a better consumer experience.



Operational Excellence



A sharp eye on cost efficiency and the adoption of best-in-class technologies and processes help our operations achieve all the goals, and in turn, boost business performance. We are always working on streamlining our operations and bringing in more digitalisation, and this fiscal year has accelerated these measures.

In the year under review, we implemented several new initiatives to achieve a greater degree of operational excellence. These are: 5S, Quality Circles, Daily Work Management, Glass Wall, and Structured Problem-Solving. Together, these initiatives contribute to:

- ▶ Creating a clutter-free work environment, enabling easy movement of people and equipment and lowering the risk of mishaps that might lead to the wastage of time and cost, or even an injury.
- ▶ Encouraging shop-floor interactions for faster and more effective problem resolution by the employees themselves, so that problems are not escalated and team spirit is upheld.
- ▶ Monitoring of a series of daily activities for quality maintenance, so that there is no lapse in quality management.
- ▶ Motivating employees and tracking performance by displaying key performance indicators where they can see the KPIs every day.
- ▶ Facilitating cross-functional collaboration for solving complex problems as a team.

5S: This Japanese concept is in short for 'Sort, Set in order, Shine, Standardise, Sustain' methodology. With the typical Japanese attention to a tidy space, the 5S initiative focussed on keeping everything where it belongs, thereby eliminating clutter

and confusion and letting the positive energy flow without any hindrance. At Crompton, the first two steps of 5S have been applied to product lines, increasing productivity.

Quality Circles: Several issues can and do arise on the shop floor of a manufacturing plant. This initiative is conducive to amicable and on-the-spot resolution of these issues by the plant employees themselves, as they are best placed to know the details of the process and the task.

Daily Work Management: Proper quality management does not happen by chance; it requires the successful execution of a series of activities. The stability and capability of all our processes is vital for ensuring that every Crompton product meets the highest standards of quality. This initiative has been introduced in order to embed world-class practices in 31 audit areas.

Glass Wall: Under this initiative, KPIs are displayed for everyone to see on dashboards placed at our plants and departments. The metrics are constantly reviewed, and performance gaps are identified and corrected. This

continuous assessment prevents any build-up of inefficient processes.

Structured Problem-Solving: This initiative takes cognisance of the fact that many problems need cross-functional work teams to be resolved permanently and to make way for a higher level of efficiency. Seven basic tools of quality management are incorporated into this initiative.

Alongside this, we invest in continuous people training, so that the initiatives are implemented successfully, because human capability is the ultimate decider of business success - it really is "people powering progress". To date, almost 7,000 people, including vendors, have been given competency training.

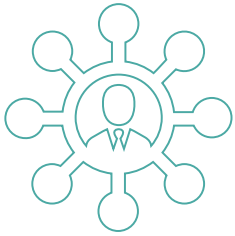
Existing initiatives in the Company that continued to drive utmost efficiency in operations include Project Delight and Vendor Delight.

The ongoing digitalisation programme 'Urja' has been bolstering our core business through technology adoption as well as improving stakeholder relationships and enhancing data security.



▲ Auto Powder coating at Swiss make plant installed at Kundaim Plant

Organisational Excellence



We are in the business of manufacturing machines, but it is the people who power our progress. They are the ones who give us an edge in the market, build customer engagement and loyalty, and maintain a constant process of R&D-led innovation. We nurture our invaluable human resource by creating a talent pipeline for the Company and offering career development opportunities to every employee.

In an extraordinary year, we were able to navigate unprecedented challenges and emerge stronger because of the complete commitment of the talented Crompton team. Their dedication and ingenuity not only ensured business continuity amid circumstances never seen before, but also helped us grow our business by overcoming all the hurdles and by seizing new opportunities.

The first priority during the year under review - and it has remained so in the next fiscal, with the second wave of the pandemic - was to ensure that the COVID-19 safety protocols were fully implemented in each and every part of our organisation. Human health took precedence over everything else, even as our manufacturing facilities reopened as per Government directives. Regular training was given to all employees, suppliers, vendors, and other stakeholders, such as transporters, to make sure that sanitisation and preventive behaviour was maintained always. Everyone was familiarised with the safety guidelines issued by the Government of India and asked to abide by them without fail.

Just as the Government was doing its own contact tracing through the Aarogya Setu app, at Crompton, we



▲ Social distancing protocols followed in meeting rooms

devised the MyShield app, installed on all employees' smart devices, to enable contact tracing, violation tracking, and monitoring of the physical presence of people entering our plants. To encourage employees to demonstrate exemplary Crompton behaviours and become a role model for their peers in these difficult times, we started a pandemic-specific 'Rewards & Recognition' programme,

under which the best employees were named 'COVID-19 Heroes'.

A part of our workforce was moved to the work from home (WFH) system, and immediate infotech support was given to them to make the transition with minimal interruptions. Field sales teams moved to tele-calls with all our business partners and received all the digital support they needed to carry

on seamlessly and continue winning orders. Our plant staff returned to the shop floor once the Government directives made it possible for us to resume operations, and 100% safety protocol was observed.

All Crompton employees received their full salaries and benefits during the lockdown period.

Communication at every level, always a key element of organisational excellence, became central to the scheme of things when the pandemic put physical distance between Crompton people. It has been used very systematically through institutionalised channels of two-way communication, including virtual meetings and the traditional town hall meetings. Constant communication kept motivation levels high and ensured transparency, which is a fundamental organisational principle

for us. The management regularly spoke to the labour union leaders to discuss problems and solutions.

To help employees proactively identify problems, come up with solutions, and develop their overall performance, we introduced virtual training and learning modules, since physical training sessions had to be deferred. Accessing and using these modules and undergoing online training have given our people the skills to emerge as a completely future-ready workforce.

With the whole country thrown into an unprecedented situation, employees needed and received additional support from our HR department and their respective function heads. Their feedback was continuously gathered and efforts were made to iron out every issue. Surveys were undertaken at all Crompton locations to measure



All Crompton employees received their full salaries and benefits during the lockdown period.

employee satisfaction and address their concerns.

The leaders at Crompton kept in touch with their direct reportees through initiatives such as 'DIL SAY', which are free-wheeling sessions allowing open discussions among employees, their peers and their managers. One of the morale-boosting rituals introduced to energise employees was the monthly 'Thumbs Up' sessions, reinforcing the message of positivity.



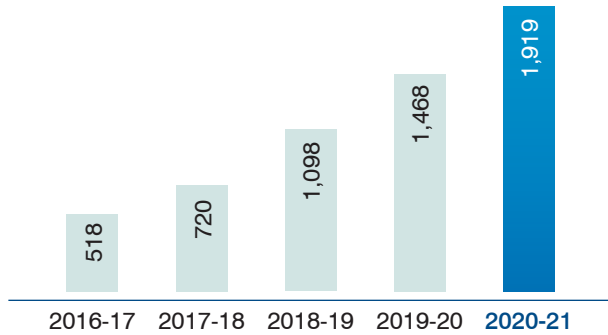
▲ Health and safety protocols at Vadodara



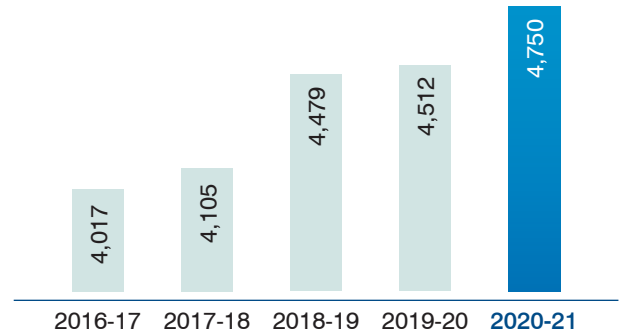
▲ Safety precautions at Vadodara

Standalone Financial Highlights

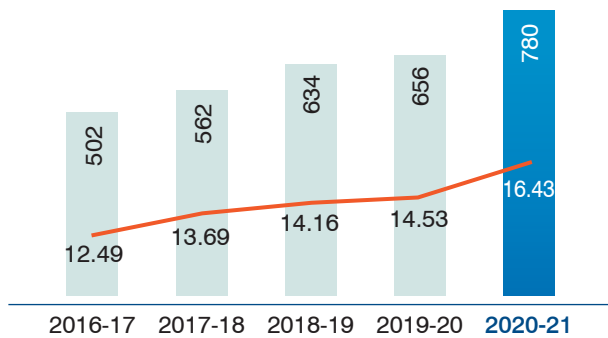
NET WORTH (₹ Crore)



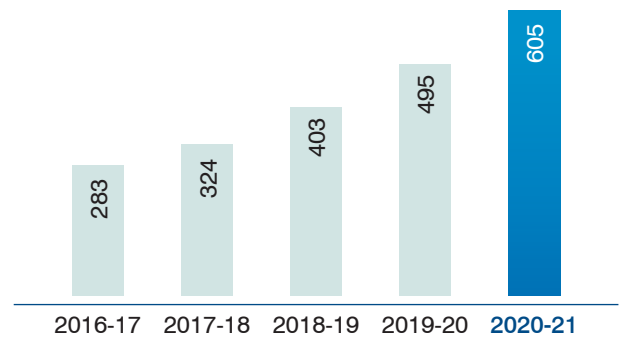
REVENUE FROM OPERATIONS (₹ Crore)



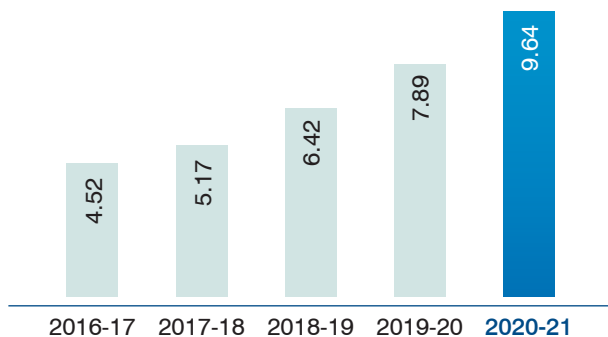
EBIDTA (₹ Crore) / EBIDTA Margin (%)



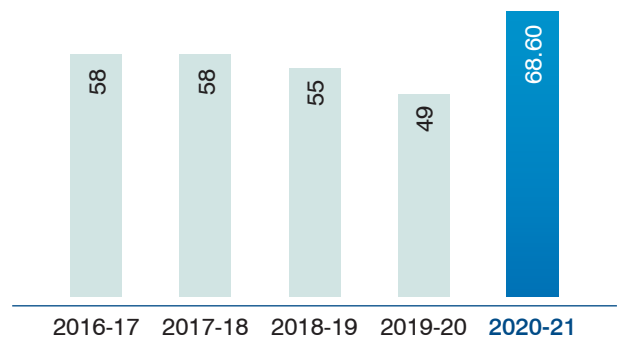
PROFIT AFTER TAX (₹ Crore)



BASIC EPS (₹)



RoCE (%)



Giving Back to Society



Our Corporate Social Responsibility (CSR) programme 'UJJVAL DEEP' is rooted in our philosophy of being a responsible business and shared value for all stakeholders. With sustainability at its core, our CSR efforts entail skill training, water conservation and community development. We also extended our support to COVID-19 relief initiatives across the country.

Vocational Skills Training:

Through our skill training programmes, we aim to provide the youth an opportunity to earn a livelihood. We have partnered with institutions to impart youths with skills in the fields of electrical, plumbing, repair of home appliances, operation and upkeep of sewing machines, and soft skills. These students were also provided employment assistance.

Community Projects:

The Crompton CSR Foundation and Akshaya Patra distributed 14,000 'Happiness Boxes' which consisted of ration supplies, toiletries, and stationery to children and their families.

In collaboration with Children's Movement for Civic Awareness (CMCA), online sessions on critical citizenship and life skill programmes were imparted to 1,200 school students. Stationery items to 447 students in government schools were provided. Workshops for 4,930 college students were held on topics such as gender, personal integrity, India's heritage and taking down fake news.

Water Conservation:

We support water conservation projects that promote water security

in villages. These projects also lead to improved employment options within agriculture and allied activities for communities.

In 2020-21, we supported a project that facilitates climate change adaption in 4 drought prone villages in Beed, Maharashtra. We also continue to undertake watershed development initiatives in seven villages in Maharashtra. In the village of Paregaon Khurd, Ahmednagar, we aided the

strengthening of water resources for agricultural land development.

Employee Volunteering:

We launched a platform to drive employee engagement and to provide an opportunity to partner its CSR initiatives. The 'Fit Crompton Movement' encouraged employees to walk, run and work out. The initiative raised ₹ 7.59 lakhs and this amount was utilised to provide 1,380 Happiness Boxes to children in Vadodara.



Giving Back to Society

COVID-19 Initiatives:

Facilitating patient care

We lent our support to frontline health workers and police officials by supplying PPE kits, masks, face shields, and ventilators to the Ahmednagar Civil Hospital. We also provided critical equipments for patient care such as ABG machines, monitors, oximeters, etc. thereby building the capacity of 10 hospitals across Maharashtra. We helped set up a new ICU ward at Sion Hospital by providing essential equipment and PPE kits to medical staff.

We also collaborated with Cloud Physician health care partner to provide a tele-ICU facility in Osmanabad District Hospital and ESIS Hospital in Mumbai.

Crompton sponsored masks and gloves for children undergoing cancer treatment at St. Jude Care Centre.

Food and sanitation kits

A total of 90,000 hot meals were distributed to daily wage earners, migrant workers, unemployed, and dependents in Vadodara through our partnership with the Akshaya Patra Foundation. In Bethora, we distributed ration kits to around 700 families. Crompton supported in distributing

1,500 vegetable packets to families in Kundaim village.

We supported a drive to distribute over 300 food and sanitation kits to migrant workers passing through Ahmednagar to go back to their hometowns of Bihar, Madhya Pradesh, Chhattisgarh, Uttar Pradesh and West Bengal.



Awards & Accolades



SilentPro Enso Ceiling Fan was the winner at the prestigious iF Design Awards



Crompton featured in under LEADERSHIP category of S&P BSE 100 (BSE 100) Companies evaluated on Indian Corporate Governance Scorecard by IAS



Crompton's Anti-Bac LED Bulb is India's first lamp that has an antimicrobial effect and protects against bacteria, mold, and fungi present in the atmosphere

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. Smita Anand (DIN: 00059228)
Independent Director

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

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

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

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

Mr. Mathew Job (DIN: 02922413)
Executive Director & Chief Executive Officer
(With effect from 22nd January, 2021)

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
(Till 2020-21)

M/s. Parikh & Associates, Secretarial Auditors
(From 2021-22)

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. T: +91 22 6167 8499
F: +91 22 6167 8383 W: www.crompton.co.in

Bankers

ICICI Bank
Standard Chartered Bank
IDFC First Bank
Citibank N.A.
HDFC Bank
Corporation Bank
State Bank of India
Axis Bank Limited

Registrar and Share Transfer Agent

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

Debenture Trustee

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

Management Discussion & Analysis

INDIAN ECONOMY OVERVIEW

The Indian economy contracted by 7.3% in FY21, as compared to 4.2% growth recorded in the previous fiscal year. The first half of the fiscal year witnessed overall economic slowdown, due to COVID-19 onset resulting in stringent lockdowns severely impacting economic activity, bringing manufacturing and trading activities to a halt. As the economy emerged out of the pandemic-induced recession in the second half, it registered a positive GDP growth of 0.4% in Q3 and 1.6% in Q4 on the back of a tailored fiscal stimulus of ₹ 20 trillion under 'Self-Reliant India' movement, robust financial market and structural reforms initiated by the government, along with revival of consumer confidence. The growth reflected through uptick in manufacturing activity and GST revenues crossing ₹ 1 trillion mark for a stretch of six months since October 2020 and hitting a record figure of ₹ 1.23 trillion in March 2021.

The resurgence of COVID-19 cases since March 2021 is posing a serious risk to economic recovery and weighing down India's GDP growth projections for FY22. Considering the impact on economically important states, Q1FY22 could witness lower economic activity and demand than anticipated due to stringent lockdowns and restrictions. Multiple states have been enforcing lockdowns of varying severity, leading to reduced mobility and unemployment, leading to economic distress.

However, the government has taken several initiatives with the objective of revitalising the economy. Proactive measures taken by the Government is expected to offer a sustained long-term recovery of the economy. Favourable fiscal and monetary reforms, ease in credit policies and concentrated stimulus packages for distressed sectors and vaccination roll-out are expected to enable revival in economic growth.

(Source: <https://www.financialexpress.com/budget/union-budget-2021-fm-sitharaman-proposes-steps-to-increase-funding-for-national-infrastructure-pipeline/2184391/>)

INDUSTRY OVERVIEW

Electrical Consumer Durables Industry in India

The Electrical Consumer Durables (ECD) segment in India is likely to grow owing to a demographic profile with higher disposable income, access to easy finance options, increasing electrification of rural areas, rapid urbanisation and growth of nuclear families, and emerging consumer trends of 'Home Proud' and 'Health & Wellness' etc.

Continuous focus on innovation to drive differentiation and creating value has provided a growth impetus to this sector.

FANS

The fan market in India is well-established and continues to show good growth. The fans market is projected to surpass ₹ 125 billion by 2023. Increasing spending power, rising temperatures and modular homes is expected to boost demand for electric fans in India. Demand for fans is likely to witness a surge in the coming years especially in the rural areas as the government plans to invest significantly in rural electrification.

(Source: <https://www.businesswire.com/news/home/20180706005112/en/The-Electric-Fans-Market-in-India-2018-Analysis-Forecasts-2013-2023---Market-to-Surpass-2-Billion-by-2023---ResearchAndMarkets.com>)

Key Growth Drivers:

1. Focus on Energy Efficiency:

The Bureau of Energy Efficiency (BEE) initiated the Standards & Labelling programme for equipment and appliances to provide consumers important information about energy saving and to help them make informed choices. BEE deferred its slated plan of enforcing new energy labelling norms from July 2020 to Jan 2022. The change in these norms is intended to reduce the energy consumption of appliances and reduce its carbon footprint without diminishing its service quality. This will boost demand for energy-efficient products.

2. Performance of Housing Sector:

The residential sector is expected to grow significantly with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme. The smart city project with a plan to build 100 smart cities, is a prime opportunity for the growth in this sector. *(Source: IBEF)*

PUMPS

The Indian water pump market size is estimated to be at ₹ 71 billion. Rapid industrialization and power generation, are expected to have a positive impact on pumps market growth. Thrust on water infrastructure will stimulate further growth with the expansion in water and sanitization programmes. In addition, rising government expenditures for the development of a modern irrigation system in the agriculture sector is expected to drive market growth.

Key Growth Drivers:

1. Intensified demand for water and wastewater management

The growing population and increasing water usage across multiple industries are expected to promote the establishment of new water treatment plants. This, in turn, is expected to fuel the demand for pumps which are extensively used in wastewater treatment plants to process used water.

2. Government Initiatives

Government policies promoting energy efficiency and safety standards are projected to play an important role in market growth. Several government authorities are restructuring their present policies and introducing new frameworks such as development of sanitization services, rural electrification which is favouring the usage of pumps. The government's aim of providing drinking water to every household by 2024 under 'Jal Jeevan Mission' will drive the demand for pumps segment.

3. Solar-powered Water Pumps

The operation of solar-powered pumps is growing mainly due to lower operation and maintenance costs as compared to pumps powered by an electric motor. Government's Kisan Urja Suraksha evam Utthan Mahabhayan (KUSUM) scheme, intending to instal solar-based water pumps will provide impetus to this segment.

4. Growing dependency on groundwater

With the increasing irregularity of monsoon across the country, the consequent dependency on groundwater has increased. This in turn is driving the demand for high performance and energy-efficient water pumps across India.

APPLIANCES

The appliances and consumer electronics industry is expected to see acceleration in growth on account of surging rural consumption, increasing penetration of retail, growing middle class, increasing number of nuclear families, a wide choice of brands and products at various price points. Feature-rich products offering ease of use and improved aesthetics will drive premiumisation in this segment.

A. Water Heaters:

Increasing hot water demand from various residential applications such as bathing, washing, cleaning, and cooking, is anticipated to augment the demand for water heaters. Growth is majorly attributed to the rising

demand for replacement of conventional water heaters with advanced systems.

B. Air Coolers:

The Indian air cooler market is projected to grow due to rising temperatures, increasing disposable income, growing demand among the middle class and the lower price of air coolers as compared to air conditioners. Tech-driven products with improved aesthetics are augmenting the growth of air coolers.

Lighting Industry in India

The lighting industry is expected to be the next digital disruptor, owing to the increasing adoption of Internet of Things (IoT). LEDs have gained mainstream in the lighting market because of its competitive price and energy efficiency. Rural electrification programmes, infrastructure development, construction of new homes and consumer demand for improved and energy-efficient lighting will drive growth for this industry.

The government under PLI scheme for white goods (Air Conditioners and LED Lights) has announced an incentive of 4% to 6% for a period of 5 years to the companies/entities engaged in manufacturing of LED lights and components of LED lights subject to threshold of cumulative incremental investment and incremental sales. This step will boost domestic manufacturing, create economies of scale, enhance exports and create a robust component ecosystem and employment generation.

COMPANY OVERVIEW

About the Company

Your Company is one of India's leading consumer electrical companies present in the Electrical Consumer Durables "ECD" and Lighting segment. It manufactures and distributes a wide range of consumer products ranging from fans, pumps, and appliances (Water heaters, air coolers, mixer grinders, iron) in the ECD segment and a 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	Residential Pumps	Water Heaters	LED Lamps
Table Fans	Agricultural Pumps	Air Coolers	LED Battens
Pedestal Fans	Solar Pumps	Mixer Grinders	LED Panels
Wall-mounted Fans	Specialty Pumps	Irons	LED Streetlights and Floodlights
Ventilating Fans		Small Kitchen Appliances	High Mast/ Streetlighting Poles
Heavy-Duty Exhaust Fans			Interior and Architectural Lighting
Air Circulators			High Intensity Discharge Lamps
Industrial Fans			Incandescent Lamps
			Compact Fluorescent Lamps
			Fluorescent Tubular Lights

Business Segments

Electrical Consumer Durables (ECD) Business

Despite commodity and other headwinds, Electric Consumer Durables (ECD) business has shown improved growth trajectory due to ongoing efforts in innovation and new product development, supported by timely execution of Go-To Market initiatives including development of alternate channels like e-commerce, modern retail, rural etc. The Company's range of consumer electrical appliances/durables (ECD) has continued to see strong demand, aided by the work-from-home culture.

(Source: <https://www.zeebiz.com/companies/news-ecd-business-had-a-contribution-of-15-in-revenues-of-the-quarter-shantanu-khosla-crompton-greaves-69723>)

1. Fans

Your Company continues to strengthen its leadership in the fans segment and increase its market share. This was primarily attributable to its faster growth in premium fans and wider availability of its products across India.

New Launches

Continuing the thrust on innovation, your Company has launched ceiling fans and designer fans with 5-star ratings along with energy-efficient fans with BLDC technology – Gianna Ceiling Fans, Torpedo TPW Fans, Drift Air & Anti Dust in Exhaust Fans, Energion E-Save under BLDC fans.

In the Pipeline

Your Company is in a good position to transition to the new BEE norms with respect to its existing portfolio. Your Company will continue to focus on building up the premium portfolio. It will widen its product portfolio through differentiated offerings at lower cost and better aesthetics. It also plans to export to SAARC countries; and will focus on channel expansion and rural programmes.

2. Pumps

Your Company continued to show growth in residential pumps. Your Company's cost-saving initiatives enabled it to maintain its gross margins. Your Company gained growth in both economy and premium segment in residential pumps.

New Launches

Given the focus on premiumization, your Company has launched 'Mini Neo' and 'Mini Everest' water pumps, thereby strengthening the Mini Series Portfolio. Your Company has also launched two variants of Solar Pumps and would focus on building the Solar Pumps segment. Several variants of submersible pumps, with enhanced features were added to the existing range and products with superior performance in Ultima and Magna series were also launched.

Future Plans

Your Company will continue to leverage its brand equity and introduce products in the premium range in both domestic and agriculture pumps. The government's pro-solar initiatives such as the PM Kusum scheme has prompted your Company to enter the solar pump business. Your Company also aims to grow faster than the market in the agricultural pumps segment.

3. Appliances

Your Company registered notable growth in consumer appliances in terms of both value and volume. It focussed on increasing the efficiency of its products and improved margins without compromising on quality. It also launched a host of innovative products

with 42 models introduced across all categories including smart air coolers, anti-bacterial products, and a smart plug.

A. Water Heaters

This category saw continued gains in market share aided by new products and distribution expansion. During the year, your Company further launched new products such as Rapid Jet Plus, Aura 5*, Arno Neo 5* under this category.

B. Air Coolers

Your Company witnessed steady growth in the air cooler segment during the year and continued to launch coolers with advanced technology and better features. As people were working from home demand for coolers witnessed a surge. It launched new air coolers such as Gale Desert Cooler and Cool Breeze.

C. Other Appliances

In this category, your Company sells mixer grinder and irons. Mixer grinder business grew significantly both in volume and value terms through product portfolio refresh and range expansion, improved supply chain and increased distribution. Your Company launched Sierra, Treat, Treat X range in mixer grinders. It also launched 3 steam irons and 4 dry irons during the year with better technology and advanced features.

Future Plans

The appliances category is one of the key areas of growth for your Company. It will continue to offer appliances with more conveniences and features to meet the growing demands of its consumers. Your Company's focus is to expand the core, which is the water heater and air cooler product lines followed by small domestic appliances. The appliance business has doubled in the last three years and your Company will continue to build on this momentum by strengthening its core categories and developing full range of kitchen appliances. The focus would remain on offering premium features and smart technology at affordable pricing.

Lighting Business

The lighting business was affected by the lockdown and consequent clampdown of economic activity but picked up after economic activities resumed. Your

Company registered growth over the previous year in the B2C segment with double-digit growth in ceiling lights. Your Company also improved its gross margins in both the B2C and B2B segment through weeding out inefficiencies and better inventory management. The B2B segment, however, was impacted by supply chain issues due to the pandemic.

New Launches

In B2C, your Company launched the smart IoT lamp (Immensa) and plans to launch more IoT products soon. Your Company, based on market demand and research, launched Star Lord Panels and Downlighters, Star Striko Surface, Star Dura Panel Eye Smile Panel and revived its current portfolio.

Future Plans

Going forward, your Company aims to have a three-pronged strategy to achieve good growth in the B2C segment. The first is to have the best or the most innovative products especially around emerging or more accepted products such as ceiling lights and battens and IoT products. The second is to increase brand awareness so that the brand name of Crompton resonates with consumers looking at lighting products. The third is to have the best customer and consumer service in the industry. For B2B, your Company aims to create efficient designs and foray into newer categories such as solar and decorative.

Five-Dimensional Growth Strategy: Your Company's strategic objective remains to grow faster than the market and become a leading brand in all its business segments. It has defined five-dimensional excellence pillars through which it aims to achieve its goal. These excellence pillars are branding, portfolio, go-to-market strategies, operational and organisational leadership.

1. Brand Excellence

Your Company's resilient and strong brand value has enabled it to gain market share across all product categories. Your Company's constant endeavour has been to deepen engagement with consumers and meet their needs and desires. Your Company is reaching closer to its consumer through its wide-ranging efforts across various touchpoints to strengthen its brand awareness.

Your Company ramped up its brand awareness initiatives across media to increase consumer recall of its products. With increasing number

of consumers moving online, your Company is intensively leveraging the digital platforms and social media to reach out to them. The campaigns have resonated well with consumers and driven a favourable response.

Your Company has built upon its brand architecture across fans and lighting segments to create a well-framed structure to aggressively drive customer reach and sales. Your Company has worked on increasing consumer awareness of appliances segment, with large-scale advertising on water heaters, positioning the benefit as 'The Perfect Hot Water'. It has also been focussing on promoting air cooler range of products, which has resulted in stronger sales and market share gains. More interestingly, new packaging will be rolled out across all product segments.

Another important thrust area for your Company is e-commerce. Understanding the pulse of the consumers and the way they shop; it has been increasing online visibility of products to increase sales through this channel. The digital marketing strategy is structured to drive more traffic and discoverability of products on e-commerce platform.

Your Company is also working towards upgrading the in-store facilities by leveraging advanced technology to enhance the shopping experience of consumers. It is exploring the concept of perfect stores, which showcases the product and its features through product displays, dummies, room sets, catalogue demos, visualisation tools, and colour cards. Along with this, customisation, installation support, usage guidance and after sales support are some of the aspects which your Company is looking at, in terms of the perfect store.

The year under review has witnessed a consolidation of efforts, the results of which will position your Company to drive strong growth in the coming years. Your Company will continue to surpass consumer expectations through its innovative products and structure the campaigns to build greater awareness and recall of the brand.

2. Portfolio Excellence

Your Company continues to offer differentiated products to its customers through its value engineering. The consistent efforts in portfolio

excellence enables your Company to deliver products, be it in the affordable or premium category, with enhanced performance and durability, superior aesthetics, and improved energy efficiency.

R&D is the bedrock of technological expertise, the enabler for innovative product launches across all categories. Your Company has accelerated innovation and portfolio expansion and incorporated newer, energy-efficient technologies in fans, pumps, lights, and appliances. Further, it is constantly eyeing opportunities in Internet of Things (IoT), energy efficiency and cooling technologies to design products with enhanced functionality.

Your Company continues to administer leadership in the fans segment with increased market share. This is primarily attributable to premium range of fans and increased availability of products. One of the major highlights of the year was the launch of designer ceiling fans with 5-star ratings and energy-efficient fans with BLDC technology.

While the pumps business witnessed sluggish growth in the first half, your Company had launched two new variants in the 'Mini' premium residential pumps segment – Mini Neo and Mini Everest along with two variants of solar pumps and several variants of enhanced submersible pumps range called as "Ultima" & "Magna" with superior performance. It plans to leverage new-age, advanced technology in motors to enhance efficiency of pumps.

In the category of appliances, your Company launched several new models in water heaters with 5-star ratings, mixer grinders, air coolers and other appliances by incorporating power-saving technologies. With reduced travel and more stay-at-home situations in the post-COVID world, consumers look for easy-to-use and convenient products. This will provide a huge thrust to your Company's innovative and ever-evolving appliances products.

Seeing the huge potential in LED lighting segment, your Company had launched various new products like Star Lord Panels and Downlighters, Star Dura Panel Eye Smile Panel, Star Glaze Pro Downlighter, LED Immensa (IoT

lamp) and revamped its existing products. The focus is to continuously innovate and produce energy-efficient, smarter lighting products and to build greater awareness for these products.

3. Go-to-Market Excellence

Your Company has developed a Go-to-Market (GTM) strategy with an objective to reach target customers and achieve a competitive advantage. Despite, the disruptions caused by COVID, your Company posted strong annual growth which was higher than the industry. Once industrial activities started to resume, your Company deployed a novel approach to drive sales. Your Company focussed on data analytics and market segmentation based on red (COVID hotspots), amber (districts with limited COVID cases) and green (districts with zero COVID cases) markets with a concerted focus on green and amber markets to drive sales. This approach was an industry first and the Crompton RAG model soon became the benchmark in the industry.

Employees were trained on tele-sales and digital channel assessment & appointment. There was increased digital engagement with channel partners and a higher focus on e-commerce and rural channels.

Your Company continues to leverage data analytics and technology. It utilises the Dealer Portal – digital interface of Crompton for direct channels to improve ease of doing business; SAP for primary order management and the DMS (Distributor Management System) to gather & track secondary sales data. As a result, 80% of the Company's secondary sales can now be tracked. It also has Konnect – mobile application for direct communication and engagement of retailers to enable sales. It has launched a WhatsApp bot to enable 360 degree complaints registration process to significantly enhance customer and consumer experience.

Going forward, your Company is working on making the dealer portal platform a one-stop solution for direct channel partners. It also intends to develop a go-to mobile approach with this portal.

Your Company has developed a rural 'Son-of-the-Soil' model and increased its foot strength for 10,000 – 1 lakh population centres.

The results have been encouraging and your Company plans to cover approximately 60% of these towns soon.

Your Company has doubled its retailers reach. It aims to reach new retail chains to ensure 100% accounts coverage and continues to increase store presence, improve product availability in new geographies through tie-ups with micro finance institutions, along with collaboration and partnerships with new emerging channels.

Your Company exports Fans, Pumps and Appliances with a strong presence in the Fans segment. Your Company plans to target new territories and sell more varieties of products and continue increasing its presence and adding more customers.

4. Operational Excellence

Your Company's unflinching focus on driving operational excellence is one of the key enablers of its business performance. Your Company is geared towards streamlining its processes, optimising costs and accelerating the shift towards digitalisation to drive greater efficiency.

Quality

Your Company's quest to drive operational excellence was reflected in the new initiatives implemented during the year. These comprise 5S, quality circles, daily work management, glass wall and structured problem-solving.

A Japanese concept of workplace management, the 5S (sort, set in order, shine, standardise, sustain) methodology focusses on putting everything where it belongs and keeping the workplace clean. Your Company has initiated the first two steps of the 5S concept at its product lines. This has helped to ease the movement of people and material, thereby enhancing employee morale and productivity.

Under quality circles, shop floor interactions are being emphasised for problem resolution. In majority of cases, the issues are successfully solved by the frontline employees, as they are the ones most familiar with the project and process.

Daily work management focusses on the daily activities that need to be carried out for quality

maintenance. Process stability and process capability form the core of this concept for always delivering quality products. The initiative has been rolled out for quality function and manufacturing operations, with the aim to embed world-class practices in each of the 31 identified audit areas.

Under the “glass wall” initiative, the key performance indicators are transparently displayed on dashboards in all plants and functional departments. The metrics are rigorously assessed and corrective action is taken to address performance gaps.

The structured problem-solving initiative is aimed at solving complex problems through cross-functional collaboration and competency building. Using the seven basic tools of quality, the initiative also enables continuous improvement.

Your Company recognises that the success of its operational excellence initiatives will ultimately depend on the capabilities of its people. To grow their competency, close to 4,761 manhours of training was conducted in last fiscal year for both employees and vendors.

Apart from these new initiatives, your Company continues to carry out its existing projects which are yielding significant benefits; among them is Project Delight, aimed at creating a culture of quality. As part of this project, your Company has intensified its focus on minimising product defects. Stringent quality performance audit at both in-house and vendor units and improvement in quality gates are being driven in line with this objective. We also initiated the vendor delight project wherein teams work closely with vendor units to improve their performance.

Supply Chain

Your Company continues to monitor its supply chain with an aim to deliver the right product at the right time. To tackle the COVID-19 setback in the supply chain, your Company put in place a detailed plan to enable a “vertical start-up” as the COVID-19 restrictions were being eased. Your Company ensured all SOPs were followed to ensure the safety of vendors and suppliers.

Your Company is committed to responsible procurement practices. It has created an SOP and checklist for new vendor on-boarding and

deployed a scorecard for strategic vendor and supplier, transporters, and CFA to monitor KPIs. It also uses a Vendor Performance Index to monitor Vendor Performance across several KPIs. Your Company is working on reducing dependency on China for supplies. A central commodity team has been created to buy raw materials and work components that can be used across the product lines for the purpose of scale and synergy. The transformation launched in the space of procurement three years ago is now fully operational.

Your Company implemented On-Time in Full (OTIF) approach for distribution and leveraging strategic partnerships for improving OTIF and warehousing operations.

Your Company would continue its focus on digitisation of logistics, increased automation in procurement, physical distributions and planning.

Information Technology

Information Technology (IT) has been the mainstay and an enabler to the business. Your Company's digital roadmap is defined under its ongoing programme 'Urja'. Under phase I and II, Urja has not only strengthened core business by leveraging better technology but has also helped your Company to improve its partner relationships and employee engagement by enhancing the ease of doing business and gaining deeper market insights. Your Company's digital transformation journey is now into its next phase with a focus on the following themes: information safety; security checks and controls; leveraging data; customer and consumer experience; knowledge management; and process simplification. At a time when cybersecurity risks have heightened globally, your Company's strengthened measures has enabled it to keep the data safe from security threats. Your Company will continue to invest in building strong walls against any kind of cyber-attacks.

Your Company has always embraced that technology is not only an enabler but also a disruptor. In the last four years, your Company has sprinted to a state where it is almost at par with its peers; and with the slated digital transformations, it is on its way to gain a cutting edge in the industry.

Project Unnati

Your Company, through its 'Cost Excellence Programme', continues to deliver noteworthy benefits which helped in delivering competitive products across businesses. Cost savings of ₹ 153 crore was achieved from various initiatives spanning across product design optimisation, in-house manufacturing, commercial negotiations etc.

5. Organisational Excellence

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

FY 2020-21 presented your Company with a challenging landscape. However, the consistent efforts and dedication of the employees have ensured uninterrupted business operations and led to a commendable performance.

Your Company accords great importance to safety and health of its employees. Taking proactive measures, your Company was one of the first companies to initiate 'Work from Home' for its employees. Your Company ensured employees were educated on health and self-discipline and adherence to all the safety guidelines issued by the government. Your Company took some additional measures like partnering with health consultants, top-up insurance and other increased insurance benefits. The MyShield app was installed at all plants which enabled contact tracing, tracking violation, and monitoring the physical presence of people entering the plant.

Your Company launched a dedicated learning platform to help employees in developing their capabilities. It initiated several employee engagement sessions and communicated frequently through interactive sessions like 'Ask Your CEO' etc. Your Company started a special 'Reward & Recognition' programme for the employees for demonstrating exemplary Crompton behaviours in difficult times. These were recognised as 'COVID-19 Heroes'.

The IT team played a pivotal role in providing adequate systems to employees so that they can operate smoothly out of their homes. The sales team who primarily work by extensive field visits, adapted to the new normal by staying connected with business partners through regular telecalls and providing necessary support remotely for their businesses to run effectively. Your Company did not resort to any layoff or pay cut but ensured timely payout of incentives. Further, your Company advanced its salary payout by a week.

At the same time, communication has been the cornerstone of managing the pandemic and has been used very systematically at Crompton. Your Company has institutionalised channels of two-way communication through virtual meetings and townhalls and ensured that transparency remains the foundation of organisational behaviour. Your Company ensured regular communication with the employees and union leaders through virtual townhalls.

Further, your Company believes in empowering its people through extraordinary learning opportunities to build a future-ready workforce. Leaders were in constant touch with their teams through initiatives like "DIL SAY" free-wheeling sessions, wherein employees can have direct and open discussions with their peers and managers. Surveys were sent out to employees to capture data about the handling of the pandemic situation at all the locations and to understand what could be done better. The leadership team also agreed upon rituals to be followed within the teams to improve their engagement levels. They include the monthly "Thumbs Up" sessions, the objective of which is to reinforce positivity within the team.

Your Company has utilised artificial intelligence driven tools like Amber and Hyphen to gauge the concerns of the employees and have addressed them regularly through their respective HR business partners and functional heads. To measure the effectiveness of the communication channels, your Company has been continuously obtaining feedback from its employees (both team and individual) through surveys and personal interactions.

Your Company had conducted an employee engagement survey, organisation-wide, in December 2019. The engagement level stood

at 63% back then. Detailed action plans were made by each business unit based on the themes of collaboration, decision-making, innovation and learning & development. Your Company conducted an employee engagement dipstick survey in February, 2021. The survey was sent out across all our units and received a response rate of 84%. The questions were focussed on the pillars “say, stay and strive”. The engagement scores have seen a steep increase to 88% in February 2021. One of the focus areas has also been to build the skills and capabilities of the workforce. Towards this, your Company conducted extensive learning and development programmes including virtual monthly training calendars. Key programmes included project management, tele-selling skills, analytics and reporting, Crompton behaviours, leadership development, product training, market research & consumer insights, stress management, work-from-home skills, career development & performance management, B2B and key accounts management, field force enablement, and others. Your Company has launched a best-in-class learning platform named Degreed, which saw an encouraging response and large consumption of self-learning modules by employees.

Environment, Health & Safety (EHS)

Your Company remains committed to health, safety and environmental concerns while balancing a sustainable growth objective. It has implemented ‘Kavach’ - a robust programme that ensures strict adherence to safety standards and norms. It is aimed at minimising the adverse impact of manufacturing processes on the environment along with ensuring health and safety of its employees and other key stakeholders. During the lockdown period, your Company accorded paramount priority to employee health and welfare. Key measures included temperature and oxygen level checking, partition provision between workstations, sanitisation of all touchpoints, social distancing, tracking, tracing and isolation of employees with symptoms, etc. Your Company revisited employee health insurance coverage for appropriate preventive screenings during the COVID-19 times. Your Company is ensuring strict

compliance to government guidelines on health and safety of its workforce.

Commitment to ESG Your Company strongly believes that environmental pillar of the sustainability drive is a crucial factor for driving business growth. As a forward-looking organisation, your Company is working towards various initiatives to reduce carbon footprint, minimise emissions, achieve energy efficiency and conserve natural resources. Further, your Company takes utmost care and undertakes meaningful initiatives to create positive impact in and around its communities. Equal opportunity employment, talent grooming, women employee welfare programmes etc. are among its major interventions.

ESG Committee

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

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

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

Financial Performance

Standalone		
Ratios	2020-21	2019-20
Debtors Turnover Ratio	10.09	8.81
Inventory Turnover Ratio (On Cost of goods sold)	6.58	7.51
Interest Coverage Ratio	18.19	16.12
Current Ratio	1.92	1.60
Debt Equity Ratio	0.25	0.24
Operating Profit Margin	16.43%	14.53%
Net Profit Margin	12.53%	10.82%
Return on Net Worth (RoNW)*	35.71%	38.55%

Note

*Return on Net Worth (RoNW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing profit for the year by average capital employed during the year. Return on Net worth (RoNW) for 2020-21 was lower mainly on account of increase in shareholders fund over the year due to profits accumulations.

Consolidated Financial Performance

Key highlights of financial performance are:

Particulars	2020-21		2019-20	
	Amt (₹ crore)	% to Revenue from Operations	Amt (₹ crore)	% to Revenue from Operations
Revenue from Operations	4,804	100%	4,520	100%
Material Costs	3,267	68.01%	3,070	67.92%
Employee Benefit Expenses	337	7.01%	311	6.88%
Finance Cost	43	0.90%	41	0.90%
Depreciation & Amortisation Expenses	30	0.62%	27	0.59%
Advertisement & Sales Promotion	82	1.71%	99	2.19%
Other Expenses	397	8.26%	441	9.76%
Total Expenses	4,156	86.51%	3,989	88.24%
Other Income	76	1.58%	59	1.31%
PBT	724	15.07%	591	13.07%
Tax Expense	107	2.23%	94	2.09%
PAT	617	12.84%	496	10.98%

• Revenues from Operations:

During the year ended 31st March, 2021, your Company registered consolidated revenue from operations of ₹ 4,804 crore against ₹ 4,520 crore in the previous year 2019-20 delivering growth of 6.3% over last year. Due to the impact of COVID pandemic, the first half of 2020-21 witnessed 20% decline in revenues over corresponding period 2019-20. However, on account of strong performance of Electrical Consumer Durables (ECD) segment through investment in growth initiatives like

strengthening alternate channels, customer reach expansion and technological enhancements, the second half of 2020-21 witnessed 37% growth over corresponding period 2019-20.

Revenue of Electrical Consumer Durables (ECD) segment constituting fans, pumps, and appliances, stood at ₹ 3,757 crore in 2020-21 delivering growth of 11% over previous year. Lighting segment clocked consolidated revenue of ₹ 1,046 crore in 2020-21 against ₹ 1,131 crore in the previous year 2019-20.

- **Other Income:**

Other income for the year ended 31st March, 2021 stood at ₹ 76 crore. It primarily constitutes interest income, investment income and other miscellaneous income. Interest from customers, investments and tax refund are the main constituents of interest income.

- **Material Costs:**

Material Costs comprises consumption of raw material, semi-finished goods, purchase of finished goods for re-sale and increase or decrease in the stock of finished goods and work-in-progress. For the year under review, material margin contracted by 10 bps due to sharp surge in commodity costs in second half of 2020-21. The sharp increase in commodity cost was largely offset by the accelerated cost saving initiatives, driving better mix and pricing actions in the last quarter.

- **Employee Costs:**

During the year under review, employee cost stood at ₹ 337 crore as compared to ₹ 311 crore in 2019-20. Increase was mainly on account of capability building in research & development, rural business and hiring of key strategic positions.

- **Advertisement and Sales Promotion (A&P) Costs:**

A&P spends to sales ratio during the year was 1.7% as against 2.2% in 2019-20 as the activities in first half of last fiscal year were severely impacted by the pandemic. A&P spends in the second half stood at ₹ 55 crore, an increase of 77% over corresponding period of 2019-20.

- **EBIDTA Margins:**

With focussed drive on premiumisation, mix improvement and successful implementation of 'Cost Control and Cash Conservation programme', EBIDTA margins expanded by 200 bps versus previous year and the same stood at 16.6% in 2020-21.

- **Finance Cost:**

The finance cost which mainly comprises interest on Non-Convertible Debentures (NCDs) remained flat in the previous year 2020-21 at ₹ 43 crore.

- **PBT:**

With PBT of ₹ 724 crore in 2020-21, PBT margins improved by 200 bps over 2019-20 because of successful implementation of Five-Dimensional Growth Strategy.

- **PAT:**

Consolidated profits during the year under review stood at ₹ 617 crore registering 24% growth over 2019-20 and indicating strong performance of your Company.

- **Capital Expenditure:**

Total capex excluding recognition of Right to use of assets is ₹ 32 crore. This mainly includes power coating and liquid painting project, lighting automation & assembly projects and moulds for appliances.

Debt Summary:

Particulars	2020-21	2019-20
Gross Debt	480 Cr.	350 Cr.
Net Debt	(895 Cr.)	(239 Cr.)
Total Equity	1,931 Cr.	1,468 Cr.
Gross Debt to Equity	0.25	0.24
Net Debt to Equity	(0.46)	(0.16)

Opportunities

1. **Government Schemes and Programmes:** The government's initiatives such as special funding of stressed projects mainly in affordable and mid-income projects, smart city and power will provide an impetus in near future. The government's renewed focus to drive solar power in agriculture sector under Kisan Urja Suraksha evam Utthan Mahabhiyan (KUSUM) scheme is positive and opens new opportunity in solar pumps business. The efforts under 'Jal Jeevan Mission' to ensure safe drinking water to every rural household will drive demand for pumps segment. Further, the thrust on affordable housing will boost the long-term growth of the electricals consumer segment. PLI scheme incentive will stimulate manufacturing capability of white goods (ACs and LED lights).
2. **Electrification & Thrust on Infrastructure:** The government's focus on infrastructure development in country is expected to increase demand for electrical goods, particularly in products supplied to projects that include streetlights. Continued focus of government to improve electrification in rural areas through initiatives such as 'Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)' are creating new markets for electrical products.

- 3. Increasing Income:** Favourable demographic indicators like urbanisation, increase in disposable income of individuals, aspiration for good quality products, growing number of nuclear families etc. are expected to catalyse the growth for electrical goods in the mid-to-long term horizon.
- 4. E-commerce Business:** The COVID-19 pandemic has had a significant impact across various sectors. Consumer journeys are now intersecting more with the online world. Social distancing norms have accelerated shift to online buying across age and income segments leading to increased sales through e-commerce channels. These channels will also improve customer reach.
- 5. Digitisation and Technology:** Introduction of new tech driven products will improve core customer experience. Rapid adoption of Smart and IoT-connected solutions shall be an enabler to drive business growth. Millennials who are more inclined towards technology will drive growth in this sector.

Threats

- 1. Economic slowdown:** Sluggish growth in the Indian economy due to the current global developments could negatively impact growth in the short term. Demand for new housing has been subdued since the past couple of years which could impact demand for electrical goods. Availability of quality electricity is the key for demand of electrical products and any substantial shortfall in the supply of electricity may hamper growth prospects for the industry.
- 2. Impact of second wave of COVID-19:** Operational efficiency will be put to test as the second wave of COVID-19 will affect availability of right resources at right place and time. Deterioration in supply chain and demand slowdown have emerged as a significant business risk. The outbreak of COVID-19 and its subsequent effect on the economy has hampered consumer spending, leading to a resurged uncertainty in the market.

Commodity Headwinds: As the Indian economy started its unlocking phase, it saw a pent-up demand for commodities, driving prices up further. However, this price increase has spooked fears of inflation in the domestic markets along with worries over increasing raw material cost for many sectors. Prices of industrial commodities, including copper, steel and aluminium have seen a sharp surge and a further rise is likely to affect growth prospects for the economy in FY22. Increasing input costs, higher commodity prices and better pricing power remains key risks to inflation and will

adversely impact the consumption demand and in turn investment revival in the economy.

Outlook

It has been a challenging year with several macro headwinds encompassing several industries. Slow economic activity and liquidity challenges impacted the overall demand scenario in the industry. However, your Company's cost-saving measures, robust business continuity plan and strong brand proposition led to decent overall growth and a healthy balance sheet.

Your Company will continue to invest in R&D with a clear focus on adding innovative value-added products. Your Company will continue to leverage technology across the organisation with the objective of simplifying processes, inducing analytical decision-making to identify emerging trends and creating maximum value for all stakeholders. Health and safety of employees will remain a prime focus. Your Company will continue to strengthen its efforts in distribution and build a rural sales organisation. It is also looking at new technologies such as smart IoT, energy-efficient technologies in its product lines along with sanitisation and purification applications.

Your Company aims to grow the fans and pumps segment, strengthen the lighting division, and continue to propel the growth in appliances led by water heaters, mixer grinders and coolers. Your Company also envisages opportunities in agricultural pumps. It continues to evaluate organic opportunities, which will accelerate the realisation of the business strategy and leverage and use the cash that sits on its balance sheet.

The second wave of COVID-19 that is impacting the nation along with the increasing commodity prices is expected to pose challenges for your Company. However, your Company's adequate liquidity position, surplus cash and operational efficiencies will enable it to protect its profitability and meet all statutory requirements and obligations.

Risk Management and Mitigation

A robust internal financial control system forms the backbone for your Company's risk management and governance. Your Company has established comprehensive framework for the identification and mitigation of risks. A structured risk management system permits the management to take calibrated risks, which provides a holistic view of the business wherein risks are identified in a structured manner from top-down to bottom-up approach. Your Company faces three primary risks – business risk, operational risk and external risk and monitors them regularly according to industry best practices. Your Company strives continuously to attain

cost leadership, focusses expanding and strengthening distribution network to consistently delight customers with meaningful innovative solutions which has enabled it to achieve a competitive edge in the industry. The twin purpose of enterprise risk management is to minimise adverse impacts and to leverage market opportunities effectively. The objective is to sustain and enhance short-term and long-term competitive advantage for your Company.

Business Continuity Plan

Last year, your Company had successfully implemented 'Business Continuity Plan' (BCP) wherein all critical business activities were tested for their smooth functioning. With minimal cost upcharge, business operations were ramped up by strictly adhering to guidelines and government regulations. Given the importance of cash flow, your Company had launched a 'Cost Control and Cash Conservation Programme', a dedicated programme to reduce discretionary costs, optimise spends and conserve cash to tackle the uncertainty on account of COVID-19. These measures have enabled your Company to obtain a strong financial position.

Your Company has periodically evaluated and assessed its 'Business Continuity Plan (BCP)' to factor in the regulations and initial learnings. The plan would remain focussed on 3Ps (Prevent, Prepare and Proactive) to help business navigate the financial and operational challenges due to impact of second wave of COVID-19, while rapidly addressing the needs of the employee, customers, and suppliers.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of your Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Crompton Greaves Consumer Limited's Annual Report, 2020-21.

Board Report

Dear Members,

Your Directors are pleased to present the Seventh Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2021.

FINANCIALS

The table below depicts the standalone financial performance of your Company for the year ended 31st March, 2021.

(₹ crore)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Revenue from operations	4,749.95	4,511.97
Total income	4,825.58	4,570.84
Profit before Tax	707.72	588.27
Tax expense (including deferred Tax)	102.98	93.57
Profit after Tax	604.74	494.70

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year ended 31st March, 2021, your Company registered revenue from operations of ₹ 4,750 crore against ₹ 4,512 crore in the previous year 2019-20 delivering growth of 5.3% over last year.

Tax expense was lower due to effect of the tax refund granted for the year 2017-18 and 2018-19.

INCREASE IN AUTHORISED SHARE CAPITAL

During the year under review pursuant to the ordinary resolution passed by the shareholders of the Company through postal ballot dated 6th January, 2021, the Authorised Share Capital of the Company was increased from ₹ 130,00,00,000 (Rupees One Hundred Thirty Crore only) divided into 65,00,00,000 equity shares of ₹ 2/- each (Rupees Two only) to ₹ 131,00,00,000 (Rupees One Hundred Thirty One Crore only) divided into 65,50,00,000 equity shares of ₹ 2/- (Rupees Two only).

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 various ESOP schemes:

A. Crompton Employee Stock Option Scheme - 2016 (ESOP 2016):

Date of Allotment	No. of Shares
16 th September, 2020	49,963
09 th November, 2020	28,125
16 th December, 2020	26,866
04 th January, 2021	21,070
18 th January, 2021	27,000
17 th February, 2021	48,000
18 th March, 2021	25,000
23 rd March, 2021	49,000
Total	2,75,024

B. Crompton Performance Share Plan - 1 - 2016 (PSP 1 2016):

Date of Allotment	No. of Shares
29 th January, 2021	1,00,000
Total	1,00,000

C. Crompton Employee Stock Option Scheme - 2019 (ESOP 2019):

Date of Allotment	No. of Shares
18 th March, 2021	32,357
Total	32,357

Accordingly, the total paid-up share capital of the Company as on 31st March, 2021 is ₹ 125,53,82,706/- (Rupees One Hundred Twenty Five Crore Fifty Three Lakh Eighty Two Thousand Seven Hundred Six only) divided into 62,76,91,353 equity shares of ₹ 2/- each.

DIVIDEND

Your Directors are pleased to recommend a Final Dividend of ₹ 2.50/- per equity share of the face value of ₹ 2/- each for the year ended 31st March, 2021. The Interim Dividend of ₹ 3/- per equity share was paid on 13th November, 2020.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on 23rd July, 2021 will be paid on or after 26th July, 2021 but within a period of 30 days from the date of AGM to the Members whose names appear in the Register of Members, as on the Record date i.e. 9th July, 2021. The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹ 5.50 per equity share. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

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

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

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

NON-CONVERTIBLE DEBENTURES

During the year under review, your Company issued rated, secured, listed, redeemable, Non-Convertible Debentures (NCDs) aggregating to ₹ 300 crore on a private placement basis. These NCDs are listed on Debt

Segment of National Stock Exchange of India Ltd. The proceeds of Non-Convertible Debentures were used to infuse additional funds to retain adequate liquidity to support business continuity and growth during COVID-19.

Your Company has redeemed Non-Convertible Debentures (NCDs), Series B, issued in June 2016, amounting to ₹ 170 crore on 24th June, 2020.

Presently, total NCDs aggregating to ₹ 480 crore are listed on the National Stock Exchange of India Ltd. Out of these NCDs, Series C, issued in June 2016, amounting to ₹ 180 crore is due for redemption on 24th June, 2021.

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

CREATION OF DEBENTURE REDEMPTION RESERVE

Your Company has maintained Debenture Redemption Reserve (DRR) at ₹ 75 crore created in financial year 2018-19 pursuant to the provisions of Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014. The DRR maintained is adequate for the NCDs redemption due for redemption on 24th June, 2021.

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

RESERVES

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

CREDIT RATING

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

EMPLOYEE STOCK OPTION PLAN

During the year under review, the Members of the Company, vide special resolution passed through postal ballot on 6th January, 2021, approved the amendment in the ESOP 2019 and increased the option pool to further create, issue, offer and grant additional 50,00,000 (Fifty Lakh) stock options.

The number of stock options available under ESOP 2019 are 98,00,000 (Ninety Eight Lakh) exercisable into 98,00,000 (Ninety Eight Lakh) equity shares.

The ESOP Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ('the SBEB Regulations').

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

HUMAN RESOURCES & EMPLOYEE RELATIONS

Employee Performance & Engagement

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

To assess the progress that was made in improving the engagement levels, an Employee Engagement dipstick survey for most of the Business Units was conducted through Hyphen. The questions to measure the Engagement levels were the same as administered by Kincentric which were focused around the pillars "Say, Stay and Strive". The employee engagement scores have seen a steep increase from 63% in December 2019 to 88% in February 2021. The leadership continues to act on the feedback given by the employees in various forums. The strong employee engagement initiatives are continued through multi-layer communication, engagement, and recognition programmes.

Employee Welfare and Policies

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

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

- 1. Safe Work Environment:** Once operations restarted in factories after lockdown, the priority was to provide a safe work environment so that employees could work without any fear of their safety & well-being. Your Company started with providing for social distancing at assembly lines and canteen. Workstations were provided with glass partitions to avoid direct contact. All the common touch points were studied and provided with alternatives (Eg. Inhouse developed foot operated water coolers, Foot operated doors, No touch soap dispensers, etc.).
- 2. Awareness Sessions:** Considering that there was general panic and fear among the employees, your Company made it a point to have constant dialogue and awareness sessions on COVID-19 and steps taken by the organisation. The shop-floor employees actively participated in driving this message to all employees regularly. In factories, the supervisors organised small group interactions continuously to drive the message of safe social distancing, usage of masks and need for self-isolation in case of any COVID symptoms.
- 3. Adoption of Technology to ensure social distancing norms:** To drive the new behaviours of maintaining the necessary distance in social interactions and to effectively track close contacts in case of any infections, significant investments were made in implementing "MyShield" application through which tags with MyShield instrument were provided to all employees which gives an audio signal if any employee comes in close contact with another person. It also enables contact tracing as and when required.
- 4. Transportation facility for some factory employees:** Prior to COVID, your Company was providing transportation facilities to factory employees which required the employees to assemble at specific locations. To avoid any risk of travelling on public transport, your Company has provided bus service to those factories employees by picking them up from their place of stay. Also, to avoid close contact, the number of employees in each bus was limited to half the capacity.
- 5. Support to the local community:** Your Company's factories are in industrial estates with a large population of migrant labourers. During the initial days of lockdown, with limited availability of ration and transportation, it was difficult for them to procure daily supplies. Your Company tied up with the local NGOs in supplying the daily essentials and the employees volunteered to ensure effective distribution of these.

- 6. Capability Building & Employee Wellness related programmes:** Your Company took the opportunity of lockdown to upskill its employees with a range of online programmes being made available to them. Learning management system, “Degreed” with content curated on topics ranging from functional skills to employee wellness including programmes like online yoga and meditation sessions was launched. Online programmes such as How to Keep Yourself Fit, Do’s & Don’ts during the Pandemic, Mindfulness, special talks by the doctors under “Ask the Doctor” series, yoga, Work-life balance, how to be productive during “Work from Home” are continuously conducted. Your Company has also arranged an online medical facility for all the employees and their families through the DocOnline, one of the renowned companies in this field so that employees can get their health concerns addressed virtually.
- 7. Employee & Family Connect:** Your Company always believes that success of employees is in major part dependent on the support system provided by the family members at home and made it a point to engage family members in events through online talent shows, singing competitions and special curated content on “Degreed” targeting the children of employees.
- 8. Support for employees affected by COVID:** Understanding the monetary and emotional drain on employees because of COVID-19, your Company took additional COVID-19 insurance for employees and their family members on top of regular medical insurance which was in place before COVID-19. Also, for any employee who was affected by COVID-19, 17 days of paid leave in addition to their regular leave eligibility was provided. The Company also reimbursed expenses incurred for COVID-19 tests for those employees who went for testing in private labs. The COVID-19 Insurance Coverage Scheme Options at special rates was extended to our Dealers & Distributors at lesser than market price.
- 9. Revising the monthly compensation cycle:** In March 2020, when the lockdown was imposed, your Company took a call to pay salaries and incentives to employees in advance, so that they need not be worried on the financial front due to the sudden onset of lockdown. The same support has been extended to suppliers to keep the system running.
- 10. COVID Heroes:** Your Company also started a special “Rewards & Recognition” programme for the

employees for demonstrating exemplary Crompton behaviours in difficult times. They were recognised as “COVID-19 Heroes”.

- 11. Adopting to new normal:** Once the lockdown was eased, your Company was amongst the first organisations to re-start factories at all locations with all the necessary precautions. However, clear communication was given to employees to continue working from home if their role did not require them to come to the office. The same was mandated to those employees whose age put them at higher risk of infection. The sales teams who primarily work by extensive field visits adapted to the new normal by staying connected with business partners through regular telecalls and providing necessary support remotely for their businesses to run effectively.

Building Talent

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

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

Employee and Leadership Development

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

Your Company used the opportunity to develop Personal Leadership. During the crisis, following unique initiatives were launched.

- 1. Service Excellence Certification Program** - Your Company piloted the programme which aimed at improving the coaching skills of First Time Managers-Area Sales Managers (ASMs). The participants were trained on how to coach their employees. While COVID

could delay the Sales, there was no way to delay the service. It had to be provided whenever a customer raised any complaint. This programme helped Service ASMs to coach Territory Managers (TMs) for resolving customer complaints with the same sense of urgency. Seeing the success of this initiative, your Company is now all set to deepen this intervention further.

- 2. Design Thinking** - Your Company had embarked on this journey last year mainly for Product Managers and Innovation Team. However, COVID threw some unique challenges for Sales Team such as how to sustain revenues and address high-stress levels amongst employees. That is where your Company decided to pilot design thinking even for Sales Team so that they could address these challenges keeping the customer in the centre.
- 3. Taking Ownership for One's Development** - Career development workshops were conducted to sensitise employees on the importance of life-long learning and how they need to take charge of their own development. The employees also realized that they continuously need to up-skill/re-skill themselves if they need to stay relevant. 50+ pathways on Degreed were curated and employees were nudged to refine their skills through self-learning. This was a significant leap for your Company as traditionally only classroom training was done. Hence, there was huge consumption of self-learning modules on Degreed.
- 4. Crompton Leadership Program** - With physical sessions no longer possible, the last phase of ongoing programme with IIM Lucknow for high-potential employees was completed remotely. This revealed an important opportunity that was not leveraged earlier. People became used to virtual learning. This helped to incorporate coaching as an essential component of training design. With people spread over multiple locations, virtual coaching is far more practical to implement. Also, based on the success of this initiative, your Company was able to widen coverage in MDP programmes while managing the costs.

Employee Relations & Compliance

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

Digitalising HR Practices

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

DIRECTORATE & KEY MANAGERIAL PERSONNEL

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

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

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

Mr. Mathew Job was appointed as an Additional Director designated as the Executive Director & Chief Executive Officer by the Board of Directors on 22nd January, 2021 and Members of the Company vide special resolution passed through postal ballot on 2nd May, 2021 approved the appointment w.e.f. 22nd January, 2021 for a period of 5 years.

Mr. P. R. Ramesh (DIN: 01915274) was appointed as Additional Independent Director of the Company by the Board on the recommendation of Nomination and Remuneration Committee w.e.f. 21st May, 2021. Members' approval is sought for his appointment as an Independent Director for a period of five years with effect from 21st May, 2021.

The Company has received a declaration from each of its Independent Directors confirming that they satisfy the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. Also, all the Independent Directors are registered on the on-line database of Independent Directors created by the Indian Institute of Corporate Affairs, Manesar ("IICA").

During financial year 2020-21, Mr. P. M. Murty and Mr. D. Sundaram were re-appointed for second term as Independent Directors w.e.f. 18th September, 2020. Mr. H. M. Nerurkar was re-appointed as Independent Director for second term w.e.f. 25th January, 2021. The Company did

not appoint any new Independent Director on the Board of Directors during financial year 2020-21. Hence, the opinion of the Board concerning integrity, expertise and experience (including the proficiency) of Independent Directors is not required to be given.

Mr. Shantanu Khosla was re-appointed as the Managing Director of the Company for next term of 5 years w.e.f. 1st January, 2021.

Mr. Shantanu Khosla, Managing Director & Ms. Shweta Jalan, Non-Executive Director are liable to retire by rotation. Mr. Shantanu Khosla 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. Ms. Shweta Jalan has indicated that she is not desirous of seeking re-appointment at the ensuing Annual General Meeting of the Company. Appropriate resolutions are included in the Notice of the ensuing Annual General Meeting.

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

Your Board of Directors met eleven (11) times during the financial year 2020-21. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

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

BOARD EVALUATION

In terms of requirements of the Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) 2015, the Board carried out the annual performance evaluation of the Board of Directors as a whole, 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 the composition of the Board, process of appointment to the Board of Directors, common understanding of the roles and responsibilities of the Board members, timelines for circulating Board papers, content and quality of the information provided to the Board, attention to the Company's long-term strategic issues, evaluating strategic risks, overseeing and guiding acquisitions etc.

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

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

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

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

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

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

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

During 2020-21, the Company actioned the feedback from the Board evaluation process conducted in 2019-20.

The Board noted the key improvement areas emerging from this exercise in 2020-21 and action plans to address these are in progress. These include strengthening the succession planning for key positions, business strategy and annual plan etc.

FAMILIARISATION PROGRAMME

Your Company has in place a structured induction and familiarisation programme for its Directors. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct 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/wp-content/uploads/2019/07/Familiarization-Programme-for-FY-20-21.pdf>.

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

Your Company has three 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 the implementation of Greenfield Street Lighting Project for 19 Urban Local Bodies (ULBs) in Odisha. This contract received from Government of Odisha, Housing & Urban Development Department is on Public-Private Partnership (PPP) basis.

Total Revenue booked for the Financial Year ended 31st March, 2021 was ₹ 42.82 crore (including ₹ 0.21 crore as other income). Profit after Tax was ₹ 6.38 crore as compared to a profit of ₹ 1.01 crore in the previous year.

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 the implementation of Greenfield Street Lighting Project for 36 Urban Local Bodies (ULBs) in Odisha. This contract received from the Government of Odisha, Housing & Urban Development Department is on Public-Private Partnership (PPP) basis.

Total Revenue for the Financial Year ended 31st March, 2021 ended was ₹ 38.24 crore (including ₹ 0.19 crore as other income) and Profit After Tax was ₹ 5.54 crore as compared to a profit of ₹ 0.09 crore in the previous year.

3. **Crompton CSR Foundation** (CIN: U85300MH2019NPL324784) (CSR Unique Identification No: CSR00001086) was incorporated under Section 8 of the Companies Act, 2013 (being a Company limited by guarantee not having share capital) on 1st May, 2019 primarily with an objective of undertaking/channelising the CSR activities of the Company. Crompton CSR Foundation is registered under Section 80G and Section 12A of the Income Tax Act, 1961. Based on the Control assessment carried out by the Company, the same is not consolidated as per Ind AS 110.

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

RELATED-PARTY TRANSACTIONS

In accordance with the requirements of the Companies Act, 2013 and Listing Regulations, 2015, your Company has a Policy on Related-Party Transactions 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 every quarter.

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

All related-party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members

to the Notes to the financial statements which sets out the disclosure for related-party transactions.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Loans and 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 and are given in the Notes to the standalone financial statements for the financial year ended 31st March, 2021.

ENTERPRISE RISK MANAGEMENT

Your Company has established a robust risk management framework and process to ensure the achievement of its strategic objectives and sustainable goals. The process enables informed decision-making, through risk assessment and management at various levels. Both Bottom-up and Top-down approaches are adopted covering the Organisation, Business units and Functions.

The Board of Directors oversee your Company's Risk Management framework and process through Risk Management Committee. Audit Committee also has additional oversight on Financial Risks and Controls. Your Company's Internal Management Audit team assures the Board of Directors of the effectiveness of the process. Risk Council comprising the Senior Leadership team of your Company has been formulated, that reviews the major risks identified by the business and the status of mitigation actions, to systematically address the risks, on an ongoing basis.

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

Key Risks identified by the Management and the status of actions taken are summarised below:

External Risks

RISK	ACTION PLAN
Fragile macroeconomic conditions and factors (like government policies, impact of global/national events, lower consumer spending etc.) could have an indirect impact on the consumer behaviour which in turn affect demand	<ul style="list-style-type: none"> Robust short, medium, long term planning process including a 5-year strategic plan with clear objectives, related risks and defined mitigation plan. Annual operating plan with defined KPIs and monitoring. Monthly planning process. Comprehensive cost reduction plan (Unnati). <p>All the above enable a very agile response to changing situations.</p>
Entry of global players with deep pockets in the Indian market (E.g. slowing of other economies could lead to possibility of dumping of products, favourable FDI regulations)	<ul style="list-style-type: none"> Product initiatives of competition closely tracked and reviewed during monthly meetings with Business Heads. Entry of new players in the market is monitored through periodic field reports and market expert reports.

Strategic Risks

RISK	ACTION PLAN
<p>Ability to out-innovate competition</p> <ul style="list-style-type: none"> Inability to have first-mover advantage due to poor speed of execution of the pipeline Technological changes and obsolescence in the absence of tracking technological trends and developing smart and connect products Lack of a comprehensive product portfolio to meet the growth strategy Absence of a product pricing mechanism in line with competition, demand etc. Introduction of more energy-efficient products <p>Ability to commercialize new innovation</p>	<ul style="list-style-type: none"> Competency built in businesses and central Research & Development (R&D) to support industrial validation and project management. R&D process being strengthened with robust New Product development (NPD) using the stage-gate approach. Centre of Competency created, for IoT/Smart technology and Cost-Effective Product design. R&D Infra strengthening in progress across businesses and central R&D.
Legacy culture posing a challenge to the desired Crompton culture	<ul style="list-style-type: none"> Provide feedback to managers through periodic Dipstick surveys & AI-enabled Employee Engagement tool to address gaps.
<p>Changes in material trends impacting business model, cost and growth vision</p> <ul style="list-style-type: none"> Shift to usage of plastic from metals Availability of low-cost substitutes due to change in material trends 	<ul style="list-style-type: none"> Across Business Units substitute material trials are ongoing for various products. Material development is currently tracked in the New product development and Project Management meetings, for cost-effective resources.

RISK	ACTION PLAN
JioMart and similar platforms leading to consolidated buying by general trade	<ul style="list-style-type: none"> Collaborate with B2B platform providers. Explore, experiment and scale-up D2C model through partnership with digital players. Focus on omnichannel strategy ensuring correct pricing strategy.
Increasing competitive intensity due to entry of new players and stepped up brand investment	<ul style="list-style-type: none"> Continued focus on cost efficiency to develop products at competitive prices. Expanding reach and improving product availability. Accelerating the pace of innovation and new product development. Step up investment in brand (significant higher spend on advertisement on radar and accelerated focus on digital media).

Supply Disruption

RISK	ACTION PLAN
Impact of uncertain events (COVID-19 etc.) on imports of raw materials/finished good, import restrictions owing to Geopolitical tensions (China)	<ul style="list-style-type: none"> Vendor broad basing done to make key SKUs available as per demand forecast and robust plans in progress to ensure minimizing gaps in small appliances/lighting supplies. Challenges of single source supplies to be tracked and business continuity plan to be defined for key products. Businesswise evaluation of indigenizing imports is in progress. Indigenous capacity set up for TPW Fans which were hitherto imported.
Disruption (fire, strike etc.) at own factory or third-party vendor premises impacting production	<ul style="list-style-type: none"> Tier 2 Suppliers for key components/commodities identified and data compiled with spend analysis for immediate shift in case of disruption. Capacity planning and readiness at identified alternate vendors periodically reviewed.

Reputational Risk

RISK	ACTION PLAN
Inability to attract customers due to lack of an after-sales service network to cater to remote areas	<ul style="list-style-type: none"> Service transformation project to be initiated in financial year 2021-22.
Poor customer retention due to product failure and consequence management	<ul style="list-style-type: none"> Make a roadmap to become Best-in-Class – to cover – People, Process and Technology.
Substandard product quality leading to brand degradation	<ul style="list-style-type: none"> Incoming Quality Controls, Test Bed Results, Pre Dispatch Inspection and other Quality parameters are a part of the Quality Score of Project Delight. Progress status monitored and reviewed with Leadership team every month. Due to various initiatives undertaken, approximately ₹ 40 crore reduction in cost of poor quality “CoPQ” has been achieved this year.

Governance Risk – Compliance

RISK	ACTION PLAN
Regulatory changes – Energy efficiency Standards & Performance Ratings and EPR	<ul style="list-style-type: none"> • Cost-effective 1-star product platform design complete for Ceiling Fans and pilot in progress for implementation as per mandatory timeline, using BLDC technology. • BEE norms complied for Bulbs. • While new BEE norms are not mandatory for Pumps, we have achieved the norms in Radial flow pumps. For Mixed flow, inhouse design competency being built and collaborating with IIT, Mumbai for SRM technology.
<p>Non-compliance to product safety laws and other industry-specific guidelines</p> <p>Regulatory Risk - changes in government regulations requiring changes to business model which in turn may impact cost and growth</p>	<ul style="list-style-type: none"> • Beacon, the legal compliance tracking tool, has been made more robust by validating all the key provisions and mandating supporting document upload for critical tasks. • Legal compliance training calendar rolled out and in progress.

Governance Risk – Sustainability

RISK	ACTION PLAN
Sustainability - Increase in competition and change in consumer behaviour towards Sustainable products	<ul style="list-style-type: none"> • Sustainability Checklist prepared includes key KPIs. • Cost of poor quality reduction, energy conservation, reduction in distance of product movement and oriented actions are in progress. • 9 units selected for pilot (5 CGCEL units and 4 key vendor units per PL). • Gap assessment completed at all the units and observations closure in progress.

Operational Risk – Human Resources

RISK	ACTION PLAN
Inability to achieve organization's goals due to absence of skill set	<ul style="list-style-type: none"> • Introduced IT-enabled tool for customized development programme. • Implemented quarterly governance mechanism of skill matching. • Pilot project conducted to enhance Talent assessment with data.

RISK	ACTION PLAN
Inability to curtail attrition and develop skill set	<ul style="list-style-type: none"> • Driving committed Business Unit-specific Employee Engagement Action covering <ul style="list-style-type: none"> - Recognition - Continuous Performance discussion - Manager coaching & conversation - Work-life balance • Career discussion • Design thinking • Drive Leadership Team level actions • Drive engagement for Work From Home (WFH)
Absence of succession planning	<ul style="list-style-type: none"> • Multi-layer calibration process adopted across all functions, Business units and Regions. • Launched Internal job portal process. • Career discussion conducted with 450+ employees & Individual Development Plans prepared.

Operational Risk – Cyber Security

RISK	ACTION PLAN
Unauthorized access to confidential data through exploiting vulnerabilities, leakage of Company sensitive data/information	<ul style="list-style-type: none"> • Extended the contract for VAPT (Vulnerability assessment and penetration testing) to include 33 IT Applications + 3 Locations + all firewalls + CISCO core switch. Project has been kickstarted in January 2021. • SSO Portal is now active for all IT Applications in the project scope. It is live for all employees. SSO is now stabilized. • A concept note on Privilege Management (Ph2 and Ph3 of SSO Project) is being prepared and to evaluate with the potential partners on project timelines and costs. • Data risk protection assessment is in progress.
Leakage of Company sensitive data/information	<ul style="list-style-type: none"> • Data Classification project kicked off. • Basis the project recommendation, next steps shall be initiated for Data security.
In absence of periodic assessment of Disaster recovery, functioning of Disaster recovery site cannot be ascertained	<ul style="list-style-type: none"> • Annual Data Centre (DC) Disaster recovery (DR) Drill for SAP has been successfully completed in January 2021 along with Finance. • Preparation of list of IT Applications, classifying them on impact to business, and proposing DR for Critical Applications hosted on DC, in progress. • For Cloud Applications back-up and DR from Vendor side is being explored.

INTERNAL CONTROL SYSTEMS

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

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

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

Continued Improvement initiatives and control Standardization

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

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

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

abided environment, while achieving the Company's Objectives.

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

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

Your Company is also embarking on the journey of Shared services for Accounts Payable process, for effective utilization of Company's resources, time and expertise in driving process improvement and better decision-making.

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

RESEARCH AND DEVELOPMENT (R&D)

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

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

Fans:

- This year saw the introduction of the SilentPro IoT, a flagship product into the silent fans category. It works with MyCrompton App.
- Silent Pro Enso Fan has received prestigious international **IF Design** Award for 2021. This is one of its kind award where 67 jury members worldwide assess products from idea, form, function, differentiation & impact standpoint before selecting a winner.

- SilentPro Enso SMART, silent fan was launched with IoT-enabled feature. Company has invested into creating IoT capability & this was its first successful launch along with IoT-enabled LED bulb **Immensa**.
- Torpedo, a new series in table-pedestal-wall fan offers superior air delivery and high speed at a much lower operating noise level.
- Markle series, a Designer range of ceiling fans operates at 55 Watts power, with superior aesthetics and Anti-dust feature.
- Surebreeze Style is a stylised fan with decals on the blades which offer a low-cost décor option in the economy range of fans.
- Industry's first customisation idea through Decal technology (and after successfully piloted in many parts of India) launched in major markets where consumer gets customised Indian art designs on ceiling fan to enhance their décor.
- As part of continuous learning about unmet consumer need, the Company was able to touch base with various consumers as well interior decorators and architects and was able to successfully create CFM framework towards bringing new colours and finishes to market. 30+ new trendy finishes like holographic, colour gradients etc. were launched during the year.
- Décor Fans Catalogue 2020 – the launch of the premium booklet was aimed at offering a unique immersive journey with 9 different Décor stories and concepts to guide the consumer to make the right fan purchase basis their décor preferences.

Pumps:

- Best in industry Openwell and Borewell agricultural pumps range "ULTIMA" and "MAGNA" launched with "Ultimate performance, Ultimate reliability" and "Maximum performance Maximum reliability".
- To address today's consumer lifestyle needs, and water requirement of high-rise buildings, your Company launched Premium range of pumps, "Mini Neo" with 2 years warranty for longer life.
- To take care of varying site conditions as well as power supply conditions, your Company launched "Crompton Armor" range of highly advanced control panel with all 1st in industry features. Armor control panel protects pump in case of adverse site and power supply conditions and gives real peace of mind to consumers.

Appliances:

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

- Water heaters – Rapid Jet +, Arno Neo Series (5Star Rated Product), Rapid Jet 6L & Juno 6L,10L,15L and Sol Aura 10L, 15L & 25L, Solarium Qube Digi models. Strengthen Water Heater line up with launch of 6L category to fill the portfolio Gap.
- Air coolers – Optimus 65IoT (Smart Air cooler), Gale 60/90 L Desert cooler with new innovative polymer Material, CMF upgradation of existing line-up.
- Mixer Grinder & Iron Category - Revamped line-up of Mixer Grinder with launch of 9 products in various segments to strengthen portfolio. Launched 7 new models for Iron Category with industry-leading features and performance.
- Small Domestic Appliances & Room Heaters - Launched a complete range of Sandwich makers, Grill Toaster, Blenders and 3 room heaters to enter and explore the opportunity of new market.
- All these products are meticulously designed with attractive craftsmanship and packaging.

Lighting:

- Developed novel IoT dimming solution for street lighting application. This solution gives dimming capabilities to customers going for just feeder level ON/OFF control of street lights, which gives extra energy saving.
- Innovatively engineered, aesthetically designed Higher wattage street light with Highway Optics. This is the first in-house optics design (Lens) street light which gives reduction in total cost of ownership by > 10%.
- Introduction of economical range of STAR LORD Downlighter and STRIKO cabinet light are a good value proposition product in B2C.
- Introduction of FREELINE New Range of Node based Linear lighting in customised shaped (Hexa, Penta, Square etc.). This comes with electromechanical connectors for ease of installation and service. Elegant design with excellent engineering for modern interiors which gives 50% energy savings.
- R&D efforts also helped the Company in providing the best in industry solutions to customers for various projects of national significance and in bagging major orders in GMR Dial, Rajkote Smart City, PNC Infra, NHAI, BDA, Amazon 140LPW Batten to name a few.

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)

A comprehensive EHS manual titled KAVACH 3.0 comprising the policies, procedures and work instructions has been prepared. The previous existing KAVACH 2.0 version was revised to 3.0 version in the financial year 2020-21. The EHS policy of the Company has been revised wherein the KAVACH deployment to all the products and processes has been committed. Apart from the scope change, the current KAVACH manual also talks about obligations with respect to Extended Producer Responsibility from e-waste and plastic waste handling and treatment point of view. Sustainability for a mutually inclusive growth along with the society where your Company operates is also addressed in KAVACH policy.

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

Your Company is greatly conscious of its responsibilities towards Health, Safety and Environment Management. As mentioned above, a policy on Occupational Health, Safety and Environment is already in place. During the year, your Company complied and excelled with EMS 14001 implementation. Also all units successfully migrated from OHSAS 18001 and got certified under ISO 45001 which is an important milestone in Safety journey of the organisation.

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

In spite of the challenging COVID situation, EHS teams carried out Safety audits across CGCEL Manufacturing units namely: Baddi Fans, Baddi Lighting, Bethora Fans, Kundaim Fans and Vadodara Lighting and brought out opportunity areas for continual improvement in Safety performance. Best practices were also identified, highlighted and taken for horizontal deployment.

At Goa and Ahmednagar Units, third-party safety audit was carried out as per IS 14489 requirement of Factories Act, 1948.

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

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

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

Environment – a green pursuit

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

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

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

In the current financial year, 11 lakh MWh of energy savings has been possible from the production of energy-efficient star rated products supported by various process improvement initiatives.

Another significant milestone achieved this year is the compliance with e-waste for fluorescent and other mercury containing lamps under Extended Producer Responsibility (EPR) of CGCEL.

Reduction in energy consumption:

Heat loss of oven was arrested by running plant on alternate days with 2 shifts at Bethora, this has resulted in saving of 210 MWh.

Replacement of all shop floor & office conventional light fittings by LED fittings at Ahmednagar pumps unit; saved 103 MWh in 2020-21 vs 2019-20.

Replaced 20 Nos. of 90 W streetlights with 35 W LED streetlights at both Baddi Fan Units which has given a saving of 3.34 MWh in 2020-21.

Reduction in water consumption:

Installed Auto operating taps at Goa units which has saved water by 29% over last year. (In 2019-20 Water/Employee was 3.63 KL, in 2020-21 Water/Employee is 2.6KL).

With STP in place at Goa units, your Company was able to recycle 15% more water w.r.t. last year. In 2019-20: 3,368 KL, in 2020-21: 3,876 KL.

Auto Water Dispenser on DMB line in Ahmednagar resulted into ~8 KL water saving/year.

Maintenance of Canteen Waste Water Storage Tank at Ahmednagar done resulting in increase in recycled water usage by 30 KL in 2020-21 with an annual savings potential of about 150 KL.

Reduced water consumption by 10% compared to last year and saved 350 KL at Baddi lighting Unit by rectifying the water leakages & minimising the water for flushing & washing.

Hazardous waste reduction and management:

The Company's Bethora Fans factory has emphasised improving the efficiency of its manufacturing processes, which resulted in the reduction of hazardous waste generation by 5% from last year (6,100 kgs to 5,800 kgs in 2020-21).

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

Clean and Green Environment:

Plantation/distribution of 200+ trees carried out at various locations as a part of the tree plantation drive and environment day celebrations.

Safety:

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

All the units are certified for Fire NOC requirements. Apart from the above, Baddi Fans, Baddi Lighting, Bethora Fans, Kundaim Fans, Ahmednagar pumps unit

are equipped with fire detection system to trigger a timely alarm in case of any fire incident.

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

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

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

Key Safety programmes implemented during the year include:

- Cross plant safety audits.
- All Manufacturing plants were safely restarted after the lockdown – All safety protocols were identified, checked and the units were restarted with Zero incident.
- Post start-up of the plants, COVID precautions were drafted and strictly implemented to ensure the safety and health of all the people and their families.
- Visitor induction standard system developed and implemented at Vadodara unit – Television and safety video provided in Visitor room.
- At Vadodara Chemical storage room, Spill control kit, flame proof lighting and Emergency door installed.
- Modified the Impeller balancing area layout for safe material handling and safe evacuation at Ahmednagar unit.
- Fire Fighter Certification training done at Vadodara.
- 50th National Safety day celebration done across units; carried out various contests focussed on safety. Families were involved actively to the extent possible in virtual mode in view of the current COVID situation.
- Kaizens implementation focussing on first aid injury reduction.
- Rewards and Recognitions of Safety practices from External forums: Goa unit received 4 awards from various prestigious forums this year in recognition of its excellent safety practices and results. The awards are :
 - i. Gomanth Suraskha Puraskar award (Third Prize) for the second consecutive year,

- ii. Prashansapatra award from NSCI Safety Awards - in Manufacturing Sector,
- iii. National Safety Award from Global Safety Summit 2021 in the Consumer Products Manufacturing Sector,
- iv. Greentech Safety award third time in a row.

Also, Vadodara unit received Fame Excellence Platinum Safety Award 2020 in Safety Excellence Category.

Health:

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) FRAMEWORK & VISION

Making A Difference ...

Your Company’s Corporate Social Responsibility strategy is aligned to its business philosophy, engages its stakeholders and protects the environment. 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 developmental priorities as identified by the Companies Act, 2013.

Drawn up on the basic principles of ‘Responsible Business’ and ‘Shared Value’, the CSR programmes are focussed on the key areas mentioned below. 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.



Skill Development	Health and Response to COVID	Water Conservation	Community Development	Employee Volunteering
--------------------------	-------------------------------------	---------------------------	------------------------------	------------------------------

OUR REACH

Water Projects

Palghar, Maharashtra
 Beed, Maharashtra
 Ahmednagar, Maharashtra
 Jalna, Maharashtra

Skill Development

Solan, Himachal Pradesh
 Ahmednagar, Maharashtra
 Vadodara, Gujarat
 Coimbatore, Tamil Nadu
 Guwahati, Assam

Bhubaneshwar, Odisha
 Palghar, Maharashtra
 Hyderabad, Telangana
 Rangpo, Sikkim
 Bundu, Jharkhand

OUR PROGRAMMES DURING 2020-21

SKILL DEVELOPMENT

The skill training programmes are designed to provide youth an opportunity to earn a respectable livelihood. The theory and practical trainings are aligned to the National Skill Development Mission as well as the industry requirements. Assistance is extended to the youth to find placement in the companies as well as to set up their businesses.

ELECTRICAL AND PLUMBING TRADES

Your Company has collaborated with partners to run 9 centres across the country which provide vocational training in electrical and plumbing skills to the youth. During the 3-month training, the youth are taught vocational skills, provided hands-on training, and trained in soft skills to build their confidence and make them ready to work in a professional work environment.



During the year, 1,090 youth were trained and 616 youth were placed in jobs.



WIREMAN AND HOME APPLIANCE REPAIR PROGRAM

Your Company supports skilling of youth in Maharashtra in the field of Electrical, Wireman and repair of Home Appliances followed by placement and entrepreneurship assistance. The students participate in the Soch Ka Parivartan (Attitude Transformation) module. This is designed to help students, who come from different and often, tough backgrounds dealing with harsh problems, build their self-esteem and confidence and help them develop a positive attitude.

The project was initiated during financial year 2019-20 and targeted to train 500 youth. During the year, 68 youth were

trained and 98 youth were placed from those trained during the current year and previous year.



SEWING MACHINE OPERATOR PROGRAM

Your Company supports skill training of women in the Marathwada, Vidarbha and Palghar regions of Maharashtra to operate the sewing machine and stitch as well as maintenance and upkeep of the sewing machine over a period of 3 months.

During the year, 400 women completed their trainings and 270 of them have been linked to livelihood opportunities so far.



HEALTH AND RESPONSE TO COVID-19

As a part of the commitment to rise to the occasion when the Nation needs it the most, your Company extended its support to Hospitals, COVID Care Centre and those impacted by pandemic like daily wage workers of Hospitals, people living in slums and rural areas. Crompton has also extended its support to front line workers working relentlessly to fight the pandemic.

SUPPORT TOWARDS AHMEDNAGAR FIRST PLATFORM

In Ahmednagar, when the lockdown hit and the Civil Hospital was struggling to keep up with the number of patients, a group of industrialists joined hands to form “Ahmednagar First Platform” to raise funds to support the Hospital. Your Company supported by supplying PPE kits, masks, face shields and ventilators to the Ahmednagar Civil Hospital. The Ahmednagar First Platform also donated masks and PPE kits to policemen who were risking their lives and serving the Nation as well as arranged for meals and ration kits for migrant workers stranded due to the lockdown.

SUPPORT TOWARDS VENTILATORS AND OTHER HOSPITAL EQUIPMENT

Early on, in April 2020, as we came to know more about COVID-19 and its impact on the human body, it became abundantly clear that ventilators would be the game changers. COVID-19 was attacking the functioning of the lungs, and hence, it was felt that patients would need external assistance by moving breathable air into and out of the lungs. Till date, your Company has provided a total of 20 ventilators to Grand Port Hospital (Mumbai), Bharathi Hospital (Pune) and Ruby Hall Hospital (Pune). Your Company has also provided 30 oxygen cylinders to ESIC Katha hospital in Baddi.

In addition to the above oxygen facilities, your Company has also provided equipments critical for patient care such as ABG machines, multipara monitors, high flow nasal cannulas, servo humidifiers and pulse oximeters.

At Crossroad Hospital in Vadodara, your Company is currently supporting set up of a CR system and procurement of an ICU on wheels to cater to the patients. At North District Hospital in Mapusa, Goa, your Company supported procurement of test kits and refrigeration and AHU facilities.

At Tata Memorial Hospital, your Company supported the import of critical equipment like ventilators, oxygen concentrators and dialysis machine as well as procurement of platelet agitator.

At Yusuf Meherally Centre, multi para monitor, microscope and equipment critical to provide eye surgeries to patients is being procured.

Through the above initiatives, your Company was able to build the capacity of hospitals across Maharashtra, Gujarat, Goa and Himachal Pradesh. These equipments will outlive the pandemic and provide care to patients throughout their life.



Ventilators at Ruby Hall, Pune



ABG Machines at Vasai-Virar COVID Centre

LTMG Hospital, Mumbai

By June 2020, the COVID cases in Mumbai were on a steady increase and ICU wards were functioning at 95-97% capacity, with a constant fear that even a marginal increase in the rate of increase of daily cases would mean non-availability of beds

for the critical patients. Your Company helped LTMG, Sion Hospital set up a new ICU ward by providing basic essential equipment like hospital beds, multi-para monitors and syringe infusion pumps to cater to the growing number of patients.

Your Company also provided PPE kits to the doctors and nurses who were working overtime in ICU to make-up for their colleagues who had tested positive for COVID due to lack of PPE kits, while constantly living with the fear that they would be the next victims of the virus.

“We extend our sincere thanks to your organisation for donating PPE kits to the RMO (Resident Medical Doctors) of LTMG Hospital, Sion Hospital, for the COVID-19 pandemic. These kits will be used by our residents working in fever ward; COVID-19 ICU and COVID suspect operation theatres.”

- Dr. Geeta Patkar, Admn, COVID Ward, Sion Hospital



TELE-ICU FACILITY IN GOVERNMENT HOSPITALS

It is estimated that about 5% of COVID patients require critical care. However, there is a lack of Intensivists available to treat a large influx of COVID-19 patients and often, these patients need advanced therapy at a moment's notice. Such coordination and decentralisation of care is only possible if super specialists are connected to as many beds as possible so that their skill and experience is maximally utilised. Training large number of personnel takes months to years and is not a feasible solution in the short-to-medium term.

Your Company supported the tele-ICU facility in Osmanabad District Hospital and ESIS Hospital in Mumbai. Using technology platforms, the patients are connected to an off-site command centre with critical team care (intensivists and critical care nurses) through real-time audio, video and electronic means. This helps non-critical care doctors/nurses to be on the bedside and provide care based on guidance from the critical care healthcare professionals sitting at the command centre.

Under the programme, your Company has supported 518 patients in both the hospitals to access the tele-ICU facility.

COVID-19 RELIEF PROJECTS – SUPPORT TO COMMUNITIES



Distribution of meals to communities

In May 2020, when the virus and the lockdown was at its peak, your Company supported distribution of free meals twice a day for a period of one month to families in Vadodara. A total of 90,000 meals were distributed to daily wage earners, migrant workers, homeless people, unemployed and dependents in Vadodara to ensure their well-being.

The Company also supported distribution of meals to 25,000 slum dwellers in Mumbai during the peak of lockdown.

DISTRIBUTION OF RATION KITS IN PONDA



In the Kundaim and Bethora villages of Goa, one will largely find the families of workers from various parts of the country who work in the nearby manufacturing facilities. Your Company supported in distributing 1,500 ration and vegetable packets to families in Kundaim village. Each packet contained basic vegetables like onion, potato, carrots and chillies. In Bethora, ration kits containing rice, wheat and dal to 700 families were distributed.

DISTRIBUTION OF RATION AND HYGIENE KITS TO MIGRANT WORKERS RETURNING HOME

The restriction on movement and the lack of jobs and money forced millions of unorganised and temporary workers, migrant workers and their families across the country to walk the long way back to their homes. Your Company supported a drive to distribute over 300 food and sanitation kits to those passing through Ahmednagar on their way to different parts of the country like Bihar, Madhya Pradesh, Chhattisgarh, Uttar Pradesh and West Bengal.

The restriction on movement and the lack of jobs and money forced millions of unorganised and temporary workers, migrant workers and their families across the country to walk the long



MEALS TO COVID-19 PATIENTS

During the months of August 2020 and September 2020, Ahmednagar saw a spike in cases. The Ahmednagar District Council set-up a COVID care centre at the Government Polytechnic College with a capacity to serve 150 patients.

Your Company supported provision of 3 meals – breakfast, lunch, and dinner to the patients admitted in the centre. Over 27,000 meals were served to 550 patients during August 2020 and September 2020.

SUPPORT TOWARDS PROTECTIVE GEAR

St. Jude India Child Care Centres offer children undergoing cancer treatment a 'home away from home' that provides a hygienic, protective and nurturing environment. In light of the pandemic, the children, their parents, the centre staff and other support workers were advised to use masks and gloves to prevent the spread of the virus and ensure safety of the families.





Your Company extended its support to the work done by St Jude's by sponsoring masks and gloves for the children undergoing treatment, their parents and the staff at St Jude's for 8 months starting August 2020.

WATER CONSERVATION

Your Company's water conservation projects are focussed on reducing the impact of natural calamities like droughts and making the village and communities water secure. These programmes also lead to increased employment options within agriculture and allied activities for these communities.

Promotion of climate change adaption in drought-prone villages of Maharashtra

During the year, the Company supported the project to make 4 drought-prone villages in the Ashti Block of Beed district in Maharashtra resilient to climatic and non-climatic hazards and improving the quality of life for these communities.

Under the project, soil and water conservation and resource development measures will be undertaken to increase the water availability, locals will be trained in sustainable agriculture development practices, and awareness and capacity building will be undertaken for the key leaders. Lastly, the project will work with women to create SHGs and promote health and nutrition.



Water Absorption Trench to increase water absorption and reduce soil erosion

Enriching land and water productivity through soil and water conservation at Paregaon Khurd

During the year, your Company supported the project to strengthen the water resources for agricultural land development in Paregaon Khurd, Ahmednagar. The project will work towards improving water capacity through rainwater harvesting, engaging communities to improve water productivity and water use efficiency while building their skills to manage land and water resources in a sustainable manner.

During the year, your Company was able to complete repair of 2 earthen nalla bund in the village.



Ongoing work of cement nalla bund

Watershed development in Kauthadi village



Ongoing nalla deepening work

During the year, your Company supported the project to strengthen the water resources for agricultural land development in Kauthadi village, Ahmednagar. The project will work towards improving water capacity through rainwater harvesting, engaging communities to improve water productivity and water use efficiency while building their skills to manage land and water resources in a sustainable manner.

COMMUNITY DEVELOPMENT

As a part of its commitment under “Responsible Business”, your Company undertakes programmes for the benefit of the communities in and around our business areas.

Distribution of Happiness Boxes

Your Company supported distribution of Happiness Boxes of over 14,000 kits to children and their families, as a substitute for the meals, the children would have had access to were they still in school. Each Happiness Box contained ration supplies, biscuits, spices, toiletries, notebooks and stationery for 1 month.

Life skills and citizenship programme for students

Your Company has supported imparting of Citizenship Values and Life Skills development programmes in schools and colleges to fill this gap.



Online sessions were held in 15 schools where 1,200 students were divided into 34 groups to discuss critical citizenship skills, especially in light of the COVID-19 pandemic.

In colleges, workshops were held on topics such as gender, personal integrity, India's heritage and busting fake news. Your Company was able to reach 4,930 students in 5 cities and 46 colleges through these sessions.

CMCA also designed and distributed "My Happy Bags" to 750 students in 9 government schools. These bags contained art and stationery material, a toy like Rubik cube or top, art paper for DIY crafts, My Happy Book with 150 activities and suggestions on various themes along with a weekly planner, and cloth masks.

Your Company also supported in digitisation of Magic Cap Stories for easier and higher reach to students. Short stories, with a message and call to action were made into short videos uploaded on public platforms. The link to these stories was distributed to the students through the schools

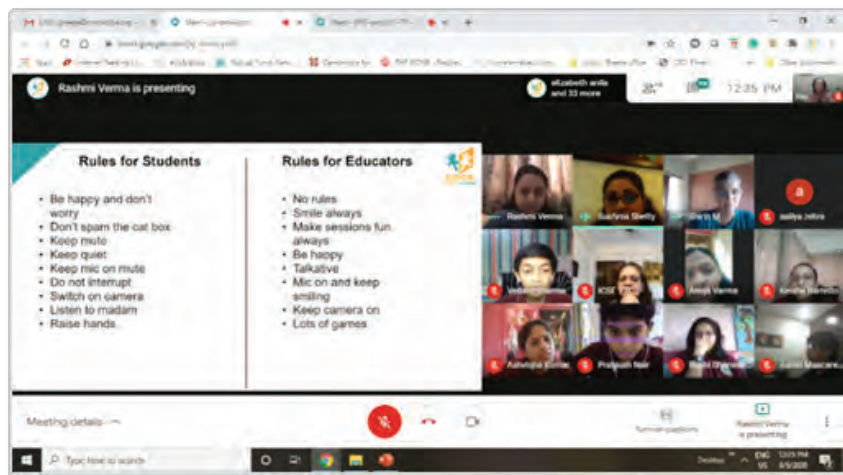
and teachers. Till date, the stories have been viewed over 3,500 times by the students.

"Sessions were so interactive, like we could speak our minds out here and we even had the good fortune to be part of so many interesting activities."

- Student from standard 7

"Thanks for giving me this opportunity to distribute the Diwali Gift (My Happy Bags) to our school's standard 7. Children were very much excited for getting an amazing opportunity to meet their classmates & teachers in school after a long duration of lockdown. They all were very happy to receive the Happy Bags which was given by CMCA team. They all were in discipline and have put the mask on their mouth and were also following the rules of social distancing & were also excited to see the gifts which were in their bags & have promised us that they will make the best use of the availed gift materials. Thank you team CMCA for taking efforts to make our children become good citizen of tomorrow!"

- Teacher at Guru Nanak High School, Mumbai



Mobile Milk Bank

Your Company has supported setting up of a mobile human milk bank, a service which will aid in collection of excess from lactating mothers in communities and hospitals and deliver to Niloufer Hospital in Hyderabad, Telangana where the milk will get pasteurized and distributed to neonates in need, leading to a decrease in infant mortality and morbidity.

EMPLOYEE VOLUNTEERING

The COVID-19 pandemic forced the world to move online – every imaginable activity was being conducted virtually. However, it is easy to question the reality of everything behind a screen.

Your Company launched a platform to help employees re-connect with one another as well as to partake in Crompton's CSR initiatives.

Under the first leg of the programme, your Company committed to providing two happiness boxes to children as substitute for the mid-day meals they were missing due to the lockdown.

Crompton
The first ever fitness - kindness initiative is coming

A 30-DAY WALKATHON TO GET FIT & DO GOOD

FIT CROMPTON MOVEMENT

Every step you take will contribute money to a cause through CSR

Powered by: **impact**

Your daily walk is soon to become your daily act of kindness

WATCH THIS SPACE FOR STEPS TO JOIN


Your Company launched the Fit Crompton Movement, whereby employees were paired in teams according to geography and were encouraged to walk, run and workout to raise money for the Happiness Boxes. For every kilometre that the employee covered, the Company committed ₹ 10 towards the Happiness Boxes. During the month of October, 859 employees participated in the Movement and raised ₹ 7.59 lakhs which was spent towards distributing 1,380 Happiness Boxes to children in Vadodara.

During the year under review the Corporate Social Responsibility ('CSR') Policy was amended pursuant to the amendment of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2021, in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as Annexure 4.

FIT CROMPTON MOVEMENT
7th Oct - 31st Oct

Ready. Steady. Snap!
We are delighted to see your sweaty selfies



Santosh Ambekar
Team - Kuria Knockouts
Walking & running for self has made me fit physically but doing it for charity is making an 'impact' spiritually!

Anvesh Chunduri
Team - Goa Gamechangers
Walking provides me with solitude to connect with self & nature

Last day for sharing selfies is Sunday, 18th Oct.
Keep them coming at league@impactrun.com

FIT CROMPTON MOVEMENT
7th Oct - 31st Oct

What an exciting October it has been!!
Truly a month of giving at Crompton

859 Cromptonites
₹ 7.5 Lakhs Fundraise
31 Days

Congratulations to everyone who contributed.

SPECIAL APPRECIATION FOR THE FOLLOWING WINNERS

Top 5 Cromptonites		Top 5 Teams	
1. Suchit Naik	₹ 5903	1. West Wizards	₹ 1,71,873
2. Pravin Sharma	₹ 5793	2. Baddi Bandits	₹ 1,60,633
3. Armit Srivastava	₹ 5541	3. Goa Gamechangers	₹ 80,389
4. Anuj Tyagi	₹ 5473	4. Kuria Knockouts	₹ 70,311
5. Pravin Garje	₹ 5280	5. Ahmednagar Achievers	₹ 70,177

Please share what you liked and disliked about the challenge for us to improve

SHARE FEEDBACK

Note: Winners of e-certificates who have contributed more than Rs.300 in last week will be announced tomorrow. Stay tuned!

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

In view of the Government Directive to prevent and contain the spread of COVID-19 and to ensure safety and well-being of employees and stakeholders, the operations of the Company at all the offices were closed as per the directives of the respective State Government/Central Government.

MATERIAL ORDERS OF REGULATORS/COURTS/TRIBUNALS

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

SHARE REGISTRAR & TRANSFER AGENT (R&T)

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

PUBLIC DEPOSITS

No public deposits have been accepted or renewed by your Company during the financial year under review pursuant to the provisions of Section 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of

deposits which are not in compliance with the Chapter V of the Act is not applicable.

AUDITORS

(a) Statutory Auditors:

The Company's Statutory Auditors, M/s Sharp & Tannan, Chartered Accountants, who were appointed with your approval at the 2nd AGM for a period of five years, will complete their present term on conclusion of the ensuing 7th AGM of the Company.

The Board, on the recommendation of the Audit Committee, recommended for the approval of the Members, the appointment of M/s Sharp & Tannan, Chartered Accountants, (Firm Registration Number: 109982W) as the Auditors of the Company for a second term of four years from the conclusion of the ensuing 7th AGM till the conclusion of the 11th AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the remuneration of M/s Sharp & Tannan, Chartered Accountants for the financial year 2021-22. Appropriate resolution seeking your approval to the appointment and remuneration of M/s Sharp & Tannan, Chartered Accountants as the Statutory Auditors is appearing in the Notice convening the 7th Annual General Meeting of the Company.

The Company has received a consent letter and eligibility certificate from M/s Sharp & Tannan, confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

The Auditors have issued an unmodified opinion on audited financial statements of the Company for the year ended 31st March, 2021. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

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

(b) Cost Auditors:

Your Company is required to maintain cost accounting records as specified under Section 148(1) of the

Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and have them audited every year and accordingly, such accounts and records are made and maintained in the prescribed manner.

The Board at its meeting held on 21st May, 2021 based on the recommendation of the Audit Committee, approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration Number: 100392) as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year 2021-22. A remuneration of ₹ 5.50 lakhs plus applicable taxes and out-of-pocket expenses, has been fixed for the Cost Auditors subject to the ratification of such fees by the Members at the ensuing AGM. Accordingly, the matter relating to the ratification of the remuneration payable to the Cost Auditors for the financial year 2021-22 will be placed at the ensuing AGM. Your Company has received consent and eligibility certificate from M/s Ashwin Solanki & Associates.

(c) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on 15th May, 2020 based on the recommendation of the Audit Committee, approved the appointment of M/s. Mehta and Mehta, Practising Company Secretaries (ICSI Unique Code P1996MH007500) as the Secretarial Auditor to conduct audit of the secretarial records of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as Annexure 5 to the Report.

Further, pursuant to the aforesaid provisions and subject to the receipt of consent letter received, the Board of Directors have appointed M/s Parikh & Associates, Practising Company Secretaries (ICSI Unique Code P1988MH009800) as the Secretarial Auditor for the financial year 2021-22 in the meeting held on 21st May, 2021.

Further, the wholly-owned subsidiaries of the Company as mentioned above are not material unlisted subsidiaries. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation

24A of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended, do not apply to such subsidiaries.

(d) Internal Auditors:

Pursuant to the provisions of Section 138 of the Act, the Board, at its meeting held on 15th May, 2020 based on the recommendation of the Audit Committee, had approved the appointment of M/s. Grant Thornton India LLP (Identity number AAA-7677) to conduct the internal audit of your Company for the financial year 2020-21.

M/s. Grant Thornton India LLP has been appointed as the Internal Auditors of your Company for the financial year 2021-22 to review various operations of the Company.

PARTICULARS OF EMPLOYEES

There are 16 employees who were in receipt of remuneration of not less than ₹ 1,02,00,000/- if employed for the full year or not less than ₹ 8,50,000/- per month if employed for any part of the year.

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

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

REPORT ON CORPORATE GOVERNANCE

As per Regulation 34 read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a separate section on Report on Corporate Governance practices followed by the Company, together with a certificate received from the

Company's Secretarial Auditor confirming compliance is included in the Annual Report.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY REPORT

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

COMPLAINTS RELATING TO SEXUAL HARASSMENT

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

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

VIGIL MECHANISM

Your Company has formulated a Vigil Mechanism and Whistle Blower Policy intending to provide a mechanism for employees to report violations. It also assures them of the process that will be observed to address the reported violation. The Policy also lays down the procedures to be followed for tracking complaints, giving feedback,

conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants. No personnel have been denied access to the Audit Committee.

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

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

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

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

3 (Three) Whistle Blower complaints were received during the year 2020-21 and suitable action has been taken in accordance with the policy.

LISTING

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

Your Company has paid the Listing fees for Equity Shares to both the Stock Exchanges and Listing fees for NCDs to the National Stock Exchange of India Ltd. for 2020-21 and 2021-22.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2020-21, is placed on the Company's website and can be accessed at <https://www.crompton.co.in/investors/annual-report/>.

SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
2. the Accounting Policies selected and applied consistently, give a true and fair view of the affairs of the Company and of the profit for 2020-21;
3. sufficient care has been taken and that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
4. the Annual Accounts have been prepared on a going concern basis;
5. the internal financial controls laid down by the Company were adequate and operating effectively; and
6. the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Companies Act, 2013;
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;

4. No fraud has been reported by the Auditors to the Audit Committee or the Board;
5. Issue of Shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54(1)(d) of the Companies Act, 2013;
6. No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.

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

Place: Mumbai
Date : 24th June, 2021

H.M. Nerurkar
Chairman
DIN: 00265887

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

Details of ESOP	Crompton Employee Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)	Crompton Employee Stock Option Plan 2019 (ESOP 2019)
II. Method used to account for ESOP:				
The Company has calculated the employee compensation cost using the Fair value method of accounting for the Options granted.				
The stock-based compensation cost was calculated as per the fair value method prescribed by SEBI.				
III. Option Movement during the year:				
1. Number of options outstanding at the beginning of the year	34,15,883	1,07,53,536	30,86,725	3,70,000
2. Number of options granted during the year	0	0	0	71,62,750
3. Number of options forfeited/lapsed during the year	5,07,033	25,664	7,333	3,894
4. Number of options vested during the year*	7,36,717	56,77,725	16,22,208	51,606
5. Number of options exercised during the year	2,75,024	1,00,000	0	32,357
6. Total number of shares arising as a result of exercise of options	2,75,024	1,00,000	0	32,357
7. Money realised by exercise of options (₹)	5,50,88,628	92,83,000	0	83,69,138
8. Number of options outstanding at the end of the year	26,33,826	1,06,27,872	30,79,392	74,96,499
9. Number of options exercisable at the end of the year	17,63,826	1,06,27,872	30,79,392	19,249

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

Details of ESOP	Crompton Employee Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)	Crompton Employee Stock Option Plan 2019 (ESOP 2019)
IV. Weighted average exercise price of options granted during the year whose:				
i. Weighted average price equals market price	Nil	Nil	Nil	₹ 405.95
ii. Exercise price is greater than market price	Nil	Nil	Nil	Nil
iii. Exercise price is less than market price	Nil	Nil	Nil	Nil
Weighted average fair value of options granted during the year whose:				
i. Exercise price equals market price	Nil	Nil	Nil	₹ 160.01
ii. Exercise price is greater than market price	Nil	Nil	Nil	Nil
iii. Exercise price is less than market price	Nil	Nil	Nil	Nil
V. Employee-wise details of options granted during the financial year 2020-21 to:				
i. Senior Managerial personnel	Nil	Nil	Nil	Mr. R. Sriram - 1,50,000 options Mr. R. Chopra - 1,50,000 options Mr. S. Mohanty - 1,25,000 Options
ii. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Employee-wise details are available for inspection by the Members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays up to the date of the 7 th Annual General Meeting. The Member may also write to the Company Secretary for details.			
iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil			

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

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

The Assumptions used in the model are as follows:

Particulars	ESOP 2016	PSP 1	PSP 2	ESOP 2019
1. Risk-Free Interest Rate	No grants during the year			5.64%
2. Expected Life				5.64
3. Expected Volatility				33.25%
4. Dividend Yield				0.49%
5. Price of the underlying share in market at the time of the option grant (₹)				405.95

Details of ESOP	Crompton Employee Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)	Crompton Employee Stock Option Plan 2019 (ESOP 2019)
Weighted Average share price of options exercised during the year: ₹ 375.04				
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	26,33,826	4.15		219.01
PSP 1	1,06,27,872	3.55		92.83
PSP 2	30,79,392	3.52		185.66
ESOP 2019	74,96,499	7.92		399.39
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33; "Earnings Per Share"	9.56			

For and on behalf of the Board of Directors

Place : Mumbai
Date : 24th June, 2021

H.M. Nerurkar
Chairman
DIN: 00265887

ANNEXURE 2

FORM AOC-1

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

PART "A": SUBSIDIARIES

Sl. No.	Particulars	Details
1.	Name of the subsidiary	(i) Nexustar Lighting Project Private Limited (NLPPL) (ii) Pinnacles Lighting Project Private Limited (PLPPL) (iii) Crompton CSR Foundation (CCF)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable as 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 (iii) CCF : Authorised Capital: ---* Paid-up Capital: ---*
5.	Reserves & Surplus	(i) NLPPL : ₹ 5.64 crore (ii) PLPPL : ₹ 6.81 crore (iii) CCF : ₹ 2.07 crore
6.	Total Assets	(i) NLPPL : ₹ 31.90 crore (ii) PLPPL : ₹ 35.75 crore (iii) CCF : ₹ 2.10 crore
7.	Total Liabilities	(i) NLPPL : ₹ 18.76 crore (ii) PLPPL : ₹ 22.24 crore (iii) CCF : ₹ 0.03 crore
8.	Investments	(i) NLPPL : ₹ 3.21 crore (ii) PLPPL : ₹ 5.45 crore (iii) CCF : Nil
9.	Turnover	(i) NLPPL : ₹ 38.05 crore (ii) PLPPL : ₹ 42.61 crore (iii) CCF : Nil
10.	Profit before Taxation	(i) NLPPL : ₹ 7.40 crore (ii) PLPPL : ₹ 8.52 crore (iii) CCF : ₹ 1.62 crore
11.	Provision for Taxation	(i) NLPPL : ₹ 1.86 crore (ii) PLPPL : ₹ 2.14 crore (iii) CCF : Nil
12.	Profit after Taxation	(i) NLPPL : ₹ 5.54 crore (ii) PLPPL : ₹ 6.38 crore (iii) CCF : ₹ 1.62 crore

Sl. No.	Particulars	Details
13.	Proposed Dividend	(i) NLPPL : 73.5% i.e. ₹ 7.35 per equity share on face value of ₹ 10/- each (ii) PLPPL : 94.7% i.e. ₹ 9.47 per equity share on face value of ₹ 10/- each
14.	% of shareholding	(i) NLPPL : 100% (ii) PLPPL : 100% (iii) CCF : 0*

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

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

PART “B”: ASSOCIATES AND JOINT VENTURES

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

Not Applicable as there are no associates and joint ventures

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

NA

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 24th June, 2021

H.M. Nerurkar
Chairman
DIN: 00265887

ANNEXURE 3

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

A. CONSERVATION OF ENERGY:

(a) Energy Conservation Measures Taken

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

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

1. Replacement of 20 nos. of 90W streetlights with 35W LED streetlights at both Baddi Fan Units which has given saving of 3.34 MWh.
2. Heat loss of oven arrested by running plant on alternate days with 2 shifts at Bethora, resulted in savings of 210 MWh.
3. Replacement of all shop floor & office conventional light fittings by LED fittings at Ahmednagar pumps unit; saved 103 MWh in 2020-21 vs 2019-20.

(b) Capital Investment on Energy Conservation Equipment

Nil

B. TECHNOLOGY ABSORPTION:

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

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

1. Establishment of R&D for electrical motor technologies like BLDC, PMSM, SRM to take care of future needs.
2. Improvements in induction motor technologies for cost and quality engineering with new ideas in winding and slots of stampings.
3. Initiatives for process improvement through PDM solutions.
4. Expansion of portfolio in the automation space using various sensors.
5. Connected Air Cooler & Water Heater and Introduction of Smart Plug in the IoT space.
6. Introduction of new PP Polymer material in Air cooler category to suit challenging operating

conditions in Air cooler business to mitigate high ABS and PP price.

7. New OEMs development for various categories such as Mixer Grinder and Air Cooler to meet the market demand and to increase the portfolio.
8. Introduction of PM filter and antibacterial knobs in Air cooler.
9. Hybrid Motor introduction in 500W and exploration to have 750W PowerTron motors in Mixer Grinder Category.
10. More 5 Star rated Solar Water Heater developed to have better energy-efficient products.
11. 1250W Dry Iron Model launched which is higher than wattage from different competitors in Heavy dry Iron Segment.
12. Launched Crompton's first IoT consumer product, 9W Wi-Fi Bulb. In addition to white light, this bulb also provides 16 million colours with smooth control from mobile app as well as voice-based commands from Amazon Alexa® and Google Home®.
13. Individual streetlight control by adding RF mesh, ZigBee and NB IoT connectivity options in controllers.
14. Developed Human Centric Lighting solution based on wireless lighting control. It provides lighting in sync with human Circadian rhythm. Human Centric Lighting promises to increase productivity and create relaxing work environment for users by mimicking sunlight indoors. Targeting office lighting applications where artificial lighting is used during day.
15. R&D having state-of-the-art capabilities in Optics design, CFD, FEA with in-house testing LAB recognised by DSIR-Ministry of Science and Technology.

C. IMPORTED TECHNOLOGY: NIL

D. EXPENDITURE ON R&D:

R&D expenditure for the year was: ₹ 23.04 crore

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earned : ₹ 62.61 crore
Foreign exchange used : ₹ 195.59 crore

For and on behalf of the Board of Directors

H.M. Nerurkar

Chairman

DIN: 00265887

Place : Mumbai

Date : 24th June, 2021

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

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

1. Brief outline on CSR Policy of the Company:

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

2. Composition of the CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR committee comprises three Independent Directors, two Non-Executive Directors and the Managing Director as at 31st March, 2021.

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shantanu Khosla (DIN: 00059877)	Managing Director, Chairman of CSR Committee	3	3
2	Mr. H. M. Nerurkar (DIN: 00265887)	Chairman of the Board, Member of CSR Committee	3	2
3	Mr. D. Sundaram (DIN: 00016304)	Independent Director, Member of CSR Committee	3	3
4	Ms. Smita Anand (DIN: 00059228)	Independent Director, Member of CSR Committee	3	3
5	Ms. Shweta Jalan (DIN: 00291675)	Non-Executive Director, Member of CSR Committee	3	3
6	Mr. Promeet Ghosh (DIN: 05307658)	Non-Executive Director, Member of CSR Committee	3	3

3. Web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

- Composition of CSR committee: <https://www.crompton.co.in/wp-content/uploads/2021/06/Board-committees-composition-01-06-2021.pdf>
- CSR Policy : <https://www.crompton.co.in/wp-content/uploads/2021/03/Corporate-Social-Responsibility-Policy.pdf>
- CSR Project : <https://www.crompton.co.in/csr/>

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

The Company had voluntarily conducted impact assessment in 2019-20 through independent agencies to screen and evaluate the impact of selected CSR programmes. However in the year 2020-21 due to COVID-19 pandemic the Company did not conduct any impact assessment. The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules") and the same shall be complied with, if applicable, in coming financial years.

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

6. Average net profit of the Company as per Section 135(5): ₹ 549.37 crore

7. a)	Two percent of average net profit of the Company as per Section 135(5)	₹ 10.99 Crore
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c)	Amount required to be set off for the financial year	Nil
d)	Total CSR obligation for the financial year (7a+7b+7c)	₹ 10.99 Crore

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

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
₹ 10.99 crore	Not Applicable	Not Applicable			

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in crore)	Amount spent in the current financial year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration number
Skill development	(ii)	Yes	Himachal Pradesh	Solan	1 year	1.04	NIL	NIL	No	ASMACS Skill Development	Not applicable
Skill development	(ii)	Yes	Maharashtra	Ahmednagar	1 year	1.02	NIL		No	ASMACS Skill Development	Not applicable
Skill development	(ii)	Yes	Gujarat	Vadodara	1 year	1.16	NIL		No	ASMACS Skill Development	Not applicable
Skill development	(ii)	Yes	Tamil Nadu	Coimbatore	1 year	1.14	NIL		No	ASMACS Skill Development	Not applicable
Skill development	(ii)	Yes	Assam	Guwahati	1 year	1.13	NIL		No	ASMACS Skill Development	Not applicable
Skill development	(ii)	Yes	Odisha	Bhubaneswar	1 year	1.08	NIL		No	ASMACS Skill Development	Not applicable
Skill development	(ii)	No	Maharashtra	Palghar	1 year	0.30	NIL		No	Kherwadi Social Welfare Association	CSR00000920
Skill development	(ii)	Yes	Telangana	Hyderabad	1.5 years	0.89	NIL		No	Orion Edutech Private Limited	CSR00000597
Skill development	(ii)	No	Sikkim	Rangpo	1.5 years	0.73	NIL		No	Orion Edutech Private Limited	CSR00000597
Skill development	(ii)	No	Dadra and Nagar Haveli	Silvassa	1.5 years	0.73	NIL		No	Orion Edutech Private Limited	CSR00000597
Midday meal program	(i)	Yes	Gujarat	Vadodara	2 years	1.55	0.77		No	Akshaya Patra Foundation	CSR00000286
Vocational skill training program	(ii)	Yes	Maharashtra	Ahmednagar	1 year	1.07	0.32		No	Dev Loka Educational Trust	CSR00000371
Vocational skill training program	(ii)	Yes	Tamil Nadu	Coimbatore	1 year	1.11	0.45		No	Dev Loka Educational Trust	CSR00000371

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in crore)	Amount spent in the current financial year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration number
Watershed development	(iv)	Yes	Maharashtra	Pune	5 months	0.65	NIL		No	BBKGSS	CSR00000405
Watershed development	(iv)	No	Maharashtra	Jalna	7 months	0.88	0.44		No	Vanarai	CSR00001205
Watershed development	(iv)	Yes	Maharashtra	Ahmednagar	7 months	0.45	0.18		No	Vanarai	CSR00001205
Watershed development	(iv)	Yes	Maharashtra	Ahmednagar	7 months	0.12	0.06		No	Vanarai	CSR00001205
Watershed development	(iv)	Yes	Maharashtra	Ahmednagar	1 year	1.50	0.75		No	Vanarai	CSR00001205
Water Shed development	(iv)	No	Maharashtra	Beed	1 year	0.61	0.12		No	Watershed Organization Trust	CSR00000518
Watershed development	(iv)	Yes	Maharashtra	Pune	1 year	0.99	0.34		No	BBKGSS	CSR00000405
Watershed development	(iv)	Yes	Maharashtra	Ahmednagar	1.25 years	2.96	1.04		No	BBKGSS	CSR00000405
Mobile Milk Bank	(i)	Yes	Telangana	Hyderabad	4 months	0.27	0.16		No	Sushena Health Foundation	CSR00005664
Improving health infrastructure	(i)	No	Maharashtra	Raigad	1 month	0.14	0.14		No	Crompton CSR Foundation	CSR00001086
Improving health infrastructure	(i)	No	Maharashtra	Raigad	1 month	0.01	0.01		No	Crompton CSR Foundation	CSR00001086
Improving health infrastructure	(i)	Yes	Gujarat	Vadodara	2 months	0.30	0.15		No	Crompton CSR Foundation	CSR00001086
Supply of medical equipment	(i)	Yes	Maharashtra	Mumbai	2 months	0.19	0.19		No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to hospitals)	(i)	Yes	Goa	Mapusa	2 months	0.31	0.15		No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to communities)	(i)	Yes	Pan India		8 months	0.12	0.06		No	St. Judes	CSR00001026
COVID-19 relief (support to communities)	(i)	Yes	Maharashtra	Ahmednagar	3 months	0.10	0.07		No	Snehalaya	CSR00001248
Supply of medical equipment	(i)	Yes	Maharashtra	Mumbai	one time	0.75	0.75		No	Tata Memorial Centre	CSR00001287

The Company has fulfilled its CSR obligations and transferred the entire amount of ₹ 10.99 crore to different Implementing Agencies during Financial Year 2020-21. However, ₹ 2.10 crore which was transferred to Crompton CSR Foundation is pending to be spent. In view of the same Crompton CSR Foundation has transferred this amount to an "Unspent CSR Account" and this amount shall be spent in the upcoming years throughout the tenure of the approved project(s).

- (1) These are 'ongoing projects' as defined in the CSR Amendment Rules.
- (2) CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to 1st April, 2021.

c. Details of CSR amount spent against other than ongoing projects for the financial year

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name of the agency	CSR registration number
Skill Development Program	(ii)	No	Jharkhand Odisha	Bundu Sambalpur	0.17	No	PARFI	CSR00000005
Water conservation	(iv)	No	Maharashtra	Palghar	0.02	No	Kherwadi Social Welfare Association	CSR00000920
Water conservation	(iv)	No	Maharashtra	Palghar	0.01	No	Kherwadi Social Welfare Association	CSR00000920
Water conservation	(iv)	Yes	Maharashtra	Ahmednagar	0.00	No	Star Pumps and Machinery	Not applicable
COVID-19 relief (support to communities)	(i)	Yes	Maharashtra	Mumbai	0.05	No	Rotary Club of Bombay	CSR00004479
Lifeskill Program	(ii)	Yes	Maharashtra Karnataka	Mumbai Bangalore	0.15	No	CMCA	CSR00000784
COVID -19 relief (support to hospitals)	(i)	Yes	Maharashtra	Mumbai	0.10	No	Ramesh Phirodia Educational Trust	NA
COVID-19 relief (support to hospitals)	(i)	Yes	Maharashtra	Mumbai	0.50	No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to hospitals)	(i)	Yes No	Maharashtra	Mumbai, Osmanabad	0.66	No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to hospitals)	(i)	Yes	Maharashtra	Pune	0.24	No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to hospitals)	(i)	Yes	Maharashtra	Pune	0.14	No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to hospitals)	(i)	No	Maharashtra	Palghar	0.36	No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to hospitals)	(i)	Yes	Himachal Pradesh	Solan	0.02	No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to communities)	(i)	Yes	Maharashtra	Ahmednagar	0.04	No	Snehalaya	CSR00001248
COVID-19 relief (support to communities)	(i)	Yes	Himachal Pradesh	Solan	0.01	No	Crompton CSR Foundation	CSR00001086
COVID-19 relief (support to communities)	(i)	Yes	Gujarat	Vadodara	0.14	No	Akshaya Patra Foundation	CSR00000286

(1) CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to 1st April, 2021.

- d) Amount spent in Administrative Overheads : ₹ 0.15 crore
 e) Amount spent on Impact Assessment, if applicable : Not applicable
 f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 10.99 crore
 g) Excess amount for set off, if any -

(i) Two percent of average net profit of the Company as per Section 135(5)	₹ 10.99 crore
(ii) Total amount spent for the Financial Year	₹ 10.99 crore
(iii) Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v) Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
			Name of the Fund	Amount (in ₹)	Date of transfer	
Not applicable						

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

Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
Not applicable							

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

None of the capital assets created or acquired through CSR spent during the year 2020-21 are in the name of the Company.

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in crore)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
7 th April, 2020	0.06	LNJP Hospital Metro Station Central, Jawaharlal Nehru Marg, near Delhi Gate, LNJP Colony, New Delhi - 110002	1 Ventilator Metro Station Central, Jawaharlal Nehru Marg, near Delhi Gate, LNJP Colony, New Delhi - 110002
7 th April, 2020	0.11	MR Bangur Hospital 241, Deshpran Sasmal Road, Netajinagar, Rajendra Prasad Colony, Tollygunge, Kolkata - 700033	2 Ventilator 241, Deshpran Sasmal Road, Netajinagar, Rajendra Prasad Colony, Tollygunge, Kolkata - 700033
7 th April, 2020	0.06	Ramakrishna Mission Seva Pratishthan 99, Sarat Bose Road, Hazra, Kalighat, Kolkata - 700026	1 Ventilator 99, Sarat Bose Road, Hazra, Kalighat, Kolkata - 700026

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in crore)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
8 th June, 2020	0.50	Lokmanya Tilak Municipal Medical College and Lokmanya Tilak Municipal General Hospital, Sion, Mumbai – 400 022	30 ICU beds, 14 multipara monitors, and 30 syringe pumps Sion, Mumbai – 400 022
19 th November, 2020	0.02	ESIC Katha Post & Village Katha, opp. Gillette India Limited, Baddi - 173205	30 oxygen cylinders and 10 pulse oximeters Post & Village Katha, opp. Gillette India Limited, Baddi - 173205
27 th November, 2020	0.36	Vasai Virar Mahanagar Palika Shree Jivdani Devi Hospital, Bhalchandra Nagar, Near RK Hotel, Chandansar Naka, Virar East - 401305	5 ventilators, 2 ABG machines, 10 multipara monitors and 5 HFNCs VVMC COVID Centre Shree Jivdani Devi Hospital, Bhalchandra Nagar, Near RK Hotel, Chandansar Naka, Virar East - 401305
27 th November, 2020	0.24	Bharathi Hospital, Katraj- Dhankawadi, Pune – 411 043	6 ventilators, 3 servo humidifiers and 50 pulse oximeters Bharathi Hospital, Katraj - Dhankawadi, Pune - 411 043
27 th November, 2020	0.14	Grant Medical Foundation Ruby Hall Clinic, 40, Sasoon Rd, Sangamvadi, Pune - 411001	4 ventilators Ruby Hall Clinic, 40, Sasoon Rd, Sangamvadi, Pune - 411001
2 nd February, 2021	0.19	Tata Memorial Hospital Dr. Ernest Borges Road, Parel, Mumbai – 400012	Platelet agitator Tata Memorial Hospital, Dr. Ernest Borges Road, Parel, Mumbai – 400012
2 nd February, 2021	0.75	Tata Memorial Hospital Dr. Ernest Borges Road, Parel, Mumbai – 400012	Ventilators, oxygen concentrators and dialysis machines Tata Memorial Hospital, Dr. Ernest Borges Road, Parel, Mumbai – 400012
22 nd February, 2021	0.15	Crossroads Hospital, Survey No. 247/248, Dabhasa, Padra - 391440	ICU on wheels and CR system Crossroads Hospital, Survey No. 247/248, Dabhasa, Padra - 391440
12 th March, 2021	0.16	Sushena Health Foundation Plot no. 49, Paragati Nagar, Yousufguda, Amerpeet, Hyderabad - 500045	Mobile Van, breast pumps and deep freezers Plot no. 49, Paragati Nagar, Yousufguda, Amerpeet, Hyderabad - 500045

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in crore)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
15 th March, 2021	0.19	Yusuf Meherally Centre Tara, Mumbai Goa Road Taluka Panvel, Karnala - 410221	<ul style="list-style-type: none"> • Hospital Super Delux Hydraulic Operating Table • HAAG Streit Surgical Ophthalmic Operating Microscope • Anaesthesia Apparatus Machine • Multipara Monitor Model • OT Light Reflector • Fumigator <p>Yusuf Meherally Centre, Tara, Mumbai Goa Road, Taluka Panvel, Karnala - 410221</p>
25 th March, 2021	0.15	North District Hospital, Mapusa Mapusa Jamatkhana Road, Peddem, Mapusa, Goa - 403507	Supply of Online UPS and H1N1 test kits Mapusa Jamatkhana Road, Peddem, Mapusa, Goa - 403507
30 th March, 2021	0.01	Sub Divisional Magistrate Nalagarh, Solun, Himachal Pradesh	15 Water Geysers COVID Care Centre, BBN Area Sub Divisional Magistrate, Nalagarh, Solun, Himachal Pradesh

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

Not Applicable

For and on behalf of the Board of Directors

H. M. Nerurkar

Chairman
DIN: 00265887

Shantanu Khosla

Managing Director & Chairman CSR Committee
DIN: 00059877

Place : Mumbai

Date : 24th June, 2021

ANNEXURE 5

SECRETARIAL AUDIT REPORT

FORM MR-3

For The Financial Year Ended 31st March, 2021

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

To,

The Members,

Crompton Greaves Consumer Electricals Limited

Tower 3, 1 Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla (West), Mumbai – 400070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Crompton Greaves Consumer Electricals Limited** (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory 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, 2021, 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 March 31, 2021 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, ~~Overseas Direct Investment and External Commercial Borrowings~~;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
 - (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;
 - (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 also 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.

During the period under review, the Company has substantially complied with the provisions of Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of 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

2) The Nomination & Remuneration Committee approved grant of stock options to the eligible employees as follows:

Sr. No.	Date of Grant of Options	No. of Options granted	Scheme under which options were granted
1.	21 st January, 2021	71,62,750	ESOP 2019

on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is 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. The Company has filed all the necessary e-forms as required under the Companies Act, 2013 except two for which the Company has initiated the process of condonation.

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.

- 1) Members of the Company via Postal Ballot dated 27th November, 2020, have approved the below mentioned resolutions:
 - a) Amendment in Crompton Employee Stock Option Plan 2019 ('ESOP 2019');
 - b) Increase in Authorised Share Capital of the Company from the present ₹ 130,00,00,000/- (Rupees One Hundred and Thirty Crore only) divided into ₹ 65,00,00,000 (Sixty-Five Crore) equity shares of face value of ₹ 2/- (Rupees Two only) each to ₹ 131,00,00,000/- (Rupees One Hundred and Thirty-One Crore only) divided into 65,50,00,000 (Sixty-Five Crore and Fifty Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each by creation of additional 50,00,000 equity shares of face value of ₹ 2/- (Rupees Two only);

- 3) The Allotment Committee has passed the following resolutions for allotment of equity shares under the provisions of various ESOP schemes of the Company as follows:

Sr. No.	Date of Passing Resolution	No. of Shares allotted	Name of the Plan
1	16 th September, 2020	49,963	ESOP 2016
2	09 th November, 2020	28,125	ESOP 2016
3	16 th December, 2020	26,866	ESOP 2016
4	04 th January, 2021	21,070	ESOP 2016
5	18 th January, 2021	27,000	ESOP 2016
6	29 th January, 2021	1,00,000	PSP-1 2016
7	17 th February, 2021	48,000	ESOP 2016
8	18 th March, 2021	25,000 32,357	ESOP 2016 ESOP 2019
9	23 rd March, 2021	49,000	ESOP 2016

- 4) The Board of Directors in the Board Meeting held on 22nd October, 2020, has declared interim dividend of ₹ 3.00 per share of face value of ₹ 2/- each be paid out of the profits of the Company.
- 5) The Board of Directors at their meeting held on 07th May, 2020 has passed resolution for issuance of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures aggregating to ₹ 300 crores on private placement basis.
- 6) The Committee of Debenture of the Company on 29th May, 2020 has passed resolution for allotment of 7.25% 3,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 300 crores on private placement basis by way of circulation.

Note: Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of documents made available to us in electronic form by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

**For Mehta & Mehta
Company Secretaries**

(ICSI Unique Code P1996MH007500)

**Dipti Mehta
Partner**

PCS No: 3667

CP No: 23905

UDIN: F003667C000354974

Place: Mumbai

Date : 21st May, 2021

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

ANNEXURE A

To,

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

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and 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)

Dipti Mehta

Partner

PCS No: 3667

CP No: 23905

UDIN: F003667C000354974

Place: Mumbai

Date: 21st May, 2021

ANNEXURE 6

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of the 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 2020-21:

The median remuneration of employees of the Company during 2020-21 was ₹ 7,28,952/- 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 2020-21 (₹)	Ratio of Remuneration of each Director to Median Remuneration of employees for 2020-21
1	Mr. Shantanu Khosla (DIN: 00059877)	Managing Director [#]	5,18,81,200	71.17
2	Mr. Mathew Job (DIN: 02922413)	Executive Director & Chief Executive Officer [*]	3,67,65,882	50.44
3	Mr. H. M. Nerurkar (DIN: 00265887)	Chairman, Independent Director [^]	31,50,000	4.32
4	Mr. D. Sundaram (DIN: 00016304)	Independent Director [^]	30,80,000	4.23
5	Mr. P. M. Murty (DIN: 00011179)	Independent Director [^]	28,30,000	3.88
6	Ms. Smita Anand (DIN: 00059228)	Independent Director [^]	23,30,000	3.20
7	Ms. Shweta Jalan (DIN: 00291675)	Non-Executive Director	Nil	N.A.
8	Mr. Sahil Dalal (DIN: 07350808)	Non-Executive Director	Nil	N.A.
9	Mr. Promeet Ghosh (DIN 05307658)	Non-Executive Director	Nil	N.A.

The remuneration includes fixed pay and variable pay. Variable pay is for 2019-20 paid in 2020-21.

[#]The remuneration to MD is excluding ESOPs of INR 3,25,05,000.

[^] The remuneration of Independent Directors consists of sitting fees and commission. Commission is for 2019-20 paid in 2020-21.

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

The percentage Increase/Decrease in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2020-21 is provided in the table below:

Sr. No.	Name of Director/KMP	Designation	% increase in Remuneration in 2020-21*
1	Mr. Shantanu Khosla	Managing Director	-35.73%**
2	Mr. Mathew Job	Executive Director & Chief Executive Officer	-35.61%
3	Mr. Sandeep Batra	Chief Financial Officer	-25.73%
4	Ms. Pragya Kaul	Company Secretary & Compliance Officer	-8.73%

Decrease in Remuneration % are due to decrease in Variable pay out for FY 2019-20 paid in FY 2020-2021.

**Calculation is excluding perquisite value on exercise of ESOP.*

***During FY 2020-2021, increase in remuneration is 4.54% including the perquisite value of ₹ 3.25 crore*

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

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

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

There were 1,853 permanent employees on the rolls of the Company as on 31st March, 2021.

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

Average percentile increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 9.83% whereas the increase/decrease in managerial remuneration for the financial year 2020-21 was -32.43% (Calculated as per Weighted Average).

Justification: Increase in remuneration of the Managing Director and Executive Director & Chief Executive Officer decided based on the individual performance, inflation, prevailing industry trends and benchmarks. However, in 2020-21, the variable pay (for 2019-20 paid in 2020-21) was significantly lower leading to reduction in total remuneration.

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: 24th June, 2021

Corporate Governance Report

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

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

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

BOARD OF DIRECTORS

a. COMPOSITION:

Your Company has formulated and adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse to benefit from fresh perspectives, new ideas and broad experience. As on the date of this Report, your Company has ten members collectively forming part of Board of Directors. Mr. P. R. Ramesh was appointed as an Independent Director with effect from 21st May, 2021. 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. Mathew Job is the Executive Director & Chief Executive Officer of the Company. Mr. D. Sundaram, Mr. P. M. Murty, Ms. Smita Anand and Mr. P. R. Ramesh are Independent Directors 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, Non-Independent Directors.

Your Company has complied with the provision of having one Woman Independent Director in terms of LODR.

As on 31st March, 2021, the Board of your Company comprises two Executive Directors and seven Non-

Executive Directors, of whom four are Independent Directors.

At the 6th AGM of the Company held on 24th July, 2020, the members accorded their approval for re-appointment of Mr. Shantanu Khosla as the Managing Director of the Company for a period of 5 years with effect from 1st January, 2021 to 31st December, 2025 and Mr. P. M. Murty as an Independent Director for a second term with effect from 18th September, 2020 to 25th July, 2025, Mr. D. Sundaram as an Independent Director for a second term of five consecutive years with effect from 18th September, 2020 to 17th September, 2025 and Mr. H. M. Nerurkar as an Independent Director for a second term with effect from 25th January, 2021 to 20th October, 2023.

Mr. Mathew Job was appointed as an Additional Director designated as the Executive Director & Chief Executive Officer by the Board of Directors on 22nd January, 2021 and Members of the Company vide special resolution passed through postal ballot on 2nd May, 2021 approved the appointment w.e.f. 22nd January, 2021 for a period of 5 years.

CONFIRMATION AS REGARDS INDEPENDENCE OF INDEPENDENT DIRECTORS

The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfil the conditions specified for independence as stipulated in the Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018 ("Listing Regulations) w.e.f. 1st October, 2018 and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended. They have also given the online self-assessment proficiency test and cleared the same within the timelines as prescribed by MCA, to whomever it was applicable. None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence.

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, 2021

Name	Particulars	Other Board/Committee Memberships		
		Directorships*	Committee Memberships**	Committee Chairmanships**
Mr. H. M. Nerurkar	Chairman, Independent Director	7	6	2
Mr. Shantanu Khosla	Managing Director	-	-	-
Mr. D. Sundaram	Independent Director	4	5	3
Mr. P. M. Murty	Independent Director	1	2	-
Ms. Smita Anand	Independent Director	-	-	-
Ms. Shweta Jalan	Non-Executive Non-Independent Director	5	-	-
Mr. Sahil Dalal	Non-Executive Non-Independent Director	1	2	-
Mr. Promeet Ghosh	Non-Executive Non-Independent Director	1	-	-
Mr. Mathew Job [#]	Executive Director & Chief Executive Officer	-	-	-

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

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

[#]Appointed w.e.f. 22nd January, 2021

Pursuant to requirements of Regulation 26 of the Listing Regulations, none of the Company's Director is a member of more than 10 committees or Chairman of more than 5 committees across all Public companies in which he is a Director

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	Independent Director
	(ii) NCC Limited	Independent Director
	(iii) Igarashi Motors India Limited	Non-Executive Director
	(iv) DFM Foods Limited	Independent Director
Mr. D. Sundaram	(i) Infosys Limited	Independent Director
	(ii) GlaxoSmithkline Pharmaceuticals Limited	Independent Director
	(iii) ACC Limited	Independent Director
Mr. Sahil Dalal	(i) DFM Foods Limited	Non-Executive Director

b. BOARD MEETINGS:

Board Procedure

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

A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed

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

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

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

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

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

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

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

The meetings are generally held at the Company's Registered & Corporate Office at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070. However, due to the ongoing lockdown because of COVID-19 pandemic and in accordance with the statutory provisions, exemptions and relaxations as provided by Ministry of Corporate Affairs, all the meetings in the financial year 2020-21 were held through video-conferencing.

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 the period of one hundred and twenty days (120). There were eleven (11) Board Meetings held during 2020-21.

TABLE 3
Attendance Record of the Directors for the year 2020-21

Name	Board Meetings													Last AGM
	09.04.2020	24.04.2020	07.05.2020	15.05.2020	24.07.2020	22.10.2020	27.11.2020	03.12.2020	04.12.2020*	22.01.2021	13.02.2021	22.03.2021	23.03.2021**	
Mr. H. M. Nerurkar (DIN: 00265887)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Shantanu Khosla (DIN: 00059877)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. D. Sundaram (DIN: 00016304)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. M. Murty (DIN: 00011179)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Shweta Jalan (DIN: 00291675)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sahil Dalal (DIN: 07350808)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Promeet Ghosh (DIN: 05307658)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Smita Anand (DIN: 00059228)	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mathew Job# (DIN: 02922413)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Yes	Yes	Yes	NA

*Board Meeting held on 3rd December, 2020 was adjourned to 4th December, 2020.

**Board Meeting held on 22nd March, 2021 was adjourned to 23rd March, 2021.

#Appointed w.e.f. 22nd January, 2021 and he attended all the Board Meetings held previously as the Chief Executive Officer.

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, a meeting of the Independent Directors was held on 23rd October, 2020. All Independent Directors were present at the meeting to discuss risks, performance of the Company, strategy, leadership and the performance of the Non-Independent Directors and the Board and Chairman and assess information flow from management to the Board that is necessary for the Board to effectively and reasonably perform its duties.

c. FAMILIARISATION PROGRAMME:

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

Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducted various familiarisation programmes for its Directors including review of Industry Outlook at the Board Meetings, regulatory updates at Board and Audit Committee Meetings, presentations on Internal Control over Financial Reporting, CSR Strategy, Statutory Compliance, EHS, HR, IT, investor

grievances, Prevention of Insider Trading Regulations, SEBI Listing Regulations, framework for Related-Party Transactions, etc. Pursuant to Regulation 46 of the Listing Regulations, the details required are available on the website of your Company at the web link at <https://www.crompton.co.in/investors/corporate-governance/>.

d. DIRECTORS' REMUNERATION:

A. Remuneration Policy

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

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

B. Non-Executive Independent Directors Compensation

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

C. Directors' Remuneration

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

Mr. Shantanu Khosla was re-appointed as the Managing Director for a period of 5 years effective from 1st January 2021. Mr. Mathew Job was appointed as Executive Director & Chief Executive Officer for a period of 5 years effective from 22nd January, 2021.

The details of the remuneration of Directors during financial year 2020-21 are given below in Table 4:

TABLE 4

(₹ in crore)

Name of Director	Salary and allowances	Variable Pay*	Perquisites	ESOP	Sitting Fees	Commission*	Total
Executive Directors							
Mr. Shantanu Khosla	3.64	1.54	0.01	3.25	-	-	8.44
Mr. Mathew Job	2.58	1.09	0.01	-	-	-	3.68
Non-Executive Directors							
Mr. H. M. Nerurkar	-	-	-	-	0.12	0.20	0.32
Mr. D. Sundaram	-	-	-	-	0.12	0.19	0.31
Mr. P. M. Murty	-	-	-	-	0.10	0.18	0.28
Ms. Smita Anand	-	-	-	-	0.08	0.15	0.23
Ms. Shweta Jalan	-	-	-	-	-	-	-
Mr. Sahil Dalal	-	-	-	-	-	-	-
Mr. Promeet Ghosh	-	-	-	-	-	-	-

*Variable Pay and Commission is for the financial year 2019-20 paid in 2020-21.

Notes:-

- Notice period is three (3) months;
- Variable Pay is performance-linked and gets paid on the basis of actual performance parameters (including sales growth, profit before tax (growth and as % to sales), cash from operations etc. and as may be fixed by the NRC and Board from time to time. All other components are fixed;
- Executive Directors are not entitled to severance pay, commission or sitting fees for Board and Committee Meeting;
- Details of Employee Stock Options ("ESOP") granted, vesting criteria etc. are given in table below:-

Particulars	Crompton Employees Stock Options Plans				
	Mr. Shantanu Khosla, Managing Director			Mr. Mathew Job, Executive Director & Chief Executive Officer	
Schemes	PSP 1	PSP 2	ESOP 2019	PSP 1	ESOP 2019
No. of options granted	47,00,596	31,33,731	20,13,875	47,00,596	15,10,406

Particulars	Crompton Employees Stock Options Plans				
	Mr. Shantanu Khosla, Managing Director			Mr. Mathew Job, Executive Director & Chief Executive Officer	
Effective date of grant	25 th October, 2016	25 th October, 2016	21 st January, 2021	25 th October, 2016	21 st January, 2021
Options Vested	46,19,088	30,79,392	-	46,19,088	-
Options Unvested	-	-	20,13,875	-	15,10,406
Options Cancelled	81,508	54,339	-	81,508	-
Vesting period	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 5 years from the date of grant of Options	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 5 years from the date of grant of Options
Vesting Conditions	Time based and performance based	Time based and performance based	20% each year over a 5-year period based on performance	Time based and performance based	20% each year over a 5-year period based on performance
Exercise Period	October 2017 to November 2025	October 2017 to November 2025	January 2022 to January 2031	October 2017 to November 2025	January 2022 to January 2031
Exercise Price	₹ 92.83	₹ 185.66	₹ 405.95	₹ 92.83	₹ 405.95

e. CODE OF CONDUCT:

Your Company has a Code of Conduct for 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 2020-21. As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Mathew Job as the Executive Director and Chief Executive Officer has signed a declaration, stating that the Board of Directors and senior management personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report. The Code of Conduct also includes Code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013.

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

f. DIRECTORS' SHAREHOLDING:

As on 31st March, 2021 Mr. H. M. Nerurkar holds 397 shares. Mr. Mathew Job holds 793 shares and

Mr. P. M. Murty holds 13 shares of the Company. No other Non-Executive Director holds any shares in the Company.

g. COMMITTEES OF THE BOARD:

1. AUDIT COMMITTEE:

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and SEBI Regulations.

The Audit Committee also receives the report on compliance under the 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. The Audit Committee monitored and reviewed the investigations of the whistle blower complaints received during the year.

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

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

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

Terms of reference of Audit Committee are:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of the audit process;

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

As on 31st March, 2021, the total strength of the Audit Committee is 4 members out of which, 3 members fall under the Independent Category. The regulations require 2/3rd of the members to be Independent Directors and the Company has complied with the same. During the year, there were no changes in the composition of Audit Committee.

There were six (6) Audit Committee Meetings held during 2020-21.

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

TABLE 5
Audit Committee Meetings

Name	Designation	15.05.2020	23.07.2020	24.07.2020*	22.09.2020	21.10.2020	22.10.2020**	21.01.2021	22.01.2021 [#]	08.03.2021
Mr. D. Sundaram	Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. M. Murty	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

*Audit Committee Meeting held on 23rd July, 2020 was adjourned to 24th July, 2020

**Audit Committee Meeting held on 21st October, 2020 was adjourned to 22nd October, 2020

[#]Audit Committee Meeting held on 21st January, 2021 was adjourned to 22nd January, 2021

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, KMPs and Senior Management. The Committee also anchored the performance evaluation of the Individual Directors.

Terms of reference of Nomination and Remuneration Committee are:

- Determine the criteria for appointment including qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- Recommend to the Board policy concerning the remuneration for the Directors, Key Managerial Personnel and other employees
- Evaluate the performance of each Director and performance of the Board as a whole;

- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

The total strength of the NRC is 6 members which are Non-Executive Directors of the Company out of which, 4 members fall under the Independent Category. The regulations require at least 50% of the members to be Independent Directors and the Company has complied with the same. During the year, there were no changes in the composition of NRC.

There were six (6) Nomination and Remuneration Committee Meetings held during 2019-21. The Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary also attended the meetings.

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

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

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

TABLE 6
Nomination and Remuneration Committee Meetings

Name	Designation	15.05.2020	02.06.2020	17.08.2020	22.10.2020	27.11.2020	21.01.2021	22.01.2021*
Mr. P. M. Murty	Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. D. Sundaram	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Promeet Ghosh	Member	Yes	Yes	Yes	Yes	Yes	No	Yes
Ms. Smita Anand	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Nomination & Remuneration Committee Meeting held on 21st January, 2021 was adjourned to 22nd January, 2021.

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Corporate Social Responsibility Policy (CSR) policy of the Company was amended by the Board of Directors in their meeting held on 23rd March, 2021.

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

The total strength of the CSR Committee is 6 members. During the year, there were no changes in the composition of CSR committee.

There were three (3) Corporate Social Responsibility Committee Meetings held during financial year 2020-21.

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

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

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

TABLE 7
Corporate Social Responsibility Committee Meetings

Name	Designation	15.05.2020	21.10.2020	22.03.2021
Mr. Shantanu Khosla	Chairman	Yes	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	No	Yes
Mr. D. Sundaram	Member	Yes	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes	Yes
Mr. Promeet Ghosh	Member	Yes	Yes	Yes
Ms. Smita Anand	Member	Yes	Yes	Yes

4. STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE:

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

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

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

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

Communications sent to shareholders

In the month of March 2021, your Company had sent following communications to its shareholders:

Purpose	No. of Shareholders
Claim shares lying in the Unclaimed Demat Suspense Account	4,036
Shareholders holding shares in physical form to	4,580
<ul style="list-style-type: none"> • Convert shares into demat • Update details - PAN, Bank, Email, Address • Encash unclaimed dividend(s) 	
Shareholders whose share certificates were returned undelivered to:	1,619
<ul style="list-style-type: none"> • Update details - PAN, Bank, Email, Address • Claim share certificates • Convert shares into demat • Encash unclaimed dividend(s) 	
Shareholders holding shares in demat form but dividends are unpaid/unclaimed to claim dividend	5,897
Total	16,132

Stakeholders' Relationship and Share Transfer Committee report for the year ended 31st March, 2021

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

- There were two (2) Stakeholders' Relationship and Share Transfer Committee Meetings held during the financial year 2020-21. Mr. H. M. Nerurkar, a Non-Executive Independent Director of the Company is heading the Stakeholders' Relationship and Share Transfer Committee.
- For any grievances/complaints, shareholders may contact the RTA, KFin Technologies Private Limited. For any escalations, shareholders may write to the Company Secretary & Compliance Officer at crompton.investorrelations@crompton.co.in.

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	21.10.2020	08.03.2021
Mr. H. M. Nerurkar	Chairman	Yes	Yes
Mr. D. Sundaram	Member	Yes	Yes
Mr. Shantanu Khosla	Member	Yes	Yes
Mr. Sahil Dalal	Member	Yes	Yes

During the year, 14 complaints were received from the shareholders, all of which have been attended/resolved to the satisfaction of the Shareholders.

The details of the complaints are:

Sr. No.	Complaints Received	No. of Complaints
1.	Non-receipt of Annual Report	0
2.	Non-receipt of Securities	0
3.	Non-receipt of Dividend Warrants	3
4.	Escalation to SEBI	7
5.	Escalation to Stock Exchange	4
	Total	14

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 risks including risks related to cyber security.

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

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

There were two (2) Risk Management Committee Meetings held during financial year 2020-21.

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

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

TABLE 9
Risk Management Committee Meetings

Name	Designation	22.09.2020	08.03.2021
Mr. D. Sundaram	Chairman	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	Yes
Mr. P. M. Murty	Member	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes

6. ALLOTMENT COMMITTEE:

The Allotment Committee for Allotment of Shares arising out of the 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 4,07,381 shares arising out of the exercise of stock options by Eligible Employees.

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

7. COMMITTEE OF DEBENTURES:

The Committee for Debentures was constituted on 18th May, 2016 for allotment and issue of Non-Convertible Debentures and for approval of matters connected thereto.

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

During the year, the Committee of Debentures approved allotment of 3,000 Rated, Secured, Listed, Redeemable Non-Convertible Debentures of a face value of ₹ 10,00,000 each aggregating to ₹ 300 crore.

8. 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.

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

TABLE 10
Strategic Investment Committee

	Designation
Mr. H. M. Nerurkar	Chairman
Mr. D. Sundaram	Member
Mr. P. M. Murty	Member
Mr. Shantanu Khosla	Member
Ms. Smita Anand*	Member
Mr. Mathew Job*	Member

*Appointed as Member w.e.f. 13th February, 2021.

9. ESG Committee:

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

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

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

TABLE 11

Table 11 given below gives the details of the Members of the Environment, Social and Governance (ESG) Committee:

Name	Designation
Mr. Promeet Ghosh	Chairman
Mr. P. M. Murty	Member
Mr. Sahil Dalal	Member
Mr. Mathew Job	Member

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, dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements.

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

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

Table 11 below summarises the key skills, expertise and competence required for the Company and is taken into consideration while nominating candidates to serve on the Board.

TABLE 11

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

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

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

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

INFORMATION ON GENERAL BODY MEETINGS:

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

TABLE 12
Information on General Body Meetings

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
1.	4 th Annual General Meeting	25 th 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; and 4. Ratification of the remuneration payable to M/s Ashwin Solanki and Associates, Cost Auditors of the Company.
2.	5 th Annual General Meeting	24 th July, 2019 at 3.00 p.m. at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	Ordinary	5	1. Adoption of Financial Statements; 2. Declaration of Dividend; 3. Appointment of Mr. Sahil Dalal as Director liable to retire by rotation; 4. Appointment of Ms. Smita Anand as an Independent Director; and 5. Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates, Cost Auditors of the Company.

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
3.	6 th Annual General Meeting	24 th July, 2020 at 3.00 p.m. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”)	Ordinary	3	1. Adoption of Financial Statements; 2. Appointment of Mr. Promeet Ghosh as Director liable to retire by rotation; 3. Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates, Cost Auditors of the Company;
			Special	4	4. Re-appointment of Mr. Shantanu Khosla (DIN:00059877) as the Managing Director; 5. Re-appointment of Mr. P. M. Murty (DIN:00011179) as an Independent Director; 6. Re-appointment of Mr. D. Sundaram (DIN:00016304) as an Independent Director; and 7. Re-appointment of Mr. H. M. Nerurkar (DIN: 00265887) as an Independent Director.

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

4 Special Resolution(s) were passed at the 6th Annual General Meeting

POSTAL BALLOT:

During the year 2020-21, under Section 110 of the Companies Act, 2013 read with Companies Management and Administration Rules, 2014, the Company passed the following Resolutions by postal ballot:

Postal Ballot No. 1

Date of Postal Ballot Notice: 27th November, 2020

Date of Declaration of Result: 8th January, 2021

Voting Period: 8th December, 2020 to 6th January, 2021

Date of Approval: 6th January, 2021

Sr. No.	Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution		Invalid Votes
		No.	%	No	%	
1.	To approve the amendment in Crompton Employee Stock Option Plan 2019 (“ESOP 2019”) – Special Resolution	45,07,39,433	97.47	1,16,77,267	2.53	5,905
2.	To approve increase in Authorised Share Capital of the Company – Ordinary Resolution	45,29,44,562	97.95	94,72,395	2.05	5,905

Mrs. Ashwini Inamdar (FCS 9409), Practising Company Secretary was appointed as the scrutiniser for carrying out the Postal ballot process in a fair and transparent manner.

Postal Ballot No. 2Date of Postal Ballot Notice: 23rd March, 2021Date of Declaration of Result: 3rd May, 2021Voting Period: 3rd April, 2021 to 2nd May, 2021Date of Approval: 2nd May, 2021

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

Makarand M. Joshi (FCS 5533), Practising Company Secretary was appointed as the scrutiniser for carrying out the Postal ballot process in a fair and transparent manner.

No special resolutions are proposed to be conducted through postal ballot as covered under Section 110 of the Companies Act, 2013, at the ensuing 7th Annual General Meeting.

PROCEDURE FOR POSTAL BALLOT:**For Postal Ballot No.1**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related rules, the Company provided electronic voting (e-voting) facility, in addition to the physical ballot, to all its Members. For this purpose, the Company had engaged the services of Central Depository Services (India) Limited.

Postal ballot notices and forms were despatched, along with postage - pre-paid business reply envelopes to Registered members/beneficiaries. The same notice was sent by email to members who had opted for receiving communication through the electronic mode.

The Company had also published a notice in the newspaper for postal ballot declaring the details and requirements as mandated by the Act and applicable rules post circulation of postal ballot notice to all the shareholders.

Voting right was reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date. Members who wanted to exercise their votes by physical postal ballot were requested to return the forms duly completed and signed, to the scrutiniser on or before the close of the voting period. Those using the e-voting option

were requested to vote before the close of business hours on the last date of e-voting. The last date for receipt of Postal ballot forms or E-voting was the date on which the resolution would be deemed to have been passed if approved by the requisite majority.

Postal Ballot No. 2

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related rules, General Circular Nos. 14/2020 and 17/2020 dated 8th April, 2020, 13th April, 2020 and General Circular No. 39/2020 dated 31st December, 2020 (the "MCA Circulars") respectively issued by the Ministry of Corporate Affairs (MCA), the Company provided electronic voting (e-voting) facility, to all its Members. For this purpose, the Company had engaged the services of Central Depository Services (India) Limited.

Further, pursuant to the relaxations provided by Ministry of Corporate Affairs dated 27th March, 2020 the Company had also published a public notice in the newspaper for all the shareholders to update their email addresses and mobile numbers with the depositories prior to the circulation of postal ballot notice.

The Notice of Postal Ballot was sent in electronic mode only to all those Members who had registered their e-mail

addresses with the Company or Depository Participant/ Depository/KFin Technologies Private Limited. Further, the Members had the option to vote only through remote e-voting and voting through physical ballot papers was not provided.

The Company had also published a notice in the newspaper declaring the details and requirements for postal ballot as mandated by the Act and applicable rules post circulation of postal ballot notice to all the shareholders.

Voting right was reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date.

The scrutiniser completed their scrutiny and submitted the report to the Chairman/Managing Director, and the consolidated results of the voting were announced by the Chairman/Authorised Officer.

The results were also displayed on the Company's website www.crompton.co.in besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

COMPLIANCE WITH MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.

MEANS OF COMMUNICATION:

WEBSITE, NEWS & EVENTS

- i. A separate dedicated section under 'Investors' at www.crompton.co.in/investors/corporate-governance/ gives information on applicable policies including policy on dealing with related-party transactions which is at <https://www.crompton.co.in/media/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/investors/corporate-governance/> gives information on policy for determining material subsidiary at <https://www.crompton.co.in/media/Policy-on-Material-Subsidiary.pdf>.

- iii. The quarterly, half-yearly and yearly results (unaudited or audited, as the case may be) prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 issued by SEBI are sent to the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited. The results are normally published in "Financial Express" (English Daily) and "Loksatta" (Marathi Daily) within 48 hours of the conclusion of the meeting of the Board in which they are approved. The results are displayed on the Company's website <https://www.crompton.co.in/investors/newspaper-publications/>. Press Releases are also issued, which are also displayed on the Company's website in a separate section.
- iv. The required disclosures were made to the Stock Exchanges and were uploaded on the website of the Company.
- v. Any presentations made to the institutional investors or/and analysts are also posted on the Company's website and also submitted to the stock exchanges where the securities of the Company are listed.

COMPLIANCE WITH NON-MANDATORY PROVISIONS

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

- The position of the Chairman of the Board of Directors and that of the Managing Director and the Chief Executive Officer are separate.
- The audit report on the Company's Financial Statements for the year ended 31st March, 2021 is unmodified.
- The Internal Auditors report directly to the Audit Committee.
- Your Company follows a robust process of communicating with the shareholders which have been elaborated in the Report under the heading "Means of Communication".

GENERAL SHAREHOLDER INFORMATION

7th ANNUAL GENERAL MEETING

Date & Day	: Friday, 23 rd July, 2021
Time	: 3:00 P.M.
Venue	: Through video conferencing/other audio-visual means (Deemed venue - Tower 3, 1 st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai 400070.

FINANCIAL YEAR

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

FINANCIAL CALENDAR

First Quarter Results

End July/First fortnight of August

Second Quarter Results

End October/First fortnight of November

Third Quarter Results

End January/First fortnight of February

Last Quarter Results and Annual Audited Results

April/May

DATES OF BOOK CLOSURE AND DIVIDEND PAYMENT DATE:

Record date shall be 9th July, 2021 and Book Closure for Dividend will be from 10th July, 2021 to 23rd July, 2021 both days inclusive and the Dividend would be paid/despatched on or after 26th July, 2021 but within a period of 30 days from the date of the Annual General Meeting.

The Interim Dividend of ₹ 3/- per equity share was paid on 13th November, 2020.

SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised

form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities. All share transfers and other share-related issues are approved by Stakeholders' Relationship and Share Transfer Committee duly constituted for this purpose and processed by the Registrar and Share Transfer Agent of the Company. Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted. During 2020-21, one approval was obtained. The total number of shares in physical form transferred during the year under review was 2,450 shares.

The one transfer case was lodged prior to 31st March, 2019 and was rejected under objections. The investor re-lodged the transfer request post 31st March, 2019 after necessary rectifications and hence the request was processed in 2020-21.

DEMATERIALIZATION OF SHARES

As on 31st March, 2021, 99.40% of the total shares of your Company representing 62,39,53,954 were in dematerialised form, compared with 99.39% as on 31st March, 2020.

STOCK CODES:

BSE Ltd. - 539876

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.

National Stock Exchange of India Ltd. - CROMPTON

Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

ISIN - INE299U01018 (NSDL & CDSL)

Corporate Identification Number -

L31900MH2015PLC262254

Your Company has paid the Listing fees for both the Stock Exchanges for 2020-21 and 2021-22 for Equity Shares and to the National Stock Exchange of India Ltd. for NCDs.

PLANT LOCATIONS

Sr. No.	State	City	Address
1.	Goa	Kundaim	Plot No. 214-A, Kundaim Industrial Estate, Kundaim, Goa - 403 115, India
2.	Goa	Bethora	Plot No. 1, Goa IDC Industrial Estate, Bethora, Panda, Goa - 403 409, India
3.	Gujarat	Vadodara	Padra Jambusar Highway, Village Kural, Taluka Padra, District Vadodara, Gujarat - 391430, India
4.	Maharashtra	Ahmednagar	C-19, MIDC, Ahmednagar, Maharashtra - 414 111, India

Sr. No.	State	City	Address
5.	Maharashtra	Ahmednagar	A-28, MIDC, Ahmednagar, Maharashtra - 414 111, India
6.	Himachal Pradesh	Baddi	Baddi (Unit I) Plot No. 81, HPSIDC, Industrial Area Baddi, District Solan, Himachal Pradesh - 173 205, India
7.	Himachal Pradesh	Baddi	Baddi (Unit II) Plot No. 148,149,150,157, 158 and 159, HPSIDC, Industrial Area, Baddi, District Solan, Himachal Pradesh - 173 205, India
8.	Himachal Pradesh	Baddi	Baddi (Unit III) Village Thana, Tehsil Baddi, District Solan, Himachal Pradesh - 173 205, India

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

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

Your Company also undertakes short-term commodity hedging activities to prevent future adverse price movement.

NON-CONVERTIBLE DEBENTURES (NCDs) AND CREDIT RATING

Your Company has NCDs amounting to ₹ 480 crore as on 31st March, 2021, which are listed on the National Stock Exchange. The details of the Non-Convertible Debentures of the Company are as follows:

Particulars	Series C	Series A	Series B
Date of Allotment	24 th June, 2016	29 th May, 2020	29 th May, 2020
Repayment	5 th Year	3 rd Year	3 rd Year
Embedded option, if any	NA	Call Option on expiry of 18 th month from the Date of Allotment	Call Option on expiry of 24 th month from the Date of Allotment
Year of Repayment	2021	2023	2023
Coupon Rate	8.95%	7.25%	7.25%
Face Value	₹ 10,00,000 per NCD		
Rating at the time of issue	CRISIL AA	CRISIL AA+/Stable	
Rating at the end of 31 st March, 2017	CRISIL AA/Stable	NA	
Rating at the end of 31 st March, 2018	CRISIL AA/Positive	NA	
Rating at the end of 31 st March, 2019	CRISIL AA+/Stable	NA	
Rating at the end of 31 st March, 2020	CRISIL AA+/Stable	NA	
Rating at the end of 31 st March, 2021	CRISIL AA+/Stable	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.

Details of redemption

Series B Non-Convertible Debentures (NCDs), issued in June 2016, amounting to ₹ 170 crore were redeemed on 24th June, 2020.

Series C Non-Convertible Debentures (NCDs), issued in June 2016, amounting to ₹ 180 crore are due for redemption on 24th June, 2021.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Certificate, as required under Part C of Schedule V of Listing Regulations, received from M/s. Pradeep Purwar & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the financial year ending on 31st March, 2021 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, 2021 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 are as follows:

(₹ in crore)

Type of Service	Financial Year 2020-21*	Financial Year 2019-20*
Audit Fees*	0.42	0.42
Tax Audit Fees	0.08	0.08
Others	0.34	0.40
Total	0.84	0.90

* Includes Audit and Audit-related services on a consolidated basis.

The Audit Fees paid to the auditors for the financial year ended 31st March, 2021 is covered separately in the Notes to Accounts.

DISCLOSURE UNDER SEXUAL HARASSMENT

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

The details of sexual harassment complaints for the year ended 31st March, 2021 are furnished as under:

Particulars	No. of Complaints
Number of complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of complaints pending as on the end of the financial year	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 KFin Technologies Private Limited at:

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

Telephone	:	1800 309 4001
Email	:	einward.ris@kfintech.com
Website	:	www.kfintech.com
Contact Person	:	Ms. Krishna Priya
Designation	:	Senior Manager - Corporate Registry
SEBI Registration	:	INR000000221

For the benefit of shareholders, documents will continue to be accepted at the Registered and Corporate Office of the Company at: Crompton Greaves Consumer Electricals Limited.

CIN	:	L31900MH2015PLC262254
Address	:	Tower 3, 1 st 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, 2021

Sr. No.	Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1	1 – 5000	1,18,949	2,99,76,326	4.78
2	5001 – 10000	1,095	76,89,289	1.22
3	10001 – 20000	466	64,82,736	1.03
4	20001 – 30000	148	36,41,346	0.58
5	30001 – 40000	59	20,58,676	0.33
6	40001 – 50000	38	17,26,666	0.28
7	50001 – 100000	119	87,14,963	1.39
8	100001 and above	367	56,74,01,351	90.39
	TOTAL	1,21,241	62,76,91,353	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2021

Sr. No.	Category	No. of Shares of ₹ 2 each	% of Shareholding
1	Promoter & Promoter Group (Foreign Bodies Corporate)*	7,13,02,579	11.36
2	Indian Financial Institutions	16,61,250	0.26
3	Bodies Corporate	1,19,49,560	1.90
4	Foreign Institutional Investors	2,33,297	0.04
5	Banks	1,11,304	0.02
6	Clearing Members	4,47,741	0.07
7	Foreign Nationals	808	0.00
8	Foreign Portfolio Investors	24,56,89,136	39.14
9	H U F	9,30,949	0.15
10	Mutual Funds	17,66,53,739	28.14
11	NBFC	1,38,313	0.02
12	Non-Resident Indians	12,97,411	0.21
13	Overseas Corporate Bodies	61,600	0.01
14	Resident Individuals	4,83,23,263	7.70
15	Trusts	46,087	0.01
16	Alternative Investment Fund	1,06,12,972	1.69
17	NRI Non-Repatriable	28,74,929	0.46
18	Beneficial Holdings under MGT-4	1,497	0.00
19	Qualified Institutional Buyer	5,53,54,918	8.82
	TOTAL	62,76,91,353	100.00

Notes:

*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.

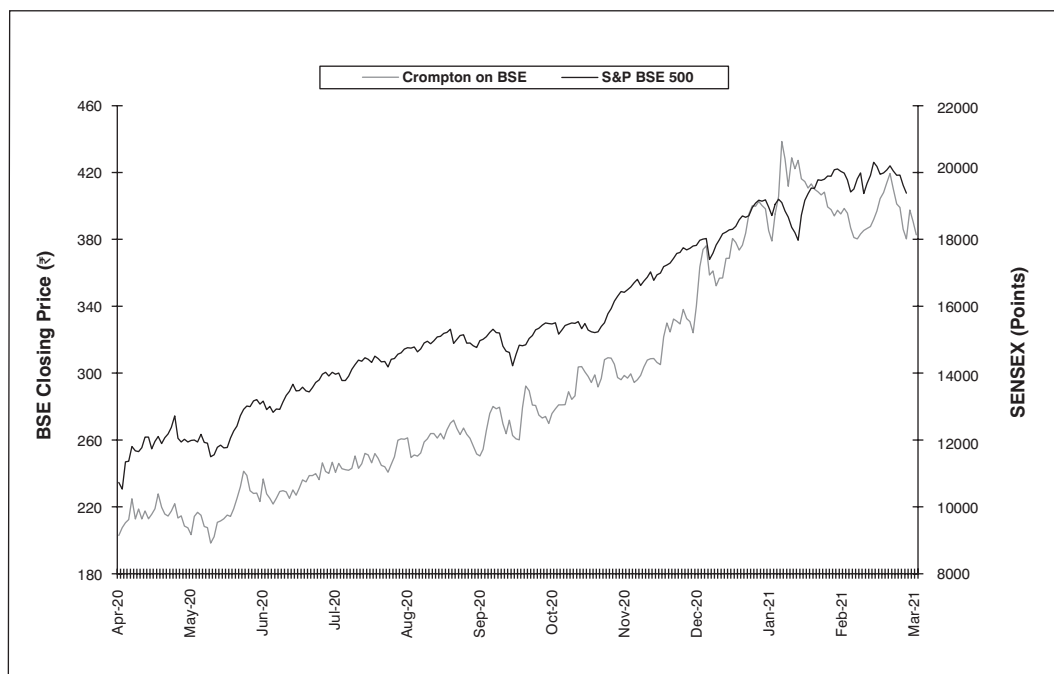
MARKET PRICE DATA

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 :

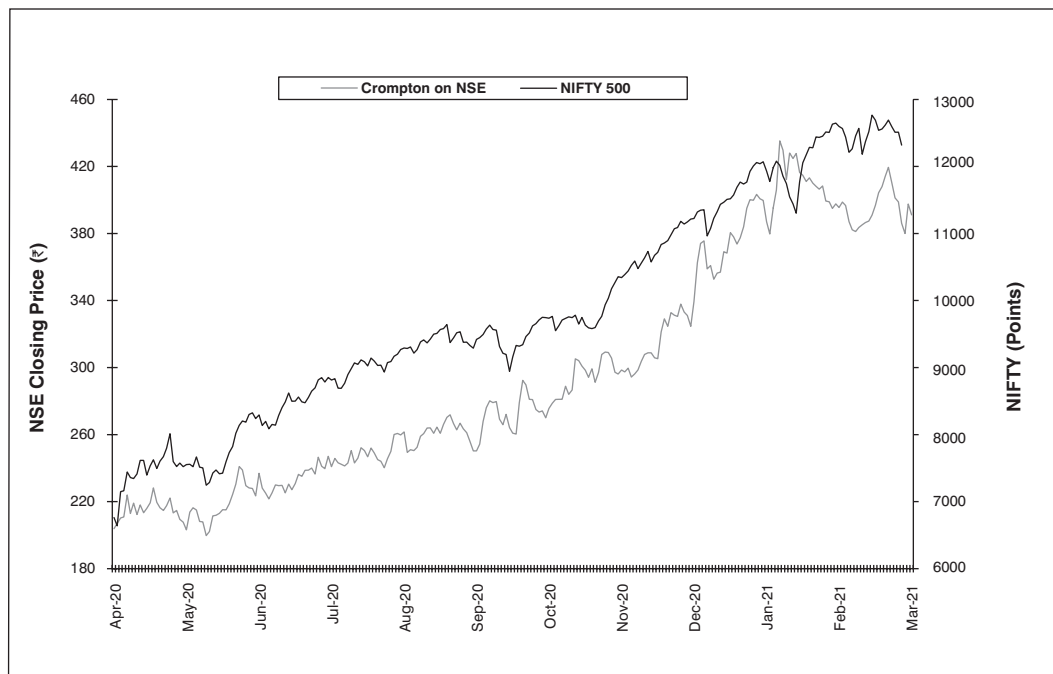
Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High	Low	Total Turnover (₹ in crore)	High	Low	Total Turnover (₹ in crore)
	Face Value ₹ 2	Face Value ₹ 2		Face Value ₹ 2	Face Value ₹ 2	
April 2020	239.10	200.00	15.45	239.65	199.70	364.61
May 2020	227.90	196.40	19.97	227.90	196.55	384.16
June 2020	247.60	217.40	36.82	247.75	217.20	453.93
July 2020	256.00	234.50	12.01	254.95	234.30	471.87
August 2020	277.80	238.05	13.57	278.00	238.00	420.55
September 2020	295.00	248.85	12.36	295.00	249.00	574.04
October 2020	328.45	260.20	51.00	329.00	267.40	854.59
November 2020	316.45	285.95	83.16	316.60	285.70	2,572.51
December 2020	393.60	302.65	83.93	393.65	302.25	1,320.41
January 2021	455.60	368.85	57.61	456.00	367.05	1,354.40
February 2021	427.75	371.50	1,749.62	426.00	371.25	1,819.13
March 2021	420.55	358.45	72.61	421.25	358.05	1,414.53

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, 2021

Description	No. of Shareholders	Shares	% to Equity
Physical	6,181	37,37,399	0.60
NSDL	62,385	60,18,46,028	95.88
CDSL	52,675	2,21,07,926	3.52
TOTAL	1,21,241	62,76,91,353	100.00

OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS AS ON 31ST MARCH, 2021

Nil

DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

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

UNCLAIMED SHARES

9,55,925 number of equity shares were lying in the unclaimed suspense account of CG Power and Industrial Solutions Limited (erstwhile Crompton Greaves Limited) at the time of demerger. Pursuant to the Scheme of demerger, equivalent number of equity shares were allotted on 22nd March, 2016. There were 9,26,646 number of equity shares lying in Unclaimed Suspense Account as unclaimed shares as on 31st March, 2021.

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 1 st April, 2020	4,046	9,28,104
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	10	1,458
Number of shareholders to whom shares were transferred from suspense account during the year	10	1,458
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2021	4,036	9,26,646

The voting rights on these shares in the suspense account as on 31st March, 2021 shall remain frozen till the rightful owner of such shares claims the shares.

In the month of March 2021, your Company had sent communication to such shareholders for claiming these shares lying in Unclaimed Suspense Account.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED-PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE

The details relating to materially significant related-party transactions that may have potential conflict with the interests of listed entity at large forms part of the Board Report.

ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The details pertaining to establishment of vigil mechanism and whistle blower policy forms part of the Board Report.

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

The Executive Director & Chief Executive Officer and Chief Financial Officer's annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations is contained in this Annual Report.

The 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 2020-21.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 24th June, 2021

H. M. Nerurkar
Chairman
DIN: 00265887

Annexure A

Certificate as required under Part C of Schedule V of Listing Regulations - Regulation 34-Annual Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members,

Crompton Greaves Consumer Electricals Limited

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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
9	Mr. Mathew Job	02922413	22/01/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pradeep Purwar & Associates**

Company Secretaries

[Unique Identification No. S2003MH071600] [PR: 599/2019]

Pradeep Kumar Purwar

Proprietor

FCS No. 5769

CoP No. 5918

UDIN: F005769C000343238

Place : Mumbai

Date : 19th May, 2021

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 an 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 serve 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.

The retirement date of Non-Executive Directors shall be on the day when they attain the age of 75 years.

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 Nomination and Remuneration Committee (NRC) 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

Place: Mumbai

Date: 24th June, 2021

DIN: 00265887

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 March 31, 2021 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 (hereinafter referred to 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.

Note: Due to lockdown under COVID-19, Certification on this Corporate Governance Report is done on the basis of documents made available to us in electronic form by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

For Mehta & Mehta

Company Secretaries

(ICSI Unique Code P1996MH007500)

Dipti Mehta

Partner

FCS No: 3776

CP No.: 23905

UDIN: F003667C000354864

Place : Mumbai

Date : 21st May, 2021

Compliance Certificate by the Executive Director & Chief Executive Officer and Chief Financial Officer

To

The Members,

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

Dear Sir/Madam,

Sub: Compliance Certificate for the year ended 31st March, 2021 – Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

In compliance with Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), it is certified that –

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) there were no significant changes in accounting policies during the year; and
 - (3) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

Mathew Job

Executive Director & Chief Executive Officer
DIN: 02922413

Place : Mumbai

Date : 21st May, 2021

Sandeep Batra

Chief Financial Officer

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, 2021.

Mathew Job

Place : Mumbai

Date : 21st May, 2021

Executive Director & Chief Executive Officer

DIN: 02922413

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, 1 st 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	2020-21
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 23 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 and Bangladesh.

SECTION B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (As on 31 st March, 2021)	₹ 125.54 crore
2.	Total Turnover	₹ 4,825.58 crore
3.	Total Profit after Taxes	₹ 604.74 crore
4.	Total Spending on Corporate Social Responsibility (CSR)	₹ 10.99 crore
5.	As percentage of Profit after Taxes	1.82%
6.	List of activities in which Corporate Social Responsibility (CSR) expenditures have been incurred	<ul style="list-style-type: none"> • Skill Development • Water Conservation • Response to COVID-19 Pandemic • Community Development initiatives

SECTION C - OTHER DETAILS

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

Yes, the Company has three subsidiary companies in India:

- (i) Nexustar Lighting Project Private Limited;
- (ii) Pinnacles Lighting Project Private Limited; and
- (iii) Crompton CSR Foundation.

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 Company's subsidiaries define their own initiatives based on the context of their operations. As the parent company, Crompton provides access to information and expertise, as applicable.

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

The Company has a long-lasting relationship with its Suppliers/Vendors and has aligned, its policies and guidelines on sustainability, with them. Some of the initiatives taken have been as follows:

- significant amount of awareness is being created on sustainability among the Vendors;
- continued training is being imparted to all Strategic Vendors on Energy, Health and Safety; and
- skill enhancement sessions are being conducted at Vendor locations to build organisational capability and improve performance standards.

SECTION D - BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

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

Sr. No.	Particulars	Details
1.	DIN	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	Executive Director & 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy 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 Company's Business Responsibility policies abide by the spirit and content of Code of Conduct, all applicable Laws and Standards. The policies are framed to comply with 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 Directors?	All statutory policies are approved by the Board of Directors and 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?	Yes, the implementation and adherence to the Policies are overseen as stated: Code of Conduct – Human Resources Department Corporate Social Responsibility Policy – CSR Committee (as per Companies Act 2013 and Rules framed thereunder) Energy Health and Safety Policy – The Chief Executive Officer Customer Service/Complaints – Designated After-Sales Service Centres (Customer Delight being one of the Company's core values).								
6.	Indicate the link for the policy to be viewed online?	Please refer to the links in the table below.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	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?	Yes. Crompton Ethics Line, the Company's Whistle Blower Mechanism provides Employees and Vendors a mode to report any concerns or grievances pertaining to any potential or actual violation of Code of Conduct. Customer Care Line, a customer complaint mechanism records the grievances of customers on Quality of Product, Service and any 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 an independent audit/evaluation of the working of this policy by an internal or external agency?	These policies are reviewed by internal and external auditors, if need be, during their audits and reviews. However, no formal evaluation has been done by any internal or external agency.								

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	<ol style="list-style-type: none"> Code of Conduct Vigil Mechanism and Whistle Blower Policy Code of Conduct to Regulate, Monitor and Report Trading by Insiders Prevention of Sexual Harassment Policy 	<ol style="list-style-type: none"> https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf https://www.crompton.co.in/wp-content/uploads/2020/05/Vigil-Mechanism-and-Whistleblower-Policy.pdf https://www.crompton.co.in/wp-content/uploads/2020/02/Code-of-Conduct-to-Regulate-Monitor-and-Report-trading-by-Designated-Persons.pdf 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	<ol style="list-style-type: none"> Environment, Health and Safety Policy 	<ol style="list-style-type: none"> https://www.crompton.co.in/media/EHS-Policy.pdf
3.	Businesses should promote the wellbeing of all employees	<ol style="list-style-type: none"> Code of Conduct Environment, Health and Safety Policy Maternity Leave Policy 	<ol style="list-style-type: none"> https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf https://www.crompton.co.in/media/EHS-Policy.pdf The other policies are internal policies and are not displayed on the website of the Company but are part of the Company's Employee portal.
4.	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	<ol style="list-style-type: none"> Code of Conduct Corporate Social Responsibility Policy 	<ol style="list-style-type: none"> https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf https://www.crompton.co.in/wp-content/uploads/2021/03/Corporate-Social-Responsibility-Policy.pdf
5.	Businesses should respect and promote human rights	<ol style="list-style-type: none"> Code of Conduct 	<ol style="list-style-type: none"> https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf
6.	Businesses should respect, protect, and make efforts to restore the environment	<ol style="list-style-type: none"> Corporate Social Responsibility Policy Environment, Health and Safety Policy 	<ol style="list-style-type: none"> https://www.crompton.co.in/wp-content/uploads/2021/03/Corporate-Social-Responsibility-Policy.pdf https://www.crompton.co.in/media/EHS-Policy.pdf

Principle No.	Principle	Reference Document	Reference Links
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/wp-content/uploads/2020/05/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/wp-content/uploads/2021/03/Corporate-Social-Responsibility-Policy.pdf
9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner	1. Code of Conduct 2. Product Service Policy	1. https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf 2. The Company framed Service Policy internally and circulated amongst the Service centres for adherence.

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.

To emphasise on the values of transparency, ethical behaviour, empowerment and accountability, the Company has formalised the 'Code of Conduct' for Directors and all employees of the Company. The Code lays down principles and standards that govern the actions of the employees during conduct of the Company's business. It covers all dealings with vendors, customers, and other business partners. Any actual or potential violation of the Code, howsoever insignificant, would be a matter of serious concern for the Company. The Company's induction programme for new joiners mandates initiation to the Crompton Code of Conduct.

The Company has introduced the e-learning tool on POSH, Whistle Blower Policy and Code of Conduct for all regular employees of the Company. The Company has also introduced the e-learning tool on Prohibition of Insider Trading for all the designated persons of the Company.

The Company has established mechanisms to receive and address complaints from different stakeholders including Investors, Customers, Consumers, Employees and Suppliers.

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

SECTION E - PRINCIPLE-WISE PERFORMANCE

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

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

The Company is committed to adhere to the highest standards of ethical, moral and legal code of conduct for business operations. Crompton's behavioural framework is built upon five Value pillars i.e. Personal Leadership, Courage, People Development, Innovation and Execution Excellence.

The Company has formed a separate Stakeholders' Relationship Committee to address shareholder grievances.

The Company has an exclusive e-mail id for redressal of investor grievances. Investors can email at crompton.investorrelations@crompton.co.in to lodge their complaints. All shareholder complaints received during the reporting year have been resolved successfully as on 31st March, 2021.

To address workplace-related issues, the senior management team has periodic interactions, including open houses with employees at different locations. The Managing Director and Executive Director & Chief Executive Officer receive feedback from employees across the country through specially instituted mechanisms.

The Company has implemented an IT tool that helps track statutory compliances as close as possible to the actual due date. Any deviations are highlighted for prompt corrective actions. Functional owners are responsible for taking preventive actions. This web-based compliance management system not only helps adhere to the regulatory requirements, but also develops a culture of self-regulation and accountability within the 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 14 complaints from its shareholders which were promptly resolved. The details of the complaints are:

Sr. No.	Complaints Received	No. of Complaints
1	Non-receipt of Annual Report	0
2	Non-receipt of Securities	0
3	Non-receipt of Dividend Warrants	3
4	Escalation to SEBI	7
5	Escalation to Stock Exchange	4
	Total	14

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:

The Company emphasises on energy efficiency while designing all its products. Three products whose design has incorporated social or environmental concerns, risks and/or opportunities are:

- i) Quantum series of pumps with BEE star ratings
- ii) Arno Neo Water heaters
- iii) Sol Aura storage Water heaters
- iv) Rapid Jet instant water heater

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

- i) Quantum series of pumps launched for residential and agricultural applications have highest star ratings given by BEE (5 Star) which has almost 40% more efficiency than normal ISI pump.
- ii) The Company launched an energy-efficient range of Storage Water Heater which is designed in such a way to get maximum 5 BEE star rated product with proper insulation and better-quality Thermostat for Temp sensing.
- iii) These 5 Star Rated products saves up to 46% on energy bills for the consumer as compared to 1 Star rated Storage Water Heater for their respective capacity.
- iv) Company put more focus to introduce 6 Litre - 5 Star BEE rated SWH to move Instant water heater consumers to Storage Water heater, which results in saving of energy.

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

(i) Sustainability Roadmap

The Company has been continuously striving to enhance sustainability associated with its sourcing practices.

The sustainability roadmap of the Company includes strategy of one vendor per platform, 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.

(ii) Supply Chain Partnering

Sustainability is extended to vendors through responsible procurement practices and selection criteria focussed on the protection of the environment, societal interest seeking resource efficiency, improving the quality of products and services. The Company is committed to improving awareness among Vendors, on legal compliances, enhance eco-efficiencies, employee health and safety through various initiatives.

Vendors and service providers are encouraged to adopt management practices detailed under the International Standards such as ISO 9001, ISO 14001, OHSAS 18001 and other Environment, Health and Safety (EHS) guidelines. New vendor development process consists of stringent adherence check against EHS and statutory and legal norms laid under State Factory Acts. Existing vendors undergo periodic EHS assessments as a part of routine audits and are required to demonstrate sustenance for business continuity. Contract manufacturing agreements provide for compliance with accepted standards on issues related to EHS and labour practices.

(iii) Packaging Materials and Process

The Company has adopted recycling and reuse of metal bins for the handling of semi-finished components for selected categories, thereby eliminating wooden packaging. The Company is investing to secure cargo during dispatches by improving loading procedures.

(iv) Distribution and Logistics

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

Towards the same, the Company has been able to reduce the primary distance travelled via significantly optimising the warehouse footprint across the country and leveraging GST implementation.

The Company does not allow any vehicles which are not having valid documents, including PUC certificates inside the factory, nor use them for transportation purpose.

Import substitution across products and components in Lighting and Fans has been initiated.

The Company uses managed centralised print services, with the help of password authentication, which minimise usage of paper and ink.

4. Steps taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors.

The Company encourages the procurement of goods and services from local and small producers surrounding its plant locations. The contractors, engaged in the plants, mostly employ workmen from the nearby villages.

Vendor selection is determined by the following factors:

1. Capability, quality, performance and on-time delivery;
2. Compliance to legal, environment, health and safety guidelines;
3. Readiness to participate in sustainable supply chain management programme; and
4. Total landed cost competitiveness;
5. Financial strength by viewing last two years balance sheets.

The Company collaborates with its strategic vendors and partners in developing their product and technical skills. It also engages with them through various training and development initiatives at regular intervals, makes frequent visits to Vendors' factories and conducts impactful workshops to reward and recognise their contribution through scorecard assessments, etc.

The Company signifies and trains its vendors to meet the EHS requirements across all its plant locations.

This practice is not only greatly improving the Vendor efficiency but also considerably reducing the Company's carbon footprint.

In addition to this, the Company widely promotes vocational skills, development and training programmes to improve the livelihood of the neighbouring community.

5. Mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)

The Company adopts comprehensive Environment Management Practices to focus on the conservation of natural resources across all its operating units. It has stringent waste management policies for internally generated wastes.

Solid waste/sludge from Water and Waste treatment plants and Process waste from the factories, is disposed in a controlled manner into the Government-approved Common Hazards Waste Treatments Storage and Disposal Facility (CHWTSDF).

Principle 3: EMPLOYEES' WELL-BEING

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The Company lays a huge impetus on the well-being of all its employees. It emphasises on creating a stimulating work environment to enable employees to learn, develop, thrive and deliver best performance aligned with the Company's objectives. The Company continuously strives to positively influence the employees to remain engaged and committed.

- a) Guaranteeing "no-job-and-no-salary-cut" policy to all employees.
- b) Proactive "work-from-home" and "work-from-anywhere" policy.
- c) Industry-leading safety protocols and tools (incl. AI-enabled devices).
- d) Significantly enhanced benefits around hospitalisation, and Employee Life. For example, your Company have almost doubled the benefits around employee life, with the life-benefits being at 5-6 times annual compensation for junior cadres.
- e) On-line free medical consultation, and provision of medical support (such as Oxygen concentrators).
- f) Personalised attention and treatment of employees beyond policy (incl. financial support).

- g) Employee Assistance programmes with trained psychologists.
- h) Deep-embedded employee engagement programmes (often involving family members).
- i) Initiatives around work-life balance.
- j) Organisation-wide movements around employee physical fitness.
- k) Programmes centred around stress, positive intelligence, etc.
- l) Free vaccination programmes for employee and family members (incl. indirect employees).
- m) Extensive 1-1 and small-group connect programmes with leaders and managers.
- n) Paying salaries ahead of time and disbursement of bonus and incentives on-time.
- o) Deployment of value-added processes such as career conversations and development.

The Company provides overriding priority to Employee Safety. It is committed to building a safety culture by implementing Behaviour-Based Safety through trainings and workshops, recording workplace hazards, conducting scheduled Fire-Safety Audits (in-house), strict adherence to Work Permit System (WPS) and Daily 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 begin with adequate induction. Internal and cross plant safety audits are conducted too. All actions and recommendations are being recorded and evaluated by respective EHS leaders. This monitoring has a major role in reducing workplace hazards/incidents and making Crompton, a Zero-accident organisation.

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

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

Other details are mentioned below:

1. Total number of employees -

The total number of employees including contract labour and trainees were 4,158.

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, 2021 was 2,305. In the previous year, there were 2,195 contractual employees.

3. Number of permanent women employees -

The total number of permanent women employees was 157. In the previous year, there were 159 permanent women employees.

4. Number of permanent employees with disabilities -

The Company has 4 permanent employees with a disability.

5. Employee associations recognised 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. One complaint on sexual harassment was reported in the last financial year.

8. Percentage of under-mentioned employees that were given safety and skill upgradation training in the previous year:

1. Permanent employees - 77%
2. Permanent women employees - 77%
3. Casual/temporary/contractual employees - 76%
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 surveys and trainings
Customers	Customer meets and visits by Company officials
Investors and Stakeholders	Investors meet, annual general meeting and annual report
Suppliers	Site visits and personal/telephonic interactions
Trade Unions	Works Committee, Grievance Committee and Union Meetings
Dealers and Community/Society	Meetings & Trainings

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes. The disadvantaged and vulnerable stakeholders include differently-abled employees, rural communities and people from economically weaker background 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, marginalized, rural communities and people from economically weaker backgrounds. 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 applies to all employees of the Company.

Human Rights issue is a part of the vendor selection process and is also included in the contracts drawn up with the vendors.

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 complaint was received from stakeholders under the Code of Conduct.

Principle 6 - ENVIRONMENT

BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Coverage of the policy related to Principle 6 and its extension to the group/joint ventures/suppliers/contractors/NGO's/others

The Company constantly strives and focusses its efforts for the cause of the environment, by not only making efficient use of available resources but also by augmenting the natural resources. Its policies and activities are aligned to respond to the challenges emerging out of climate changes, in the form of energy conservation, water conservation, use of renewable energy, waste minimisation and expansion of greenery.

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 the Company's philosophy.

The Company's Environment, Health and Safety (EHS) Policy covers all employees and stakeholders across all manufacturing units and it has been displayed both in English and local languages.

2. The Company's strategies/initiatives to address global environmental issues, such as climate change, global warming and more

The Company takes pride in actively and continuously engaging in Operational improvements focussed on Environmental sustainability and to address related issues. Some of the initiatives undertaken during the reported period were:

Reduction in energy consumption:

Saved 1.03 Lakh Electricity Units 2019-20 vs 2020-21 at Ahmednagar Factory

- Replacement of all shop floor & office conventional light fittings by LED fittings, at Ahmednagar Factory.
- Heat loss of oven was arrested by running plant on alternate days with 2 shifts at Bethora; this has resulted in saving of 2,09,698 KWh.
- Replaced 90W streetlights with 35W LED streetlights at both Baddi Fan Units which has given saving of 3.34 MWh (Replaced 20 Nos. of Streetlights).

Reduction in water consumption:

- Auto Water Dispenser on DMB line which results into ~8,000 Litres water saving/year at Ahmednagar Factory.
 - a) Existing Process – Manual flow control (~1.4L/Pump), Excess overflow of water, Wet floor due to excess overflow.
 - b) Modified Process – Auto flow control (~1.2L/Pump), No overflow of water, No unsafe condition of wet floor.
- Canteen Waste Water Storage Tank Repairing, which had leakages at multiple locations, resulting in increase in recycled water by 30 KL i.e. actual in 2020-21 and annual potential is 150 KL at Ahmednagar Factory
- 50 no. of trees planted as part of the tree plantation drive at Ahmednagar Factory.
- 50 no. trees planted & 150 no. of trees distributed among employees at Goa Factories.
- Installed Auto operating taps, which has saved water by 29% over last year. (In 2019-20 Water/Employee was 3.63 KL, in 2020-21 Water/Employee is 2.6 KL) at Goa Factory.
- With STP in place, were able to recycle 15% more Water w.r.t. Last Year. In 2019-20: 3368 KL, in 2020-21: 3876 KL at Goa Factory.

- Reduced water consumption by 10% compared to last year at Baddi lighting Unit. This was achieved by rectifying the water leakages and minimising the water wastage for flushing and washing. (Saved 350 KL compared to last year).

Following initiatives were taken at Vadodara plant:

35 no. of trees planted.

New STP Installed near Canteen increase recycling water.

2019-20 Total Recycling water 15546 KL.
2020-21 Total Recycling Water 18668 KL Increase 3122 KL.

Recycling water use for Gardening Purpose.

Reduction in FTL/GLS/LED production.

Due to these initiatives, there has been a reduction of 1,367 kg of waste produced.

3. Identification and assessment of potential environmental risk

- The Company has established management systems, certified by accredited agencies in line with International Standards like **IMS 45001:2018**. Identification, assessment and evaluation of potential environmental risk are a continuous process at all the operational facilities of the Company.
- The operational units ensure that 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.
- ATS Unit for Server Room
Installed ATS (automatic power transfer switch) which is having 2 inputs (existing 3 KVA UPS and 10 KVA Solar UPS) and 1 output for uninterrupted power supply for servers, telephone EPBX and CCTV all time during breakdown or preventive maintenance to and eliminate chances of server, telephone EPBX and CCTV system failure or data loss.
- Replaced all individual UPS from Shop floor with Centralised UPS, which saves space, energy & created safe working conditions, also reduces maintenance cost.
- Improvement of Stability & Safety of Suction Lift Setup.

Provided more stability to structure and provision for secondary retractable wire rope in case of failure of primary system.

- Layout Modification of Industrial Pump Assembly area & Impeller Balancing area :-
 - 1) Provided material quarantine facility for incoming raw material against COVID-19 precautions.
 - 2) Modified the Impeller balancing layout for safe material handling and safe evacuation.

The Company's Bethora Fans factory has emphasised improving the efficiency of its manufacturing processes, which resulted in the reduction of hazardous waste generation by 5% from last year (6100 kgs to 5800 kgs in 2020-21).

Installed Roof top lifeline for Baddi Lighting Unit, for safe roof work related operations.

Installed Auto Fire suppression system at main electrical panels of both Baddi Fan units. This was installed to eliminate major fire hazard in plant due to any electrical spark in panel. This system is capable to extinguish at local level with immediate action fire Fighter Certification training done at Vadodara.

Visitor induction standard system developed and implemented at Vadodara unit – Television and safety video provided in Visitor room.

Chemical room safety kit flame proof lighting and Emergency door installed at Vadodara.

Lighting Vadodara unit received Fame Excellence Platinum Safety Award 2020 in Safety Excellence Category.

4. Company's initiatives towards clean development mechanism

The Company continues its contribution towards the Environment by ensuring efficient use of resources and responsible means of waste disposal. The Company's EHS policy commits to establishment and effective execution of Management systems, thereby enabling all the Company's Operational units to be certified with IMS QMS 9001:2015 (Quality Management System), ISO 14001 (Environmental Management Systems) and ISO 45001:2018.

Sustainability Audit by M/s. SGS, 92% Score for Health & Safety & 94% for Environment.

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 2020-21 for all Baddi units.

5. The Company's initiatives on – clean technology, energy efficiency and renewable energy, among others

The Company is cognisant of the need to conserve energy through clean technology. As part of its core value of operational excellence, the Company continuously strives to achieve efficiency at all its manufacturing facilities, and many of its new initiatives both capital and operational are on the path of effective utilisation of resources.

Reduction in energy consumption:

- Replacement of all shop floor & office conventional light fittings by LED fittings, at Ahmednagar Factory.

Saved 1.03 Lakh Electricity. Units FY19-20 Vs 20-21 at Ahmednagar Factory.

6. Reporting on the emissions/waste generated by the Company as per the permissible limits given by CPCB/SPCB

The Company has renewed Occupational health centre membership for the Baddi Unit's locations.

The Company is complying with the emission norms and periodic reports are submitted with the CPCB and SPCB, as per statutory requirements.

Occupational health centre State Pollution Control Board authorisation valid up to 31.12.2075 – lighting.

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 the above associations for the advancement or improvement of the 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. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company's CSR Policy is drawn up on the basic principles of "Responsible Business" and "Shared Value", aligned to the developmental priorities identified by the provisions of Companies Act, 2013. The Policy, inter alia, deals with the objectives of the Company's CSR initiatives, the guiding principles, the responsibilities of the CSR Committee, the implementation plan and reporting framework.

UJJVAL DEEP, the Company's CSR programme framework is aligned to its long-term commitment to build positive value for the communities.

Since inception, Crompton has recognised its responsibility towards the society and has remained committed to its role as a responsible corporate citizen. Over the years, Crompton has developed and implemented various programmes to create and enhance shared value through unique, scalable, and sustainable models to achieve this objective.

Major thrust areas of the Company's CSR initiatives are:

- Skill Development
- Water Conservation
- Response to COVID-19 Pandemic
- Community Development initiatives
- Employee Engagement Program

Skill Development

The goal of the Skill Development Program was to create opportunities, scope and space for the development of the talents of the unprivileged youth and women by imparting of skills training & placement assistance to the desired candidates to enhance the employability.

Crompton has collaborated with NGO partners to run 9 centres across the country to provide a 3-month vocational training in electrical and plumbing. The theory and practical trainings are aligned to the National Skill Development Mission as well as the industry requirements.

Crompton supports skilling of youth in Maharashtra in the field of Electrical, Wireman and repair of Home Appliances and followed by placement and entrepreneurship assistance. This programme is specifically designed to help students, who come from different and often, tough backgrounds dealing with harsh problems, build their self-esteem and confidence and help them develop a positive attitude. Crompton supports skill training of women in the rural Maharashtra to operate and maintain the sewing machines.

Over the year, 1,558 people were trained and 1,046 were successfully placed in the jobs.

Water Conservation

Water, being at the core of sustainable development, has strong linkages with other developmental parameters such as education, health, food security and livelihoods. In the Indian context, access to water is extremely critical to ensure survival and progress of rural, underprivileged and marginalised sections of the society. The programme designed with a conscious effort to increase capacity for water availability by construction, restoration and rejuvenation of water bodies.

The plethora of initiatives undertaken by the Company will positively impact the villages and improve their health and livelihood. The Water conservation interventions are addressing the issue of water security in drought prone villages of Maharashtra.

In partnership with grassroot NGO and local self-government institutions, Crompton is supporting scientifically-proven water and soil conservation structures. Water Conservation structures will be managed and owned by villagers.

Through Water Conservation initiatives, over 16,000 villagers will be benefited.

Health and Response to COVID-19 Pandemic

On 30th January, 2020, the World Health Organization (WHO) declared COVID-19 a public health emergency.

As a part of the commitment to rise to the occasion when the Nation needs it the most, Crompton had extended its support to Hospital, Covid Care Centres and to those impacted by pandemic like daily wage workers, people living in slums and rural areas. Crompton has also extended its support to front line workers working relentlessly to fight the pandemic.

The focus of relief work was on supporting quarantine centres, providing critical medical equipment to hospitals, providing sanitisation kits to community members & Government institutions, providing PPE kits to first responders and other front-line workers, distribution of ration kits to feed insecure household, providing meal to vulnerable community including migrant workers.

Across India, over 10 Hospitals were supported by providing essential Medical equipment for testing and treatment, 1,42,000 people benefited through meal services, 2,500 ration kits were distributed among people impacted due to lockdown and under treatment.

Community Development initiatives

As a responsible corporate citizen, Crompton is committed to lending a hand for community upliftment through various initiatives for poverty alleviation, education and sustainability.

The Company supported distribution of Happiness Boxes to over 7,000 children and their families from low income group. Crompton has supported imparting of Citizenship Values and Life Skills development programmes in schools and colleges to fill this gap. Online sessions were held in 15 schools where 1,200 students were organised in 34 clubs to discuss critical citizenship skills, especially considering the COVID-19 pandemic.

In colleges, workshops were held on topics such as gender and personal integrity. Over 4,000 students from 5 cities and 46 colleges reached out through this session. "My Happy Bags" containing toys, stationery and toy mask were distributed to 750 students in 9 government schools.

Employee Engagement Program

The Company constantly engage its employees in all its CSR initiatives as we strongly believe that human capital is the key for our successes. The Company launched the Fit Crompton Movement, whereby employees were encouraged to work out to raise money for the Happiness Boxes. For every kilometre that the employee covered, the Company committed ₹ 10 towards the Happiness Boxes for underprivileged children.

2. Modes through which programmes/projects undertaken (through in-house team/own foundation/external NGO's/Government structures/any other organisation)

The Company undertakes the programmes and projects on its own, through Crompton CSR Foundation and other like-minded organisations.

3. Impact assessments for initiatives

Impact assessment of CSR initiatives was done in 2019-20 by an independent agency which has indicated areas of improvement. For the reporting period, the focus was on providing immediate relief services towards COVID-19 pandemic as it was a national priority. Further, the Company intends to continue to review the impact of its various initiatives in the 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 Board's 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. All projects have clear feedback mechanisms weaved into them, with a focus on long-term sustainability and active community ownership.

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 the financial year

The Company has a well-established system to handle customer complaints and feedback. Consumers can provide their feedback or lodge product-related complaints through a designated email id i.e. consumer.support@crompton.co.in and call centre toll-free no. 1800 4190 505.

During the year, the Company received a total of 18,42,792 product-related customer complaints, out of which, 18,35,049 complaints were successfully resolved.

Out of the total complaints received during the year, 15,59,276 were within stipulated warranty period and out of these 15,51,534 were successfully resolved as on 31st March, 2021.

There were 27 consumer-related legal cases pending as on 31st March, 2021.

2. Product information and product labelling

All the Company's product carry the information required under the Legal Metrology Act, 2009.

All Labels and Artwork are approved and docketed in a digitised manner through a tool known as Artwork Management System across all PLs and the After-Sales Service Team.

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, the Company conducts periodic Consumer surveys to identify their needs, to take feedback and use such information for new product development.

Your Company have started tracking NPS (Net Promoter Score) as a metrics for tracking Consumer satisfaction across Categories.

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, 2021, 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, 2021, and its 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.

We have determined the matters described below to be the key audit matters to be communicated in our report..

1. Goodwill (Refer Notes 2 and 38 to the standalone financial statements)

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 Rs. 779.41 crore, was recorded as Goodwill in the books of CGCEL. The Company has adopted the policy of amortising the goodwill in the books of account, on the outcome of impairment test if there is an indication of impairment as at the reporting date. Based on the valuation done by the management's consultant, the value of the goodwill is more than book value of goodwill as at 31st March, 2021, and hence, there is no indication of impairment.

We draw attention to Note 45 to the standalone financial statements. 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 the value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The computation involved using certain assumptions around discount rates, growth rates and cash flow forecasts. Accordingly, this is considered as the key audit matter.

Principal Audit Procedures

We have performed the audit procedures in the circumstances as stated above, 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 material variations.

2. Ongoing tax matters, including provision for tax

The Company's unsettled tax position 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 / disallowability of claims at the assessment level. Accordingly, this is considered as the key audit matter.

Principal Audit Procedures

We have performed audit procedures, which including:

- a) Obtained understanding of the key uncertain tax provisions and also obtained information of completed tax assessments and demands / refunds received by the Company during the financial year 2020-21;
- 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 discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assessed the possible outcome of the assessment / demands of the disputed claims. Our tax 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 - Contingent liabilities and commitments, adequately disclose the relevant facts and circumstances and potential liabilities of the Company.
- e) Further, considered the effect of all the information in respect of uncertain tax positions as at 1st April, 2020 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. Accordingly, this is considered as the key audit matter.

Principal Audit Procedures

We have performed audit procedures in the circumstances as stated above, which includes:

- a) Reviewed management's contract risk assessments by enquiries, inspection of minutes of meeting 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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:

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

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 year and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 of India 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 specified under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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
UDIN: 21043385AAAADQ3996

Mumbai, 21st May, 2021

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. (Refer Note 2 to the standalone financial statements).
- (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 Rs. 0.34 crore and Rs.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. The Company is in the process of complying and basis completion thereof, to obtain the right of ownership thereon.
- (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, 2021 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, 2011-12 2013-14 and 2014-15	Commissionerate (Appeals)
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act and Value Added Tax Acts	Tax, Interest and Penalty	0.06	1999-2000	High Court
		126.17	1998-99 to 2001-02 2003-04 to 2017-18	Commissionerate (Appeals)
		4.40	1996-97, 2000-01, 2002-03 to 2008-09, 2010-11 and 2011-12	Tribunal
The Customs Act, 1962	Duty, Interest and Penalty	0.34	2019-20 and 2020-21	Commissionerate (Appeals)
The Integrated Goods and Services Tax Act, 2017	Tax and Penalty	0.15	2020-21	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 or dues to debenture holders. The Company has not taken any loans or borrowings from the Government.
- (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, 2021 UDIN: 21043385AAAADQ3996

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 (the 'Act')

We have audited the internal financial controls over financial reporting of **Crompton Greaves Consumer Electricals Limited** (the 'Company') as of 31st March, 2021 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 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, 2021, 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, 2021

UDIN: 21043385AAAADQ3996

Standalone Balance Sheet

As at 31st March, 2021

Particulars	Notes	₹ crore	
		As at 31 st March, 2021	As at 31 st March, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	132.76	125.06
(b) Capital work-in-progress		10.86	19.90
(c) Goodwill	2	779.41	779.41
(d) Other intangible assets	2	2.82	4.50
(e) Financial assets			
(i) Investments	3	14.20	14.20
(ii) Others	4	6.15	7.82
(f) Deferred tax assets (net)	22	58.26	50.62
(g) Other non-current assets	5	20.09	22.79
Total non-current assets		1,024.55	1,024.30
(2) Current assets			
(a) Inventories	6	517.77	463.61
(b) Financial assets			
(i) Investments	7	761.07	539.58
(ii) Trade receivables	8	482.74	458.71
(iii) Cash and cash equivalents	9	252.99	22.97
(iv) Bank balances other than (iii) above	10	341.53	24.09
(v) Others	11	13.16	13.72
(c) Current tax assets (net)		20.05	78.82
(d) Other current assets	12	150.00	118.24
Total current assets		2,539.31	1,719.74
TOTAL ASSETS		3,563.86	2,744.04
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	125.54	125.46
(b) Other equity	14	1,793.45	1,342.34
Total equity		1,918.99	1,467.80
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
Borrowings	15	298.79	179.72
(b) Provisions	16	21.44	19.11
Total non-current liabilities		320.23	198.83
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	-
(ii) Trade payables			
(a) Due to micro and small enterprises	18	35.59	3.30
(b) Due to creditors other than micro and small enterprises	18	799.71	633.93
(iii) Other financial liabilities	19	234.75	217.14
(b) Other current liabilities	20	55.35	58.27
(c) Provisions	21	199.24	164.77
Total current liabilities		1,324.64	1,077.41
Total liabilities		1,644.87	1,276.24
TOTAL EQUITY AND LIABILITIES		3,563.86	2,744.04
Significant accounting policies	1		
Contingent liabilities and commitments	31		
Other notes	32 to 48		

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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer
Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Standalone Statement of Profit and Loss

for the year ended 31st March, 2021

₹ crore

Particulars	Notes	2020-21	2019-20
Income			
I. Revenue from operations	23	4,749.95	4,511.97
II. Other income	24	75.63	58.87
III. Total Income (I+II)		4,825.58	4,570.84
IV. Expenses			
Cost of materials consumed	25	985.44	979.46
Purchase of stock-in-trade	26	2,283.20	2,211.85
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(38.20)	(126.29)
Employee benefits expense	28	336.58	310.95
Finance costs	29	42.91	40.67
Depreciation and amortisation expense	2	29.69	26.79
Other expenses	30	478.24	539.14
Total Expenses (IV)		4,117.86	3,982.57
V. Profit before tax		707.72	588.27
VI. Tax expense:			
Current tax (Refer Note 44)		111.36	83.81
Deferred tax	22	(8.38)	9.76
VII. Profit for the year		604.74	494.70
VIII. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) on defined benefit plans		2.93	(2.88)
(ii) Income tax related to items that will not be reclassified to profit or loss		(0.74)	0.73
Other comprehensive income for the year (net of tax)		2.19	(2.15)
IX. Total comprehensive income for the year		606.93	492.55
X. Earnings per equity share	37		
1. Basic (₹)		9.64	7.89
2. Diluted (₹)		9.56	7.83
Significant accounting policies	1		
Other Notes	32 to 48		

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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer
Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Standalone Statement of Changes in Equity

for the year ended 31st March, 2021

(A) EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance as at the beginning of the reporting period	62,72,83,972	125.46	62,69,85,920	125.40
Changes in equity share capital during the year	4,07,381	0.08	2,98,052	0.06
Balance as at the end of the reporting period	62,76,91,353	125.54	62,72,83,972	125.46

(B) OTHER EQUITY

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at 01-04-2019	0.05	6.00	120.83	75.00	770.06	1.14	973.08
Profit for the year					494.70		494.70
Dividends paid including dividend distribution tax					(151.17)		(151.17)
Securities premium received		5.05					5.05
Amount transferred to Securities premium		2.31	(2.31)				-
Amount transferred to Retained earnings			(0.11)		0.11		-
Movement in Other comprehensive income for the year						(2.15)	(2.15)
Add: Employee compensation expense for the year (Refer Note 28)			22.83				22.83
Balance as at 31-03-2020	0.05	13.36	141.24	75.00	1,113.70	(1.01)	1,342.34
Profit for the year					604.74		604.74
Dividends paid					(188.20)		(188.20)
Securities premium received		7.21					7.21
Amount transferred to Securities premium		3.44	(3.44)				-
Amount transferred to Retained earnings			(0.44)		0.44		-
Movement in Other comprehensive income for the year						2.19	2.19
Add: Employee compensation expense for the year (Refer Note 28)			25.17				25.17
Balance as at 31-03-2021	0.05	24.01	162.53	75.00	1,530.68	1.18	1,793.45

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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer
Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Standalone Statement of Cash Flows

for the year ended 31st March, 2021

₹ crore

Particulars	2020-21	2019-20
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	707.72	588.27
Adjustments for:		
Depreciation and amortisation expense	29.69	26.79
Interest expense	42.91	40.67
Loss on sale of property, plant and equipment	0.16	0.15
Provision for expenses on Employee stock options	25.17	22.83
Net (gain) / loss on sale/ fair valuation of investments	(43.48)	(33.37)
Interest income	(31.15)	(23.38)
Unrealised exchange (gain) / loss (net)	(3.21)	3.84
	20.09	37.53
Cash Generated from operations before working capital changes	727.81	625.80
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(49.14)	77.56
(Increase) / Decrease in inventories	(54.16)	(111.23)
Increase / (Decrease) in trade and other payables	203.28	(38.41)
Increase / (Decrease) in provisions	39.72	11.90
	139.70	(60.19)
Cash generated from operations	867.51	565.61
Taxes paid (net of refunds)	(52.59)	(144.54)
Net cash (used in) / generated from operating activities [A]	814.92	421.07
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	26.50	20.85
Sale of property, plant and equipment	0.41	1.13
	26.91	21.98
Less: Outflows from investing activities		
Purchase / (Sale) of current investments (net)	178.02	(23.78)
Increase / (Decrease) in other bank balances and term deposits	317.44	(1.97)
Purchase of property, plant and equipment and intangible assets	20.18	49.40
	515.64	23.65
Net Cash (used in) / generated from investing activities [B]	(488.73)	(1.67)

Standalone Statement of Cash Flows

for the year ended 31st March, 2021

Particulars	₹ crore	
	2020-21	2019-20
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	7.27	5.15
Proceeds from issue of debentures	300.00	-
	307.27	5.15
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	187.39	150.55
Repayment of debentures	170.00	300.00
Repayment of lease liability	11.90	8.79
Interest paid	34.15	58.58
	403.44	517.92
Net Cash (used in) / generated from financing activities [C]	(96.17)	(512.77)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	230.02	(93.37)
(a) Cash and cash equivalents at beginning of the year	22.97	116.34
(b) Cash and cash equivalents at end of the year	252.99	22.97
(c) Net increase/ (decrease) in cash and cash equivalents (c = b-a)	230.02	(93.37)

Notes:

- 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).
- Additions to property, plant and equipment include movements of capital work-in-progress during the year.
- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin P. Augustine

Partner
Membership No. 043385
Mumbai, 21st May, 2021

H. M. Nerurkar

Chairman
DIN: 00265887

Mathew Job

Executive Director and
Chief Executive Officer
DIN: 02922413

Shantanu Khosla

Managing Director
DIN: 00059877

Sandeep Batra

Chief Financial Officer
Mumbai, 21st May, 2021

D. Sundaram

Director
DIN: 00016304

Pragya Kaul

Company Secretary
Membership No. A17167

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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 financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 21st May, 2021.

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.

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:

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

- **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].
- Estimates related to Share-based Payments (Refer Note 39).

4. Foreign currency translation

(a) Functional and presentation currency

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

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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

6. Intangible assets

(a) Recognition and measurement

Intangibles are recognised when it is probable that the future economic benefits that are attributable

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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. 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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 Standalone Financial Statements

for the year ended 31st March, 2021

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 realisable 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 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 either fair value through other comprehensive income (FVTOCI) 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 (FVTOCI) or through profit or loss (FVTPL) 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 two 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(unhedged) that is subsequently measured at amortised cost is recognised in the Statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate (EIR) method.

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

De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.
- On derecognition of financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.
- If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

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

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits and bank balances
- 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

(b) Financial liabilities

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

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as

the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Other financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Financial guarantee contracts

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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 disclosed unless the possibility of outflow of resources is remote.

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

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

14. Revenue recognition

(a) Revenue from goods and services:

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

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed.

(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, such as export benefits etc., are recognised at fair value when there is reasonable

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

assurance that the Company will comply with the relevant conditions and the grant will be received.

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

16. Employee benefit plans

(a) Short-term employee benefits:

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

(b) Post-employment benefits:

Defined contribution plans:

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

Defined benefit plans:

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

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

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

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

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

(c) Long-term employee benefits:

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

(d) Termination benefits:

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

(e) Share-based Payments:

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

Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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

Ind AS 116, *Leases*, requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company as a lessee:

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

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

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

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

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

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

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

18. Income taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block		₹ crore
	As at 1 st April, 2020	Additions	Deductions	As at 31 st March, 2021	Upto 31 st March, 2020	For the year	Deductions	Upto 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020	
	(i) Property, plant and equipment										
Owned assets:											
Freehold land	4.41	-	-	4.41	-	-	-	-	4.41	4.41	
Leasehold land	2.69	-	-	2.69	0.75	0.03	-	0.78	1.91	1.94	
Buildings:											
Owned assets	35.03	10.90	0.01	45.92	6.28	1.78	0.00	8.06	37.86	28.75	
Right-of-Use assets	50.75	4.14	-	54.89	9.28	10.28	-	19.56	35.33	41.47	
Plant and equipment	65.63	17.00	0.35	82.28	27.58	11.43	0.21	38.80	43.48	38.05	
Furniture and fixtures	4.63	0.23	0.12	4.74	2.17	0.56	0.07	2.66	2.08	2.46	
Office equipment	11.40	3.35	0.11	14.64	6.21	2.83	0.09	8.95	5.69	5.19	
Vehicles	4.44	0.45	0.66	4.23	1.65	0.89	0.31	2.23	2.00	2.79	
Sub-total (i)	178.98	36.07	1.25	213.80	53.92	27.80	0.68	81.04	132.76	125.06	
(ii) Intangible assets											
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41	
Subtotal (ii)	779.41	-	-	779.41	-	-	-	-	779.41	779.41	
(iii) Other Intangibles											
Computer software	9.56	0.21	-	9.77	5.11	1.89	-	7.00	2.77	4.45	
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01	
Research and development	0.68	-	-	0.68	0.64	-	-	0.64	0.04	0.04	
Sub-total (iii)	12.14	0.21	-	12.35	7.64	1.89	-	9.53	2.82	4.50	
Total (i) + (ii) + (iii)	970.53	36.28	1.25	1,005.56	61.56	29.69	0.68	90.57	914.99	908.97	

- Notes:**
- Cost of freehold land included ₹ 0.34 crore (Previous year ₹ 0.34 crore) for which conveyance is yet to be completed.
 - 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.
 - Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 785.41 crore; (Previous year ₹ 785.44 crore).

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block		₹ crore
	As at 1 st April, 2019	Additions	Deductions	As at 31 st March, 2020	Upto 31 st March, 2019	For the year	Deductions	Upto 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019	
	(i) Property, plant and equipment										
Owned assets:											
Freehold land	4.41	-	-	4.41	-	-	-	-	4.41	4.41	
Leasehold land	2.69	-	-	2.69	0.72	0.03	-	0.75	1.94	1.97	
Buildings:											
Owned assets	30.27	4.76	-	35.03	4.67	1.61	-	6.28	28.75	25.60	
Right-of-Use assets	-	50.75	-	50.75	-	9.28	-	9.28	41.47	-	
Plant and equipment	54.14	12.81	1.32	65.63	18.18	9.95	0.55	27.58	38.05	35.96	
Furniture and fixtures	4.75	0.11	0.23	4.63	1.69	0.57	0.09	2.17	2.46	3.06	
Office equipment	8.36	3.27	0.23	11.40	3.86	2.50	0.15	6.21	5.19	4.50	
Vehicles	4.18	0.93	0.67	4.44	1.13	0.89	0.37	1.65	2.79	3.05	
Sub-total (i)	108.80	72.63	2.45	178.98	30.25	24.83	1.16	53.92	125.06	78.55	
(ii) Intangible assets											
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41	
Subtotal (ii)	779.41	-	-	779.41	-	-	-	-	779.41	779.41	
(iii) Other Intangibles											
Computer software	8.29	1.27	-	9.56	3.39	1.72	-	5.11	4.45	4.90	
Technical knowhow	1.90	-	-	1.90	1.67	0.22	-	1.89	0.01	0.23	
Research and development	0.68	-	-	0.68	0.62	0.02	-	0.64	0.04	0.06	
Sub-total (iii)	10.87	1.27	-	12.14	5.68	1.96	-	7.64	4.50	5.19	
Total (i) + (ii) + (iii)	899.08	73.90	2.45	970.53	35.93	26.79	1.16	61.56	908.97	863.15	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

3 NON-CURRENT - FINANCIAL ASSETS - INVESTMENTS

Particulars	Face Value per Share	Number of shares as at 31 st March, 2021	As at 31 st March, 2021 ₹ crore	As at 31 st March, 2020 ₹ 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	6.70
Nexustar Lighting Project Private Limited	10	75,00,000	7.50	7.50
Total			14.20	14.20

Details of unquoted investments:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Aggregate amount of unquoted investments- Book value	14.20	14.20
Aggregate amount of impairment in value of investments	-	-
Total	14.20	14.20

Note: The investments is in compliance with Section 186(4) of the Companies Act, 2013.

4 NON-CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Security deposits	6.15	6.84
Bank deposits (with maturity period of more than 12 months)	-	0.28
Others	-	0.70
Total	6.15	7.82

Note: Deposits of ₹ Nil (Previous year ₹ 0.28 crore) are under lien with banks.

5 OTHER NON-CURRENT ASSETS

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital advances	6.36	9.28
Less: Allowance for doubtful advances	(1.07)	(1.07)
	5.29	8.21
Others	14.80	14.58
Total	20.09	22.79

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

6 INVENTORIES (At lower of cost and net realisable value)

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Raw materials	75.44	60.48
Add: Goods-in-transit	3.56	3.55
	79.00	64.03
Work-in-progress - manufacturing	23.18	16.65
Finished goods - manufacturing	117.69	90.61
Add: Goods-in-transit	15.06	15.09
	132.75	105.70
Stock-in-trade	241.35	236.22
Add: Goods-in-transit	37.05	37.56
	278.40	273.78
Stores, spares and packing materials	4.44	3.45
	517.77	463.61

Note: Inventories are hypothecated with the bankers against working capital facilities (Refer Note 17).

7 CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
- Measured at Amortised Cost		
Investment in Bonds (Quoted)	31.17	10.50
- Measured at Fair value through Profit and Loss		
Investment in Mutual funds (Unquoted)	729.90	529.08
Total	761.07	539.58

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31 st March, 2021	As at 31 st March, 2021 ₹ crore	As at 31 st March, 2020 ₹ crore
(A) Investment in Bonds (Quoted)				
Option-I ISIN INE535H07AZ6 of Market Linked Debentures of Fullerton India	10,00,000	100	-	10.50
Series 02-2021 ISIN INE535H07BJ8 of Market Linked Debentures of Fullerton India Credit Company Limited	10,00,000	100	10.16	-
ISIN INE020B08CY9 of Market Linked Debentures of Rural Electrification Corporation Limited	10,00,000	100	10.53	-
ISIN INE062A08173 of Perpetual Bonds of State Bank of India	10,00,000	100	10.48	-
Total (A)			31.17	10.50
(B) Investment in Mutual funds (Unquoted)				
Unquoted				
Aditya Birla SL Corporate Bond Fund - Direct - Growth	100	18,43,365	15.99	-
Aditya Birla SL Floating Rate Fund - Direct - Growth	100	18,89,691	51.15	15.34
Aditya Birla SL Money Manager Fund - Direct - Growth	100	1,99,321	5.72	32.07
Axis Banking & PSU Debt Fund Direct - Growth	1,000	1,16,882	24.52	10.48
Axis Corporate Debt Fund - Direct - Growth	10	3,88,03,524	52.64	-
Axis Treasury Advantage Fund - Direct - Growth	1,000	-	-	33.80
Edelweiss Bharat Bond FOF- April 2030 - Direct - Growth	10	53,75,690	6.09	-
DSP Corporate Bond Fund - Direct - Growth	10	71,82,341	9.19	-
DSP Low Duration Fund - Direct - Growth	10	2,60,13,822	41.16	15.31
DSP Savings Fund - Direct - Growth	10	-	-	15.79
HDFC Money Market Fund - Direct - Growth	1,000	39,868	17.84	24.95
HDFC Ultra Short Term Fund Direct- Growth	10	1,35,71,471	16.20	15.52
ICICI Prudential Corporate Bond Fund - Direct - Growth	10	47,08,147	11.07	10.13
ICICI Prudential Money Market - Direct - Growth	100	3,73,914	11.04	18.35
ICICI Prudential Savings Fund - Direct - Growth	100	-	-	25.14
IDFC Banking & PSU Debt Fund - Direct - Growth	10	85,30,063	16.67	10.57
IDFC Corporate Bond - Direct - Growth	10	2,16,49,892	33.05	-
IDFC Low Duration Fund - Direct - Growth	10	73,14,113	22.42	21.13
IDFC Ultra Short Term Fund - Direct - Growth	10	2,29,63,814	27.49	26.01

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31 st March, 2021	As at 31 st March, 2021 ₹ crore	As at 31 st March, 2020 ₹ crore
Invesco India Corporate Bond Fund - Direct - Growth	1,000	1,56,917	41.03	5.24
Invesco India Money Market Fund - Direct - Growth	1,000	73,693	18.02	17.06
Invesco India Treasury Advantage Fund - Direct - Growth	1,000	1,92,379	58.71	32.21
Kotak Corporate Bond Fund - Direct - Growth	1,000	1,75,469	52.37	25.70
Kotak Dynamic Bond Fund - Direct - Growth	10	26,26,827	8.02	-
Kotak Floating Rate Fund - Direct - Growth	1,000	2,16,806	25.09	-
Kotak Money Market Fund - Direct - Growth	1,000	5,828	2.03	34.94
Kotak Savings Fund - Direct - Growth	10	-	-	8.04
L&T Banking & PSU Debt fund - Direct - Growth	10	77,62,351	15.61	5.01
L&T Ultra Short Term Fund - Direct - Growth	10	7,44,600	2.61	23.04
Nippon India Dynamic Bond Fund - Direct - Growth	10	59,05,915	17.93	-
Nippon India Floating Rate fund - Direct - Growth	10	1,06,41,417	38.29	5.12
Nippon India Money Market - Direct - Growth	1,000	26,852	8.65	33.82
SBI Magnum Ultra Short Duration Fund - Direct - Growth	1,000	-	-	29.84
SBI Savings Fund - Direct - Growth	10	36,34,201	12.43	29.45
Sundaram Corporate Bond Fund - Direct - Growth	10	32,76,326	10.49	5.02
Tata Treasury Advantage Fund - Direct - Growth	1,000	47,319	14.76	-
UTI Treasury Advantage Fund - Direct - Growth	1,000	1,57,334	41.62	-
Total (B)			729.90	529.08
			761.07	539.58

(Refer Note 41 A for information about fair value measurement and Note 41 D (ii) for credit risk of investments.)

Details of investments:

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Aggregate amount of quoted investments and market value thereof:		
Book value	31.17	10.50
Market value	31.17	10.50
Aggregate amount of unquoted investments:		
Book value (accounted based on NAV)	729.90	529.08

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

8 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured		
Trade receivables, considered good	482.74	458.71
Trade receivable, considered doubtful	21.24	23.24
	503.98	481.95
Less: Allowance for doubtful trade receivables	21.24	23.24
Total	482.74	458.71

9 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance with banks :		
In current accounts	8.98	10.94
In deposit accounts (with less than 3 months maturity)	243.98	12.00
Cash on hand	0.03	0.03
Total	252.99	22.97

10 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deposits with maturity more than 3 months but less than 12 months	339.03	22.40
Unclaimed dividend account	2.50	1.69
Total	341.53	24.09

11 CURRENT FINANCIAL ASSETS - OTHERS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Security deposits	13.14	12.76
Other receivables - from Related parties	0.02	0.96
Total	13.16	13.72

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

12 OTHER CURRENT ASSETS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Advance to suppliers	47.21	23.78
Balances with Indirect tax authorities	4.84	15.40
Other recoverables	50.36	39.21
Others	47.59	39.85
Total	150.00	118.24

13 SHARE CAPITAL

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital				
Equity shares of ₹ 2 each	65,50,00,000	131.00	65,00,00,000	130.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each, fully paid-up	62,76,91,353	125.54	62,72,83,972	125.46
	62,76,91,353	125.54	62,72,83,972	125.46

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

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Outstanding at the beginning of the year	62,72,83,972	125.46	62,69,85,920	125.40
Shares issued on account of exercising Employee stock option plans	4,07,381	0.08	2,98,052	0.06
Outstanding at the end of the year	62,76,91,353	125.54	62,72,83,972	125.46

b. Rights, preferences and restrictions on shares

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
SBI Mutual Fund	3,84,09,761	6.12%	3,20,52,041	5.11%
Macritchie Investments Pte Ltd	3,76,12,367	5.99%	5,65,38,546	9.01%
Amalfiaco Limited	3,36,67,802	5.36%	10,77,41,623	17.18%
Aditya Birla Sun Life Trustee Private Limited	2,88,55,262	4.60%	3,13,70,834	5.00%

d. Shares reserved for issuance under Stock Option Plans of the Company at face value of ₹ 2 (Also Refer Note 39)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	26,33,826	0.53	34,15,883	0.68
Crompton Performance Share Plan 1 2016 (PSP 1)	1,06,27,872	2.13	1,07,53,536	2.15
Crompton Performance Share Plan 2 2016 (PSP 2)	30,79,392	0.62	30,86,725	0.62
Crompton Stock Option Plan 2019 (ESOP 2019)	74,96,499	1.50	3,70,000	0.07

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 have recommended payment of final dividend of ₹ 2.50 (Rupees two and Paise fifty only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2021. An interim dividend of ₹ 3 (Rupees three only) per equity share of the face value of ₹ 2 each was declared at the Board Meeting held on 22nd October, 2020 and the same was paid on 13th November, 2020. The total dividend for the year including the final dividend will be ₹ 5.50 (Rupees five and Paise fifty only) per equity share of the face value of ₹ 2 each.

14 OTHER EQUITY

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Capital reserve	0.05	0.05
Securities premium	24.01	13.36
Employee stock option outstanding account	162.53	141.24
Retained earnings	1,530.68	1,113.70
Other comprehensive income	1.18	(1.01)
Debenture redemption reserve	75.00	75.00
Total	1,793.45	1,342.34

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Nature and purpose of reserves

Capital reserve

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

Securities premium

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

Employee stock option outstanding

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

Retained earnings

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

Debenture redemption reserve

Debenture redemption reserve is a Statutory Reserve (as per the Companies Act, 2013) created out of profits of the Company for the purpose of redemption of debentures issued by the Company. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debenture issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. On completion of redemption, the reserve is transferred to retained earnings.

15 FINANCIAL LIABILITIES - BORROWINGS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Measured at amortised cost		
i) Non-Current Borrowings		
Secured		
Debentures	298.79	179.72
	298.79	179.72
ii) Current maturities of Borrowings - (Refer Note 19)		
Debentures	180.00	170.00
Total	478.79	349.72

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Terms of Debentures:

Particulars of Debentures	Series C (2016 issue)	Series A (2020 issue)	Series B (2020 issue)
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000
Date of allotment	24 th June, 2016	29 th May, 2020	29 th May, 2020
As at 31 st March, 2021 (₹ crore)	180.00	150.00	150.00
As at 31 st March, 2020 (₹ crore)	180.00	-	-
Interest	8.95% p.a. payable annually	7.25% p.a. payable annually	7.25% p.a. payable annually
Terms of repayment	Due for redemption on 24-06-2021	Due for redemption on 29-05-2023, with call option on 29-11-2021	Due for redemption on 29-05-2023, with call option on 27-05-2022

Debentures are secured by:

- Charge on 'Crompton' Brand and Registered Trade Marks of the Company; and
- Charge by way of equitable mortgage by deposit of title deeds/relevant documents of movable and immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.

16 NON-CURRENT PROVISIONS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits (post medical retirement benefits, compensated absences)	21.44	19.11
Total	21.44	19.11

17 CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Working capital demand loan from bank	-	-
Total	-	-

Note: Working capital demand loan is secured by way of charge on the Company's inventories and trade receivables.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

18 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Acceptances	101.63	126.61
Due to micro and small enterprises (Refer Note below)	35.59	3.30
Due to creditors other than micro and small enterprises	698.08	507.32
Total	835.30	637.23

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, 2021. The disclosure pursuant to the said Act is as under:

Particulars	₹ crore	
	31 st March, 2021/2020-21	31 st March, 2020/2019-20
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	35.59	3.30
Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	3.76	0.54
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0.01	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.08	0.07
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

19 CURRENT FINANCIAL LIABILITIES - OTHERS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current maturities of non-convertible debentures (Refer Note 15)	180.00	170.00
Interest accrued but not due on borrowings	30.65	24.12
Security deposits	24.10	23.02
Total	234.75	217.14

20 OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advances from customers	5.86	8.08
Statutory dues payables	10.26	5.74
Unpaid dividend	2.50	1.69
Others	36.73	42.76
Total	55.35	58.27

21 CURRENT PROVISIONS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits (post medical retirement benefits, compensated absences)	2.01	2.47
Other provisions (Refer Note below)	197.23	162.30
Total	199.24	164.77

Notes:

₹ crore

(1) Movement of provisions	Warranty	Sales tax / VAT/ Other taxes	Other litigation claims
Carrying amount at the beginning of the year	144.57	12.65	0.06
Additional provision made during the year	56.73	-	-
Amounts used during the year	(29.55)	-	-
Unused amounts reversed during the year	-	-	-
Carrying amount at the end of the year	171.75	12.65	0.06

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

	₹ crore	
Movement of provisions	Others	Total
Carrying amount at the beginning of the year	5.02	162.30
Additional provision made during the year	12.77	69.50
Amounts used during the year	(5.02)	(34.57)
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	12.77	197.23

(2) Nature of provisions:

- (a) Product warranties: The Company gives warranties on certain products and services, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair / replacement. The timing of outflows is expected to be within a period of two year.
- (b) 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.
- (c) Provision for other litigation obligation claims represents liabilities that are expected to materialise in respect of matters in appeal.
- (d) Others represent provision made towards probable cash discount and probable return of goods from customers.

22 INCOME TAXES

(a) Tax expense recognised in Statement of profit and loss comprises :

	₹ crore	
Particulars	2020-21	2019-20
Current income tax charge net of writebacks (Refer Note 44)	111.36	83.81
Deferred tax (asset) / liability (net)		
Origination and reversal of temporary differences	(8.38)	9.76
Tax expense for the year	102.98	93.57

(b) Amounts recognised in Other comprehensive income

	2020-21			2019-20		
Particulars	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements gains / (losses) on post employment defined benefit plans and tax thereon	2.93	(0.74)	2.19	(2.88)	0.73	(2.16)
	2.93	(0.74)	2.19	(2.88)	0.73	(2.16)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(c) Reconciliation of effective tax rate

₹ crore

Particulars	2020-21	2019-20
Profit before tax	707.72	588.27
Applicable tax rate*	25.17%	25.17%
Computed tax expense	178.12	148.06
Others**	(75.14)	(54.48)
Income tax expense for the current year	102.98	93.57
Effective tax rate	14.55%	15.91%

* The Company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for income tax for year ended 31st March, 2020.

** Others includes refunds, adjustment due to completed assessments and impact of rate change.

(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 31 st March, 2021	As at 31 st March, 2020	2020-21	2019-20
(a)	Deferred tax asset on employee stock option outstanding	38.25	32.89	5.36	(5.67)
(b)	Items disallowed under Section 43B of the Income tax Act, 1961 on payment basis	10.86	9.86	1.00	(1.94)
(c)	Allowance for doubtful debts and advances	5.35	5.85	(0.50)	(1.01)
(d)	Difference between book depreciation and tax depreciation	(0.72)	(1.88)	1.16	2.23
(e)	Other temporary differences	4.52	3.90	1.36	(3.37)
	Deferred tax income /(expense)			8.38	(9.76)
	Net deferred tax assets / (liabilities)	58.26	50.62		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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

		₹ crore	
Sr. no.	Particulars	2020-21	2019-20
(a)	Opening balance as at 1 st April	50.62	59.65
(b)	Tax (income)/expense during the period recognised in:		
(i)	Statement of profit and loss in profit or loss	8.38	(9.76)
(ii)	Statement of profit and loss under OCI	(0.74)	0.73
(c)	Closing balance as at 31st March	58.26	50.62

23 REVENUE FROM OPERATIONS

		₹ crore	
Particulars		2020-21	2019-20
A. Sales of products and services			
Sale of products (excluding GST, as applicable)			
(i) Electric consumer durables		3,746.98	3,376.12
(ii) Lighting products		986.66	1,115.97
		4,733.64	4,492.09
Sale of services			
(i) Electric consumer durables		0.52	0.27
(ii) Lighting products		4.47	4.82
		4.99	5.09
		4,738.63	4,497.18
B. Other operating revenue			
Export benefits and other incentives		1.43	6.68
Scrap sales		9.89	8.11
		11.32	14.79
Total		4,749.95	4,511.97

24 OTHER INCOME

		₹ crore	
Particulars		2020-21	2019-20
Interest income		31.15	23.38
Net gain / (loss) on sale or fair valuation of investments		43.48	33.37
Income from subsidiary companies		0.28	0.41
Other		0.72	1.71
Total		75.63	58.87

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

25 COST OF MATERIALS CONSUMED

₹ crore

Particulars	2020-21	2019-20
Opening stock	64.03	79.32
Add: Purchases	945.92	907.91
Less: Closing stock	79.00	64.03
Raw materials consumed	930.95	923.20
Add: Sub-contracting charges	54.49	56.26
Total	985.44	979.46

26 PURCHASE OF STOCK-IN-TRADE

₹ crore

Particulars	2020-21	2019-20
Electric consumer durables	1,777.38	1,631.26
Lighting products	505.82	580.59
Total	2,283.20	2,211.85

27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ crore

Particulars	2020-21	2019-20
Opening Stock :		
Finished goods	105.70	61.76
Stock-in-trade	273.78	181.05
Work-in-progress	16.65	27.03
	396.13	269.84
Less:		
Closing Stock:		
Finished goods	132.75	105.70
Stock-in-trade	278.40	273.78
Work-in-progress	23.18	16.65
	434.33	396.13
Changes in inventories:		
Finished goods	(27.05)	(43.94)
Stock-in-trade	(4.62)	(92.73)
Work-in-progress	(6.53)	10.38
	(38.20)	(126.29)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

28 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ crore	
	2020-21	2019-20
Salaries, wages, bonus and other benefits	282.26	257.69
Contribution to provident and other funds	12.21	11.19
Staff welfare expenses	16.94	19.24
Share-based Payments to employees (Refer Note 39)	25.17	22.83
Total	336.58	310.95

(Remuneration paid to key management personnel Refer Note 36)

29 FINANCE COSTS

Particulars	₹ crore	
	2020-21	2019-20
Interest	42.91	40.67
	42.91	40.67

30 OTHER EXPENSES

Particulars	₹ crore	
	2020-21	2019-20
Consumption of stores and spares	11.37	14.92
Power and fuel	4.56	5.61
Rent	14.65	13.34
Repair to property, plant and equipment	2.54	2.61
Insurance	3.58	1.91
Rates and taxes	2.24	4.30
Freight and forwarding	135.16	131.33
Packing materials	62.77	60.18
After sales service	44.07	51.27
Sales promotion	51.80	49.40
Corporate social responsibility expenses (Refer Note 33)	10.99	10.01
Advertising	30.40	49.53
Legal and professional charges	58.84	69.14
Miscellaneous expenses	45.27	75.59
Total	478.24	539.14
Payment to the auditors (included in Miscellaneous expenses)		
Auditors' remuneration (excluding taxes)		
Audit fees	0.40	0.40
Tax audit fees	0.08	0.08
Other services		
(i) Certification work	0.01	0.03
(ii) Others	0.30	0.30
Reimbursement of expenses	0.02	0.06
	0.81	0.87

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

31 CONTINGENT LIABILITIES AND COMMITMENTS

₹ crore

Sr. no.	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
A	Contingent Liabilities (to the extent not provided for):		
(a)	Claims against the Company not acknowledged as debts	23.72	23.69
(b)	Income tax liability that may arise in respect of matters in appeal	29.01	28.68
(c)	Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	5.96	5.60
(d)	GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	112.97	57.11
B	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6.48	23.02

Notes:

- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration/appellate proceedings.

32 EXPENDITURE ON RESEARCH AND DEVELOPMENT

₹ crore

Sr. no.	Particulars	2020-21	2019-20
(a)	Capital expenditure	1.40	1.81
	Sub-total (a)	1.40	1.81
(b)	Revenue expenditure		
	Raw materials consumed	-	0.16
	Employee benefits	13.18	9.61
	Depreciation and amortisation	3.32	1.52
	Other expenses		
	Consumption of stores and spares	0.89	0.45
	Repairs and maintenance	0.02	0.02
	Miscellaneous expenses	4.23	4.53
	Sub-total (b)	21.64	16.29
	Total (a) + (b)	23.04	18.10

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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 ₹ 10.99 crore; (Previous year ₹ 9.97 crore)
- (b) Amount spent during the year is ₹ 10.99 crore; (Previous year ₹ 10.01 crore)

Sr. no.	Particulars	Disclosed under	2020-21			2019-20		
			In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
			₹ crore					
i)	Construction/acquisition of assets charged to the statement of profit and loss	-	-	-	-	-	-	-
ii)	For purpose other than (i) above	Note 30	10.99	-	10.99	10.01	-	10.01
	Total		10.99	-	10.99	10.01	-	10.01

34 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 116, LEASES

Company as lessee

A Right-of-Use assets

Buildings

Cost	₹ crore	
	2020-21	2019-20
Opening Balance	50.75	-
Additions	4.14	50.75
Disposal / derecognized during the year	-	-
Closing Balance	54.89	50.75
Accumulated depreciation		
Opening Balance	9.28	-
Depreciation expense	10.28	9.28
Disposal / derecognized during the year	-	-
Closing Balance	19.56	9.28
Closing Balance	35.33	41.47

B Lease liabilities

Buildings

Particulars	₹ crore	
	2020-21	2019-20
Opening Balance	43.94	-
Addition	4.14	50.75
Accredition of interest	3.15	1.98
Payments	(11.90)	(8.79)
Adjustments for disposals	-	-
Closing Balance	39.33	43.94

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

C Amounts recognised in Statement of profit and loss

Particulars	₹ crore	
	2020-21	2019-20
Depreciation expense of Right-of-Use assets (Refer Note 2)	10.28	9.28
Interest expense on lease liabilities	3.15	1.98
	13.43	11.26

35 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 19, EMPLOYEE BENEFITS

(a) Defined contribution plans (Refer Accounting Policy Note 1.16)

Amount of ₹ 12.21 crore (Previous year ₹ 11.19 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 28)

Benefits (Contribution to)	₹ crore	
	2020-21	2019-20
Provident fund	7.47	7.23
Superannuation fund	1.26	1.37
Employee state insurance scheme	0.25	0.29
Labour welfare scheme	0.01	0.01
Gratuity	2.61	1.86
National Pension Scheme	0.61	0.43
Total	12.21	11.19

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.16) as per Actuarial Valuation are as under:

Sr. no.	Particulars	₹ crore			
		Gratuity		Post Retirement Medical Benefits	
		2020-21 (Funded)	2019-20 (Funded)	2020-21 (Non funded)	2019-20 (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	22.85	20.65	6.44	5.84
	Amount recognised in statement of profit and loss				
	Interest cost	1.56	1.54	0.44	0.46
	Current service cost	2.49	2.08	0.45	0.37
	Past service cost	-	-	-	-
	Amount recognised in other comprehensive income				
	Actuarial (gains) / losses	0.91	1.17	(0.21)	(0.07)
	Financial assumptions	0.62	0.89	(0.10)	-
	Due to experience	0.29	0.28	(0.11)	-
	Benefits paid	(2.31)	(2.59)	(0.19)	(0.16)
	Present Value of defined benefit obligation at the end of the year	25.50	22.85	6.93	6.44

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

₹ crore					
Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2020-21 (Funded)	2019-20 (Funded)	2020-21 (Non funded)	2019-20 (Non funded)
II	Change in fair value of plan assets during the year				
	Fair value of plan assets at the beginning of the year	21.10	23.68		
	Expected return on plan assets	1.44	1.77		
	Contributions	3.00	-	-	-
	Benefits paid from the fund	(0.09)	(2.57)	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial gain / (loss)	3.63	(1.78)	-	-
	Fair value of plan assets at the end of the year	29.08	21.10	-	-
III	Actual return on plan assets				
	Expected return on plan assets	1.44	1.77	-	-
	Actuarial gain / (loss)	3.63	(1.78)	-	-
	Actual return on plan assets	5.07	(0.01)	-	-
IV	Net asset / (liability) recognised in the balance sheet				
	Present Value of defined benefit obligation at the end of the year	(25.50)	(22.86)	(6.93)	(6.44)
	Fair value of plan assets at the end of the year	29.08	21.10	-	-
	Asset / (Liability) recognised in the balance sheet	3.58	(1.76)	(6.93)	(6.44)
V	Expenses recognised in the statement of profit and loss				
	Current service cost	2.49	2.09	0.45	0.37
	Interest cost	0.12	(0.23)	0.44	0.46
	Past Service cost	-	-	-	-
		2.61	1.86	0.89	0.83
VI	Expenses recognised in the Other comprehensive income				
	Remeasurements (gain) / loss on defined benefit plans	(2.73)	2.95	(0.21)	(0.07)
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	(1.56)	(1.35)	(0.85)	(0.79)
	1% decrease in discount rate	1.76	1.51	1.08	1.01
	1% increase in salary escalation rate	1.75	1.51	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2020-21 (Funded)	2019-20 (Funded)	2020-21 (Non funded)	2019-20 (Non funded)
	1% decrease in salary escalation rate	(1.58)	(1.37)	-	-
	1% increase in employee turnover rate	(0.04)	0.01	-	-
	1% decrease in employee turnover rate	0.03	(0.01)	-	-
	1% increase in Medical inflation rate	-	-	1.09	1.01
	1% decrease in Medical inflation rate	-	-	(0.86)	(0.80)
IX	Maturity profile of defined benefit obligations				
	Within the next 12 months	2.31	3.21	-	-
	Between 1 and 5 years	11.41	8.51	-	-
	Between 5 and 10 years	11.78	11.13	-	-
X	Actuarial assumptions				
	Discount rate	6.44%	6.82%	6.91%	6.81%
	Expected Return on Plan Assets (p.a.)	6.44%	6.82%	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	Indian	Indian	Indian
		Assured Lives	Assured Lives	Assured Lives	Assured Lives
		Mortality	Mortality	Mortality	Mortality
		(2006-08)	(2006-08)	(2006-08)	(2006-08)
	Mortality post retirement rate	N.A	N.A	Indian	Indian
				Assured Lives	Assured Lives
				Mortality	Mortality
				(2006-08)	(2006-08)
	Medical premium inflation rate	N.A	N.A	2%	2%

- (c) The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.
- (d) The 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, 2021 and 31st March, 2020. 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

- (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 towards its gratuity plan during the year 2021-22.
- (j) The salary escalation rate considered in the actuarial valuation is arrived after taking into consideration the seniority, the promotion, inflation and other relevant factors.

36 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 (wholly owned):

- 1 Pinnacles Lighting Project Private Limited
- 2 Nexustar Lighting Project Private Limited (from 2nd January, 2019)

ii) Other Related Parties:

- 1 ASK Wealth Advisors Private Limited
- 2 Crompton (CSR) Foundation

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
- 5 Ms. Shweta Jalan, Non-Executive Director
- 6 Mr. Sahil Dalal, Non-Executive Director
- 7 Mr. Promeet Ghosh, Non-Executive Director
- 8 Mr. Shantanu Khosla, Managing Director
- 9 Mr. Mathew Job, Executive Director (from 22nd January, 2021) and Chief Executive Officer
- 10 Mr. Sandeep Batra, Chief Financial Officer
- 11 Ms. Pragya Kaul, Company Secretary

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

v) Details of related party transactions:

			₹ crore	
Sr. no.	Nature of transaction	2020-21	2019-20	
1	Services received			
	ASK Wealth Advisors Private Limited	0.20	0.19	
	Total	0.20	0.19	
2	Services rendered			
	Pinnacles Lighting Project Private Limited	0.14	0.20	
	Nexustar Lighting Project Private Limited	0.14	0.20	
	Total	0.28	0.40	
3	Sale of products			
	Pinnacles Lighting Project Private Limited	0.02	-	
	Nexustar Lighting Project Private Limited	0.01	-	
	Total	0.03	-	
4	Contributions (Employer's) to Post Retirement Funds			
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.00	-	
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.26	1.37	
	Total	4.26	1.37	
5	Compensation to Key Management Personnel			
	Short-term benefits	15.49	19.13	
	Share-based Payments (Refer Note b below)	17.99	19.39	
	Director's sitting fees	0.42	0.26	
	Commission	0.72	0.62	
	Total	34.62	39.40	
6	Donations paid			
	Crompton (CSR) Foundation	9.96	0.46	
	Total	9.96	0.46	

Notes:

- a) Liabilities for post retirement benefits being Gratuity, Leave encashment and Post retirement medical benefits are provided on actuarial basis for the Company as a whole. The amount pertaining to Key management personnel are not included above.
- b) The Company has granted shares under various Schemes to the eligible Key Management Personnel. The amount mentioned is the fair value of the grant charged to Statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

vi) Amount due to / from related parties

			₹ crore		
Sr. no.	Nature of transaction	As at 31 st March, 2021	As at 31 st March, 2020		
1	Other Receivable				
	Pinnacles Lighting Project Private Limited	0.02	0.48		
	Nexustar Lighting Project Private Limited	0.01	0.48		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.58	-		
	Total	3.61	0.96		
2	Other Payable				
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	-	1.76		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.10	0.10		
	Total	0.10	1.86		

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.

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.

			2020-21	2019-20
(a)	Basic earnings per share			
	Numerator for earnings per share			
	Profit after tax	₹ crore	604.74	494.70
	Denominator for earnings per share			
	Weighted number of equity shares outstanding during the year	Nos	62,73,66,505	62,70,96,946
	Earnings per share - Basic (one equity share of ₹ 2 each)	₹	9.64	7.89
(b)	Diluted earnings per share			
	Numerator for earnings per share			
	Profit after tax	₹ crore	604.74	494.70
	Denominator for earnings per share			

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

		2020-21	2019-20
Weighted number of equity shares outstanding for basic EPS during the year	Nos	62,73,66,505	62,70,96,946
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	53,40,705	48,68,618
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,27,07,210	63,19,65,564
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	9.56	7.83

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:

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
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:

- 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.
- 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.
- 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 2021 and 31st March, 2020 as the recoverable value of the cash generating unit exceeded the carrying value.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

39 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 102, *SHARE-BASED PAYMENTS*

Employee stock options - equity settled

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

Disclosures:

Particulars	₹ crore	
	31 st March, 2021	31 st March, 2020
Charge for the year	25.17	22.83
Employee Stock option outstanding	162.53	141.24

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

Particulars	31 st March, 2021				31 st March, 2020			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19 th January, 2020	22 nd October, 2016	22 nd October, 2016	22 nd October, 2016	19 th January, 2020	22 nd October, 2016	22 nd October, 2016	22 nd October, 2016
Total number of options approved under ESOS	98,00,000	40,00,000	1,09,68,057	31,33,731	48,00,000	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-5 Years	1-10 Years	1-10 Years	1-5 Years	1-5 Years	1-10 Years	1-10 Years
Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66
Maximum term of Options granted (years)	Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant		Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant	
Source of shares (Primary, Secondary or combination)	Primary							
Variation in terms of options	There have been no variations in the terms of the options							

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(c) Options movement during the year:

Particulars	2020-21				2019-20			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	3,70,000	34,15,883	1,07,53,536	30,86,725	-	31,33,769	1,09,68,057	31,33,731
No. of options granted during the year	71,62,750	-	-	-	3,70,000	10,10,000	-	-
No. of options forfeited / lapsed during the year	3,894	5,07,033	25,664	7,333	-	4,79,834	1,64,521	47,006
Number of options vested but not exercised at the end of the year	19,249	17,63,826	1,06,27,872	30,79,392	-	13,65,883	50,50,147	14,57,184
Number of options exercised during the year	32,357	2,75,024	1,00,000	-	-	2,48,052	50,000	-
Money realised by exercise of options (₹)	83,69,138	5,50,88,628	92,83,000	-	-	4,68,48,804	46,41,500	-
No. of options outstanding at the end of the year	74,96,499	26,33,826	1,06,27,872	30,79,392	3,70,000	34,15,883	1,07,53,536	30,86,725
No. of options exercisable at the end of the year	19,249	17,63,826	1,06,27,872	30,79,392	-	13,65,883	50,50,147	14,57,184
Weighted Average Remaining Contractual Life (in years)	7.92	4.15	3.55	3.52	8.09	5.31	4.91	4.90

(d) Weighted average information for year:

Particulars	2020-21				2019-20			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose								
Exercise price equals market price (₹)	405.95	-	-	-	264.73	258.65	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-
Weighted average fair value of options granted during the year whose								
Exercise price equals market price (₹)	160.01	-	-	-	95.76	100.56	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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

Particulars	2020-21	2019-20	
	ESOP 2019	ESOP 2019	ESOP 2016
Price of the underlying share in market at the time of the option grant (₹)	405.95	264.73	258.65
Exercise price (₹)	405.95	264.73	258.65
Risk free interest rate (based on government securities)	5.64%	6.20%	6.49%
Expected life (years)	5.64	5.00	5.76
Expected volatility	33.25%	31.39%	30.63%
Dividend yield	0.49%	0.75%	0.77%

(f) Number and Weighted Average Exercise Price of Options

Particulars	2020-21		2019-20	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,76,26,144	137.24	1,72,35,557	129.18
Granted during the year	71,62,750	405.95	13,80,000	263.10
Forefeited during the year	5,43,924	229.52	6,91,361	172.17
Exercised during the year	4,07,381	178.56	2,98,052	172.76
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,38,37,589	215.17	1,76,26,144	137.24
Exercisable at the end of the period	1,54,90,339	123.86	78,73,214	127.59

(g) Weighted average share price of options exercised during the year is ₹ 375.04 (Previous year ₹ 244.21).

40 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108, OPERATING SEGMENTS

A. General Information

(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, 2021

(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 :

Electric 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

2020-21	Reportable segments		
	Electric Consumer Durables	Lighting Products	Total
Revenue			
External Customers	3,757.13	992.82	4,749.95
Inter-segment	-	-	-
Total revenue	3,757.13	992.82	4,749.95
Segment profit	739.22	116.14	855.36
Segment profit includes:			
Depreciation and amortization expense	7.78	6.52	14.30
Segment assets	912.83	386.80	1,299.63
Segment liabilities	689.63	373.91	1,063.54
Other disclosures			
Capital expenditure	17.71	4.56	22.27

₹ crore

2019-20	Reportable segments		
	Electric Consumer Durables	Lighting Products	Total
Income			
External Customers	3,389.04	1,122.93	4,511.97
Inter-segment	-	-	-
Total income	3,389.04	1,122.93	4,511.97
Segment profit	673.10	68.00	741.10
Segment profit includes:			
Depreciation and amortization expense	4.92	8.39	13.32
Segment assets	721.88	478.23	1,200.11
Segment liabilities	479.17	384.08	863.25
Other disclosures			
Capital expenditure	37.36	14.95	52.31

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

C. Reconciliations of information on reportable segments

Particulars	₹ crore	
	2020-21	2019-20
(a) Income		
Total income for reportable segments	4,749.95	4,511.97
Elimination of inter-segment revenue	-	-
Total income (Refer Note 23)	4,749.95	4,511.97
(b) Profit before tax		
Total profit before tax for reportable segments	855.36	741.10
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(25.17)	(22.83)
Finance costs	(42.91)	(40.67)
Other unallocable expenditure net of unallocable Income	(79.56)	(89.33)
Total profit before tax from operations as reported in Statement of profit and loss	707.72	588.27

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
(c) Assets		
Total assets for reportable segments	1,299.63	1,200.11
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	1,426.56	713.90
Deferred tax assets (net)	58.26	50.62
Total assets as reported in Balance sheet	3,563.86	2,744.04
(d) Liabilities		
Total liabilities for reportable segments	1,063.54	863.25
Other unallocated amounts		
Borrowings	478.79	349.72
Other liabilities	102.54	63.27
Total liabilities as reported in Balance sheet	1,644.87	1,276.24

D. Disaggregation of revenue based on products

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

E. Geographic information

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

F. Information about major customers

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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 31 st March, 2021	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		6.15	6.15				
In Deposit accounts- bank deposits with maturity beyond 12 months		-	-				
Others							
Cash and cash equivalents		252.99	252.99				
Bank balance other than cash and cash equivalents		341.53	341.53				
Current investments	761.07		761.07		761.07		761.07
Trade receivables		482.74	482.74				
Other current financial assets		13.16	13.16				
	761.07	1,096.57	1,857.64	-	761.07	-	761.07
Financial liabilities							
Borrowings		478.79	478.79				
Trade payables		835.30	835.30				
Other current financial liabilities		54.75	54.75				
	-	1,368.84	1,368.84	-	-	-	-

₹ crore

As at 31 st March, 2020	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		6.84	6.84				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.28	0.28				
Others		0.70	0.70				
Cash and cash equivalents		22.97	22.97				
Bank balance other than cash and cash equivalents		24.09	24.09				
Current investments	539.58		539.58		539.58		539.58
Trade receivables		458.71	458.71				
Other current financial assets		13.72	13.72				
	539.58	527.31	1,066.89	-	539.58	-	539.58
Financial liabilities							
Borrowings		349.72	349.72				
Trade payables		637.22	637.22				
Other current financial liabilities		47.14	47.14				
	-	1,034.08	1,034.08	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

B. Fair value hierarchy

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

The categories used are as follows:

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

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments - forwards foreign exchange contracts	The 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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

i. Interest rate risk

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

Exposure to interest rate risk

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

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Fixed-rate instruments		
Financial assets		
Bank deposits	583.01	34.68
Total	583.01	34.68
Financial liabilities		
Non-current borrowings	298.79	179.72
Current maturities of non-current borrowings	180.00	170.00
Total	478.79	349.72

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

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

Trade receivables

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

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

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Not past due	399.62	276.56
Past due 1-360 days	69.39	164.49
Past due 361- 720 days	13.73	17.66
more than 720 days	-	-
	482.74	458.71

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, 2019	19.64
Impairment loss recognised/ (reversed)	27.96
Write-off of bad debts	(24.36)
Balance as at 31st March, 2020	23.24
Impairment loss recognised	12.14
Write-off of bad debts	(14.14)
Balance as at 31st March, 2021	21.24

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Cash and cash equivalents and bank deposits

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

Derivatives

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

Investment in mutual funds

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

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

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.

As at 31 st March, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Borrowings (including interest)	509.44	561.36	236.15	21.75	303.46	-
Current financial liabilities						
Trade payables	835.30	835.30	835.30	-	-	-
Other financial liabilities	24.10	24.10	24.10	-	-	-

₹ crore

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

₹ crore

As at 31 st March, 2020	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)	373.83	397.44	201.33	196.11	-	-
Current financial liabilities						
Trade payables	637.22	637.22	637.22	-	-	-
Other financial liabilities	23.02	23.02	23.02	-	-	-

iv. Market risk

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

v. Currency risk

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

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

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

Category	Instrument	Currency	Cross Currency	Amounts (\$ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	6.28	Buy	As at 31 st March, 2021
Hedges of recognised liabilities	Forward Contract	USD	INR	0.25	Buy	As at 31 st March, 2021

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Exposure to currency risk

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

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Financial assets		
Trade receivables	6.61	20.01
	6.61	20.01
Financial liabilities		
Trade payables	55.73	70.31
	55.73	70.31
Net foreign currency exposure	(49.12)	(50.30)

Sensitivity analysis

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

Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
31st March, 2021			
USD	5%	(2.46)	2.46
		(2.46)	2.46

Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
31st March, 2020			
USD	5%	(2.51)	2.51
		(2.51)	2.51

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

The Company's adjusted net debt-to-equity ratio at 31st March, 2021 was as follows:

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Total borrowings (including current portion of long-term debts)	478.79	349.72
Less : Cash and cash equivalents	252.99	22.97
Less : Other bank balances	341.53	24.09
Less : Current investments	761.07	539.58
Adjusted net debt	(876.80)	(236.92)
Total equity	1,918.99	1,467.80
Adjusted net debt to adjusted equity ratio	(0.46)	(0.16)

43 Disclosure pursuant to Indian Accounting Standard (Ind AS) 27, *Separate Financial Statements*

Investments in following subsidiary companies are accounted at cost:

Sr. no.	Name of the subsidiary companies	Principal place of business	Proportion of direct ownership as on 31 st March, 2021	Proportion of direct ownership as on 31 st March, 2020
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%

44 Based on assessment order received during the year, the Company has written-back an amount of ₹ 76.68 crore (Previous year ₹ 57.38 crore) in respect of earlier years and the same is netted-off from current tax expense for the year ended 31st March, 2021.

45 COVID-19 has caused disruptions to businesses across India. The management has considered subsequent events, internal and external information in finalising various financial estimates as at the date of approval of these financial results and have not identified any material impact on the carrying value of assets, liabilities or provisions. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

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

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

Signatures to Notes 1 to 48

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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer
Mumbai, 21st May, 2021

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 accompanying consolidated financial statements of **Crompton Greaves Consumer Electricals Limited** (hereinafter referred to as 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2021, 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 (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, 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 Group as at 31st March, 2021, of its 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Goodwill (Refer Notes 2 and 37 to the consolidated financial statements)

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 Rs. 779.41 crore, was recorded as Goodwill in the books of CGCEL. The Company has adopted the policy of amortising the goodwill in the books of account, on the outcome of impairment test if there is an indication of impairment as at the reporting date. Based on the valuation done by the management's consultant, the value of the goodwill is more than book value of goodwill as at 31st March, 2021, and hence, there is no indication of impairment.

We draw attention to Note 45 to the consolidated financial statements. 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 the value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The computation involved using certain assumptions around discount rates, growth rates and cash flow forecasts. Accordingly, this is considered as the key audit matter.

Principal Audit Procedures

We have performed the audit procedures in the circumstances as stated above, 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 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 / disallowability of claims at the assessment level. Accordingly, this is considered as the key audit matter.

Principal Audit Procedures

We have performed audit procedures, which including:

- a) Obtained understanding of the key uncertain tax provisions and also obtained information of completed tax assessments and demands / refunds received by the Company during the financial year 2020-21;
- 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 discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assessed the possible outcome of the assessment / demands of the disputed claims. Our tax 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 - Contingent liabilities and commitments, adequately disclose the relevant facts and circumstances and potential liabilities of the Company.
- e) Further, considered the effect of all the information in respect of uncertain tax positions as at 1st April, 2020 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. Accordingly, this is considered as the key audit matter.

Principal Audit Procedures

We have performed audit procedures in the circumstances as stated above, which includes:

- a) Reviewed management's contract risk assessments by enquiries, inspection of minutes of meeting 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 Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 Holding 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:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are 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 year and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2021 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 Holding 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:
- (a) the Consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group - (Refer Note 30 to the consolidated financial statements);
- (b) the Group did not have any material foreseeable losses on the long-term contracts including derivative contracts; and
- (c) the requirements to transfer amounts to the Investor Education and Protection Fund is not presently applicable to the Holding Company and its subsidiary companies incorporated in India.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No.109982W

by the hand of

Edwin P. Augustine

Partner

Membership No. 043385

UDIN:21043385AAAADR1941

Mumbai, 21st May, 2021

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 (the 'Act')

In conjunction with our audit of the consolidated financial statements of the **Crompton Greaves Consumer Electricals Limited** (hereinafter referred to as the Holding Company) as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the 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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects,

an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2021, 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

UDIN: 21043385AAAADR1941

Mumbai, 21st May, 2021

Consolidated Balance Sheet

As at 31st March, 2021

Particulars	Notes	₹ crore	
		As at 31 st March, 2021	As at 31 st March, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	132.76	125.06
(b) Capital work-in-progress		10.86	19.90
(c) Goodwill	2	779.41	779.41
(d) Other intangible assets	2	2.82	4.50
(e) Financial assets			
(i) Others	3	6.15	7.82
(f) Deferred tax assets (net)	21	58.55	50.67
(g) Other non-current assets	4	20.09	22.79
Total non-current assets		1,010.64	1,010.15
(2) Current assets			
(a) Inventories	5	518.64	463.61
(b) Financial assets			
(i) Investments	6	769.73	540.82
(ii) Trade receivables	7	491.18	463.46
(iii) Cash and cash equivalents	8	262.42	24.03
(iv) Bank balances other than (iii) above	9	341.53	24.09
(v) Others	10	13.15	12.77
(c) Current tax assets (net)		20.72	78.84
(d) Other current assets	11	189.29	134.05
Total current assets		2,606.66	1,741.67
TOTAL ASSETS		3,617.30	2,751.82
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	125.54	125.46
(b) Other equity	13	1,805.89	1,342.88
Total equity		1,931.43	1,468.34
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
Borrowings	14	298.79	179.72
(b) Provisions	15	21.44	19.11
Total non-current liabilities		320.23	198.83
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	-
(ii) Trade payables			
(a) Due to micro and small enterprises	17	35.60	3.30
(b) Due to creditors other than micro and small enterprises	17	829.07	640.27
(iii) Other financial liabilities	18	234.75	217.14
(b) Other current liabilities	19	61.46	58.31
(c) Provisions	20	204.76	165.51
(d) Current tax liabilities (net)		-	0.12
Total current liabilities		1,365.64	1,084.65
Total liabilities		1,685.87	1,283.48
TOTAL EQUITY AND LIABILITIES		3,617.30	2,751.82
Significant accounting policies	1		
Contingent liabilities and commitments	30		
Other notes	31 to 48		
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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer
Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2021

₹ crore

Particulars	Notes	2020-21	2019-20
Income			
I. Revenue from operations	22	4,803.51	4,520.26
II. Other income	23	75.75	59.05
III. Total Income (I+II)		4,879.26	4,579.31
IV. Expenses			
Cost of materials consumed	24	986.31	979.46
Purchase of stock-in-trade	25	2,320.00	2,217.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(39.07)	(126.29)
Employee benefits expense	27	336.58	310.95
Finance costs	28	42.91	40.67
Depreciation and amortisation expense	2	29.69	26.79
Other expenses	29	479.21	539.88
Total Expenses (IV)		4,155.63	3,988.62
V. Profit before tax		723.63	590.69
VI. Tax expense:			
Current tax (Refer Note 44)		115.61	84.00
Deferred tax	21	(8.63)	10.30
VII. Profit for the year		616.65	496.39
VIII. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss Remeasurements gain / (loss) on defined benefit plans		2.93	(2.88)
(ii) Income tax related to items that will not be reclassified to profit or loss		(0.74)	0.73
Other comprehensive income for the year (net of tax)		2.19	(2.15)
IX. Total comprehensive income for the year		618.84	494.24
X. Earnings per equity share			
1. Basic (₹)	36	9.83	7.92
2. Diluted (₹)		9.75	7.85
Significant accounting policies	1		
Other Notes	31 to 48		
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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer
Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021

(A) EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance as at the beginning of the reporting period	62,72,83,972	125.46	62,69,85,920	125.40
Changes in equity share capital during the year	4,07,381	0.08	2,98,052	0.06
Balance as at the end of the reporting period	62,76,91,353	125.54	62,72,83,972	125.46

(B) OTHER EQUITY - OWNERS

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at 01-04-2019	0.05	6.00	120.83	75.00	768.90	1.14	971.92
Profit for the year					496.39		496.39
Dividends paid including dividend distribution tax					(151.17)		(151.17)
Securities premium received		5.05					5.05
Amount transferred to Securities premium		2.31	(2.31)				-
Amount transferred to Retained earnings			(0.11)		0.11		-
Movement in Other comprehensive income for the year						(2.15)	(2.15)
Add: Employee compensation expense for the year (Refer Note 27)			22.83				22.83
Balance as at 31-03-2020	0.05	13.36	141.24	75.00	1,114.23	(1.01)	1,342.87
Profit for the year					616.65		616.65
Dividends paid					(188.20)		(188.20)
Securities premium received		7.21					7.21
Amount transferred to Securities premium		3.44	(3.44)				-
Amount transferred to Retained earnings			(0.44)		0.44		-
Movement in Other comprehensive income for the year						2.19	2.19
Add: Employee compensation expense for the year (Refer Note 27)			25.17				25.17
Balance as at 31-03-2021	0.05	24.01	162.53	75.00	1,543.12	1.18	1,805.89

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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer
Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

₹ crore

Particulars	2020-21	2019-20
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	723.63	590.69
Adjustments for:		
Depreciation and amortisation expense	29.69	26.79
Interest expense	42.91	40.67
Loss on sale of property, plant and equipment	0.16	0.15
Provision for expenses on employee stock options	25.17	22.83
Net (gain) / loss on sale/ fair valuation of investments	(43.66)	(33.96)
Interest income	(31.37)	(23.38)
Unrealised exchange (gain) / loss (net)	(3.21)	3.84
	19.69	36.94
Cash Generated from operations before working capital changes	743.32	627.63
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(77.24)	59.51
(Increase) / Decrease in inventories	(55.03)	(111.23)
Increase / (Decrease) in trade and other payables	232.22	(33.00)
Increase / (Decrease) in provisions	44.52	12.64
	144.47	(72.08)
Cash generated from operations	887.79	555.55
Taxes paid (net of refunds)	(57.50)	(144.63)
Net cash generated from / (used in) operating activities [A]	830.29	410.92
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	26.73	20.85
Sale of property, plant and equipment	0.41	1.13
	27.14	21.98
Less: Outflows from investing activities		
Purchase / (sale) of current investments (net)	185.25	(34.35)
Increase / (Decrease) in other bank balances and term deposits	317.44	(1.97)
Purchase of property, plant and equipment and intangible assets	20.18	49.40
	522.87	13.08
Net Cash (used in) / generated from investing activities [B]	(495.73)	8.90

Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

Particulars	₹ crore	
	2020-21	2019-20
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	7.27	5.15
Proceeds from issue of debentures	300.00	-
	307.27	5.15
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	187.39	150.55
Repayment of debentures	170.00	300.00
Repayment of lease liability	11.90	8.79
Interest paid	34.15	58.58
	403.44	517.92
Net Cash (used in) / generated from financing activities [C]	(96.17)	(512.77)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	238.39	(92.95)
(a) Cash and cash equivalents at beginning of the year	24.03	116.98
(b) Cash and cash equivalents at end of the year	262.42	24.03
(c) Net increase / (decrease) in cash and cash equivalents (c = b-a)	238.39	(92.95)

Notes:

- 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).
- Additions to property, plant and equipment include movements of capital work-in-progress during the year.
- Figures for the previous year have been regrouped wherever necessary.

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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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 financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 21st May, 2021.

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.

When parent Company has sold materials to a supplier / vendor, who has processed further the said material and sold it to a Wholly owned Subsidiary of the parent Company; the value of such transaction of purchase/sale has been eliminated in consolidated financial statements.

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;

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

- 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.

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 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

- Evaluation of recoverability of deferred tax assets [Refer Note 1.18].
- Estimates related to Share-based Payments (Refer Note 38).

4. Foreign currency translation

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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

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

6. Intangible assets

(a) Recognition and measurement

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

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

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

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

(b) Subsequent expenditure

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

(c) Amortisation

Intangible assets 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;

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

- 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 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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 realisable 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 either fair value through other comprehensive income (FVTOCI) 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 (FVTOCI) or through profit or loss (FVTPL) or amortised cost.

Debt instruments

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

- 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 two measurement categories into which the Company classifies its debt instruments:

- **Amortised cost**
Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate (EIR) method.
- **Fair Value Through Profit or Loss (FVTPL)** category are measured at fair value with all changes recognised in the Statement of profit and loss.

De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-

through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.
- On derecognition of financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.
- If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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.

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

Other financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign currency forward contracts and foreign currency option contracts to manage its exposure to foreign exchange risks. For these contracts hedge accounting is not followed and such designated derivative

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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 disclosed unless the possibility of outflow of resources is remote.

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

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

14. Revenue recognition

(a) Revenue from Goods and Services

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

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed.

(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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

using the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

(d) Other income

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

15. Government grants and incentives

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

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

16. Employee benefit plans

(a) Short-term employee benefits:

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

(b) Post-employment benefits:

Defined contribution plans:

The Company's contribution to defined contribution plans, namely State governed provident fund, superannuation fund, employee state insurance scheme, employee pension scheme and labour welfare fund are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

The contributions are classified as Defined Contribution Scheme as the company has no further defined obligations beyond the monthly contributions.

Defined benefit plans:

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

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

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

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

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

(c) Long-term employee benefits:

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(d) Termination benefits:

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

(e) Share-based Payments:

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

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

17. Leases- Operating

Ind AS 116, *Leases*, requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Company has the right to direct the use of the asset.

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

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

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

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

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

18. Income taxes

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

(a) Current tax

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

Current tax assets and liabilities are offset only if:

- i) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial

recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

ASSETS	₹ crore									
	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1 st April, 2020	Additions	Deductions	As at 31 st March, 2021	Upto 31 st March, 2020	For the year	Deductions	Upto 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.41	-	-	4.41	-	-	-	-	4.41	4.41
Leasehold land	2.69	-	-	2.69	0.75	0.03	-	0.78	1.91	1.94
Buildings:										
Owned assets	35.03	10.90	0.01	45.92	6.28	1.78	0.00	8.06	37.86	28.75
Right-of-Use assets	50.75	4.14	-	54.89	9.28	10.28	-	19.56	35.33	41.47
Plant and equipment	65.63	17.00	0.35	82.28	27.58	11.43	0.21	38.80	43.48	38.05
Furniture and fixtures	4.63	0.23	0.12	4.74	2.17	0.56	0.07	2.66	2.08	2.46
Office equipment	11.40	3.35	0.11	14.64	6.21	2.83	0.09	8.95	5.69	5.19
Vehicles	4.44	0.45	0.66	4.23	1.65	0.89	0.31	2.23	2.00	2.79
Sub-total (i)	178.98	36.07	1.25	213.80	53.92	27.80	0.68	81.04	132.76	125.06
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Subtotal (ii)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
(iii) Other Intangibles										
Computer software	9.56	0.21	-	9.77	5.11	1.89	-	7.00	2.77	4.45
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.68	0.64	-	-	0.64	0.04	0.04
Sub-total (iii)	12.14	0.21	-	12.35	7.64	1.89	-	9.53	2.82	4.50
Total (i) + (ii) + (iii)	970.53	36.28	1.25	1,005.56	61.56	29.69	0.68	90.57	914.99	908.97

- Notes:**
- Cost of freehold land included ₹ 0.34 crore (Previous year ₹ 0.34 crore) for which conveyance is yet to be completed.
 - 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.
 - Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 785.41 crore; (Previous year ₹ 785.44 crore).

ASSETS	₹ crore									
	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1 st April, 2019	Additions	Deductions	As at 31 st March, 2020	Upto 31 st March, 2019	For the year	Deductions	Upto 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.41	-	-	4.41	-	-	-	-	4.41	4.41
Leasehold land	2.69	-	-	2.69	0.72	0.03	-	0.75	1.94	1.97
Buildings:										
Owned assets	30.27	4.76	-	35.03	4.67	1.61	-	6.28	28.75	25.60
Right-of-Use assets	-	50.75	-	50.75	-	9.28	-	9.28	41.47	-
Plant and equipments	54.14	12.81	1.32	65.63	18.18	9.95	0.55	27.58	38.05	35.96
Furniture and fixtures	4.75	0.11	0.23	4.63	1.69	0.57	0.09	2.17	2.46	3.06
Office equipment	8.36	3.27	0.23	11.40	3.86	2.50	0.15	6.21	5.19	4.50
Vehicles	4.18	0.93	0.67	4.44	1.13	0.89	0.37	1.65	2.79	3.05
Sub-total (i)	108.80	72.63	2.45	178.98	30.25	24.83	1.16	53.92	125.06	78.55
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Subtotal (ii)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
(iii) Other Intangibles										
Computer software	8.29	1.27	-	9.56	3.39	1.72	-	5.11	4.45	4.90
Technical know-how	1.90	-	-	1.90	1.67	0.22	-	1.89	0.01	0.23
Research and development	0.68	-	-	0.68	0.62	0.02	-	0.64	0.04	0.06
Sub-total (iii)	10.87	1.27	-	12.14	5.68	1.96	-	7.64	4.50	5.19
Total (i) + (ii) + (iii)	899.08	73.90	2.45	970.53	35.93	26.79	1.16	61.56	908.97	863.15

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

3 NON-CURRENT FINANCIAL ASSETS - OTHERS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Security deposits	6.15	6.84
Deposits with banks (with maturity period of more than 12 months)	-	0.28
Others	-	0.70
Total	6.15	7.82

Note: Deposits of ₹ Nil (Previous year ₹ 0.28 crore) are under lien with banks.

4 OTHER NON-CURRENT ASSETS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Capital advances	6.36	9.28
Less: Allowance for doubtful advances	(1.07)	(1.07)
	5.29	8.21
Others	14.80	14.58
Total	20.09	22.79

5 INVENTORIES (At lower of cost and net realisable value)

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Raw materials	75.44	60.48
Add: Goods-in-transit	3.56	3.55
	79.00	64.03
Work-in-progress - manufacturing	23.18	16.65
Finished goods - manufacturing	117.69	90.61
Add: Goods-in-transit	15.06	15.09
	132.75	105.70
Stock-in-trade	242.22	236.22
Add: Goods-in-transit	37.05	37.56
	279.27	273.78
Stores, spares and packing materials	4.44	3.45
	518.64	463.61

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, 2021

6 CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ crore		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
- Measured at Amortised Cost		
Investment in Bonds (Quoted)	31.17	10.50
- Measured at Fair value through Profit and Loss		
Investment in Mutual funds (Unquoted)	738.56	530.32
	769.73	540.82
Aggregate amount of quoted investments and market value thereof:		
Book value	31.17	10.50
Market value	31.17	10.50
Aggregate amount of unquoted investments:		
Book value (accounted based on NAV)	738.56	530.32

7 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ crore		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured		
Trade receivables, considered good	491.18	463.46
Trade receivable, considered doubtful	21.24	23.24
	512.42	486.70
Less: Allowance for doubtful trade receivables	21.24	23.24
Total	491.18	463.46

8 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ crore		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance with banks :		
In current accounts	15.54	12.00
In deposit accounts (with less than 3 months maturity)	246.85	12.00
Cash on hand	0.03	0.03
Total	262.42	24.03

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

9 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deposits with maturity more than 3 months but less than 12 months	339.03	22.40
Unclaimed dividend account	2.50	1.69
Total	341.53	24.09

10 CURRENT FINANCIAL ASSETS - OTHERS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Security deposits	13.15	12.77
Total	13.15	12.77

11 OTHER CURRENT ASSETS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advance to suppliers	51.03	30.32
Balances with Indirect tax authorities	4.84	16.22
Other recoverables	50.36	39.21
Others	83.06	48.30
Total	189.29	134.05

12 SHARE CAPITAL

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital				
Equity shares of ₹ 2 each	65,50,00,000	131.00	65,00,00,000	130.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each, fully paid-up	62,76,91,353	125.54	62,72,83,972	125.46
	62,76,91,353	125.54	62,72,83,972	125.46

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Outstanding at the beginning of the year	62,72,83,972	125.46	62,69,85,920	125.40
Shares issued on account of exercising Employee stock option plans	4,07,381	0.08	2,98,052	0.06
Outstanding at the end of the year	62,76,91,353	125.54	62,72,83,972	125.46

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 31 st March, 2021		As at 31 st March, 2020	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
SBI Mutual Fund	3,84,09,761	6.12%	3,20,52,041	5.11%
Macritchie Investments Pte Ltd	3,76,12,367	5.99%	5,65,38,546	9.01%
Amalfiaco Limited	3,36,67,802	5.36%	10,77,41,623	17.18%
Aditya Birla Sun Life Trustee Private Limited	2,88,55,262	4.60%	3,13,70,834	5.00%

d. Shares reserved for issuance under Stock Option Plans of the Company at face value of ₹ 2 (Also Refer Note 39)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	26,33,826	0.53	34,15,883	0.68
Crompton Performance Share Plan 1 2016 (PSP 1)	1,06,27,872	2.13	1,07,53,536	2.15
Crompton Performance Share Plan 2 2016 (PSP 2)	30,79,392	0.62	30,86,725	0.62
Crompton Stock Option Plan 2019 (ESOP 2019)	74,96,499	1.50	3,70,000	0.07

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 have recommended payment of final dividend of ₹ 2.50 (Rupees two and Paise fifty only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2021. An interim dividend of ₹ 3 (Rupees three only) per equity share of the face value of ₹ 2 each was declared at the Board Meeting held on 22nd October, 2020 and the same was paid on 13th November, 2020. The total dividend for the year including the final dividend will be ₹ 5.50 (Rupees five and Paise fifty only) per equity share of the face value of ₹ 2 each.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

13 OTHER EQUITY

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital reserve	0.05	0.05
Securities premium	24.01	13.36
Employee stock option outstanding account	162.53	141.24
Retained earnings	1,543.12	1,114.25
Other comprehensive income	1.18	(1.01)
Debenture redemption reserve	75.00	75.00
Total	1,805.89	1,342.88

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

Nature and purpose of reserves

Capital reserve

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

Securities premium

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

Employee stock option outstanding

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

Retained earnings

Retained earnings are the profits that the 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 Consolidated Financial Statements

for the year ended 31st March, 2021

14 FINANCIAL LIABILITIES - BORROWINGS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Measured at amortized cost		
i) Non-Current Borrowings		
Secured		
Debentures	298.79	179.72
	298.79	179.72
ii) Current maturities of Borrowings - (Refer Note 18)		
Debentures	180.00	170.00
Total	478.79	349.72

Terms of Debentures:

Particulars of Debentures	Series C (2016 issue)	Series A (2020 issue)	Series B (2020 issue)
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000
Date of allotment	24 th June, 2016	29 th May, 2020	29 th May, 2020
As at 31 st March, 2021 (₹ crore)	180.00	150.00	150.00
As at 31 st March, 2020 (₹ crore)	180.00	-	-
Interest	8.95% p.a. payable annually	7.25% p.a. payable annually	7.25% p.a. payable annually
Terms of repayment	Due for redemption on 24-06-2021	Due for redemption on 29-05-2023, with call option on 29-11-2021	Due for redemption on 29-05-2023, with call option on 27-05-2022

Debentures are secured by:

- (a) Charge on 'Crompton' Brand and Registered Trade Marks of the Company; and
- (b) Charge by way of equitable mortgage by deposit of title deeds/relevant documents of movable and immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.

15 NON-CURRENT PROVISIONS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits (post medical retirement benefits, compensated absences)	21.44	19.11
Total	21.44	19.11

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

16 CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Working capital demand loan from bank	-	-
Total	-	-

Note: Working capital demand loan is secured by way of charge on the Company's inventories and trade receivables.

17 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Acceptances	101.62	126.60
Due to micro and small enterprises	35.60	3.30
Due to creditors other than micro and small enterprises	727.45	513.67
Total	864.67	643.57

18 CURRENT FINANCIAL LIABILITIES - OTHERS

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current maturities of non-convertible debentures (Refer Note 14)	180.00	170.00
Interest accrued but not due on borrowings	30.65	24.12
Security deposits	24.10	23.02
Total	234.75	217.14

19 OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advances from customers	5.86	8.08
Statutory dues payables	16.38	5.79
Unpaid dividend	2.50	1.69
Others	36.72	42.75
Total	61.46	58.31

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

20 CURRENT PROVISIONS

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits (post medical retirement benefits, compensated absences)	2.01	2.46
Other provisions (Refer Note below)	202.75	163.05
Total	204.76	165.51

Note:

(1) Movement of provisions	₹ crore		
	Warranty	Sales tax / VAT/ Other taxes	Other litigation claims
Carrying amount at the beginning of the year	145.32	12.65	0.06
Additional provision made during the year	56.73	-	-
Amounts used during the year	(24.78)	-	-
Unused amounts reversed during the year	-	-	-
Carrying amount at the end of the year	177.27	12.65	0.06

Movement of provisions	₹ crore	
	Others	Total
Carrying amount at the beginning of the year	5.02	163.05
Additional provision made during the year	12.77	69.50
Amounts used during the year	(5.02)	(29.80)
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	12.77	202.75

(2) Nature of provisions:

- (a) Product warranties: The Company gives warranties on certain products and services, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair / replacement. The timing of outflows is expected to be within a period of two year.
- (b) 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.
- (c) Provision for other litigation obligation claims represents liabilities that are expected to materialise in respect of matters in appeal.
- (d) Others represent provision made towards probable cash discount and probable return of goods from customer.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

21 INCOME TAXES

(a) Tax expense recognised in Statement of profit and loss comprises :

Particulars	₹ crore	
	2020-21	2019-20
Current income tax charge net of writebacks (Refer Note 44)	115.61	84.00
Deferred tax (asset) / liability (net)		
Origination and reversal of temporary differences	(8.63)	10.30
Tax expense for the year	106.98	94.30

(b) Amounts recognised in Other comprehensive income

Particulars	₹ crore					
	2020-21			2019-20		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements gains / (losses) on post employment defined benefit plans and tax thereon	2.93	(0.74)	2.19	(2.88)	0.73	(2.16)
	2.93	(0.74)	2.19	(2.88)	0.73	(2.16)

(c) Reconciliation of effective tax rate

Particulars	₹ crore	
	2020-21	2019-20
Profit before tax	723.63	590.69
Applicable tax rate*	25.17%	25.17%
Computed tax expense	182.12	148.66
Exempted dividend income	-	-
Tax incentive under Section 80-IC of Income tax Act, 1961	-	-
Others**	(75.14)	(54.36)
Income tax expense for the current year	106.98	94.30
Effective tax rate	14.78%	15.97%

* The Company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for income tax for year ended 31st March, 2020.

** Others includes refunds, adjustment due to completed assessments and impact of rate change.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(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 31 st March, 2021	As at 31 st March, 2020	2020-21	2019-20
(a)	Deferred tax asset on employee stock option outstanding	38.25	32.89	5.36	(5.67)
(b)	Items disallowed under Section 43B of the Income tax Act, 1961 on payment basis	10.86	9.86	1.00	(1.94)
(c)	Allowance for doubtful debts and advances	5.35	5.85	(0.50)	(1.01)
(d)	Difference between book depreciation and tax depreciation	(0.72)	(1.88)	1.16	2.23
(e)	Other temporary differences	4.81	3.95	1.61	(3.92)
	Deferred tax income /(expense)			8.63	(10.31)
	Net deferred tax assets / (liabilities)	58.55	50.67		

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

₹ crore

Sr. no.	Particulars	2020-21	2019-20
(a)	Opening balance as at 1 st April	50.67	60.25
(b)	Tax (income)/expense during the period recognised in:		
(i)	Statement of profit and loss in profit or loss	8.63	(10.31)
(ii)	Statement of profit and loss under OCI	(0.74)	0.73
(c)	Closing balance as at 31st March	58.55	50.67

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

22 Revenue from Operations

Particulars	₹ crore	
	2020-21	2019-20
A. Sales of products and services		
Sale of products (excluding GST, as applicable)		
(i) Electric consumer durables	3,800.18	3,384.41
(ii) Lighting products	986.66	1,115.97
	4,786.84	4,500.38
Sale of services		
(i) Electric consumer durables	0.88	0.27
(ii) Lighting products	4.47	4.82
	5.35	5.09
	4,792.19	4,505.47
B. Other operating revenue		
Export benefits and other incentives	1.43	6.68
Scrap sales	9.89	8.11
	11.32	14.79
Total	4,803.51	4,520.26

23 OTHER INCOME

Particulars	₹ crore	
	2020-21	2019-20
Interest income	31.37	23.38
Net gain / (loss) on sale or fair valuation of investments	43.66	33.96
Other	0.72	1.71
Total	75.75	59.05

24 COST OF MATERIALS CONSUMED

Particulars	₹ crore	
	2020-21	2019-20
Opening stock	64.03	79.32
Add: Purchases	946.79	907.91
Less: Closing stock	79.00	64.03
Raw materials consumed	931.82	923.20
Add: Sub-contracting charges	54.49	56.26
Total	986.31	979.46

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

25 PURCHASE OF STOCK-IN-TRADE

Particulars	₹ crore	
	2020-21	2019-20
Electric consumer durables	1,814.18	1,636.57
Lighting products	505.82	580.59
Total	2,320.00	2,217.16

26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	₹ crore	
	2020-21	2019-20
Opening Stock :		
Finished goods	105.70	61.76
Stock-in-trade	273.78	181.05
Work-in-progress	16.65	27.03
	396.13	269.84
Less:		
Closing Stock:		
Finished goods	132.75	105.70
Stock-in-trade	279.27	273.78
Work-in-progress	23.18	16.65
	435.20	396.13
Changes in inventories:		
Finished goods	(27.05)	(43.94)
Stock-in-trade	(5.49)	(92.73)
Work-in-progress	(6.53)	10.38
	(39.07)	(126.29)

27 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ crore	
	2020-21	2019-20
Salaries, wages, bonus and other benefits	282.26	257.69
Contribution to provident and other funds	12.21	11.19
Staff welfare expenses	16.94	19.24
Share-based Payments to employees (Refer Note 38)	25.17	22.83
Total	336.58	310.95

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

28 FINANCE COSTS

₹ crore

Particulars	2020-21	2019-20
Interest	42.91	40.67
	42.91	40.67

29 OTHER EXPENSES

₹ crore

Particulars	2020-21	2019-20
Consumption of stores and spares	11.37	14.92
Power and fuel	4.56	5.61
Rent	14.66	13.36
Repair to property, plant and equipment	2.54	2.61
Insurance	3.63	1.91
Rates and taxes	2.24	4.30
Freight and forwarding	135.16	131.33
Packing materials	62.77	60.18
After sales service	44.07	51.27
Sales promotion	51.80	49.40
Corporate social responsibility expenses (Refer Note 32)	10.99	10.01
Advertising	30.40	49.53
Legal and professional charges	59.50	69.85
Miscellaneous expenses	45.52	75.60
Total	479.21	539.88
Payment to the auditors (included in Miscellaneous expenses)		
Auditors' remuneration (excluding taxes)		
Audit fees	0.42	0.42
Tax audit fees	0.08	0.08
Other services	-	
(i) Certification work	0.02	0.04
(ii) Others	0.30	0.30
Reimbursement of expenses	0.02	0.06
	0.84	0.90

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

30 CONTINGENT LIABILITIES AND COMMITMENTS

			₹ crore		
Sr. no.	Particulars	As at 31 st March, 2021	As at 31 st March, 2020		
A	Contingent Liabilities (to the extent not provided for):				
(a)	Claims against the Company not acknowledged as debts	23.72	23.69		
(b)	Income tax liability that may arise in respect of matters in appeal	29.01	28.68		
(c)	Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	5.96	5.60		
(d)	GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	112.97	57.11		
B	Commitments:				
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6.48	23.02		

Notes:

- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration/appellate proceedings.

31 EXPENDITURE ON RESEARCH AND DEVELOPMENT

			₹ crore		
Sr. no.	Particulars	2020-21	2019-20		
(a)	Capital expenditure	1.40	1.81		
	Sub-total (a)	1.40	1.81		
(b)	Revenue expenditure				
	Raw materials consumed	-	0.16		
	Employee benefits	13.18	9.61		
	Depreciation and amortisation	3.32	1.52		
	Other expenses				
	Consumption of stores and spares	0.89	0.45		
	Repairs and maintenance	0.02	0.02		
	Miscellaneous expenses	4.23	4.53		
	Sub-total (b)	21.64	16.29		
	Total (a) + (b)	23.04	18.10		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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 ₹ 10.99 crore; (Previous year ₹ 9.97 crore)
 (b) Amount spent during the year is ₹ 10.99 crore; (Previous year ₹ 10.01 crore)

₹ crore

Sr. no.	Particulars	Disclosed under	2020-21			2019-20		
			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	10.99	-	10.99	10.01	-	10.01
	Total		10.99	-	10.99	10.01	-	10.01

33 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 116, LEASES

Company as lessee

A Right-of-Use assets

Buildings

₹ crore

Cost	2020-21	2019-20
Opening Balance	50.75	-
Additions	4.14	50.75
Disposal / derecognized during the year	-	-
Closing Balance	54.89	50.75
Accumulated depreciation		
Opening Balance	9.28	-
Depreciation expense	10.28	9.28
Disposal / derecognized during the year	-	-
Closing Balance	19.56	9.28
Closing Balance	35.33	41.47

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

B Lease liabilities

Buildings

Particulars	₹ crore	
	2020-21	2019-20
Opening Balance	43.94	-
Addition	4.14	50.75
Accredition of interest	3.15	1.98
Payments	(11.90)	(8.79)
Adjustments for disposals	-	-
Closing Balance	39.33	43.94

C Amounts recognised in Statement of profit and loss

Particulars	₹ crore	
	2020-21	2019-20
Depreciation expense of Right-of-Use assets (Refer Note 2)	10.28	9.28
Interest expense on lease liabilities	3.15	1.98
	13.43	11.26

34 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 19, *EMPLOYEE BENEFITS* (a) **Defined contribution plans (Refer Accounting Policy Note 1.16).**

Amount of ₹ 12.21 crore (Previous year ₹ 11.19 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 27).

Benefits (Contribution to)	₹ crore	
	2020-21	2019-20
Provident fund	7.47	7.23
Superannuation fund	1.26	1.37
Employee state insurance scheme	0.25	0.29
Labour welfare scheme	0.01	0.01
Gratuity	2.61	1.86
National Pension Scheme	0.61	0.43
Total	12.21	11.19

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.16) as per Actuarial Valuation are as under:

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2020-21 (Funded)	2019-20 (Funded)	2020-21 (Non funded)	2019-20 (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	22.85	20.65	6.44	5.84
	Amount recognised in statement of profit and loss				
	Interest cost	1.56	1.54	0.44	0.46
	Current service cost	2.49	2.08	0.45	0.37
	Past service cost	-	-	-	-
	Amount recognised in other comprehensive income				
	Actuarial (gains) / losses	0.91	1.17	(0.21)	(0.07)
	Financial assumptions	0.62	0.89	(0.10)	-
	Due to experience	0.29	0.28	(0.11)	-
	Benefits paid	(2.31)	(2.59)	(0.19)	(0.16)
	Present Value of defined benefit obligation at the end of the year	25.50	22.85	6.93	6.44
II	Change in fair value of plan assets during the year				
	Fair value of plan assets at the beginning of the year	21.10	23.68	-	-
	Expected return on plan assets	1.44	1.77	-	-
	Contributions	3.00	-	-	-
	Benefits paid from the fund	(0.09)	(2.57)	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial gain / (loss)	3.63	(1.78)	-	-
	Fair value of plan assets at the end of the year	29.08	21.10	-	-
III	Actual return on plan assets				
	Expected return on plan assets	1.44	1.77	-	-
	Actuarial gain / (loss)	3.63	(1.78)	-	-
	Actual return on plan assets	5.07	(0.01)	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2020-21 (Funded)	2019-20 (Funded)	2020-21 (Non funded)	2019-20 (Non funded)
IV	Net asset / (liability) recognised in the balance sheet				
	Present Value of defined benefit obligation at the end of the year	(25.50)	(22.86)	(6.93)	(6.44)
	Fair value of plan assets at the end of the year	29.08	21.10	-	-
	Asset / (Liability) recognised in the balance sheet	3.58	(1.76)	(6.93)	(6.44)
V	Expenses recognised in the statement of profit and loss				
	Current service cost	2.49	2.09	0.45	0.37
	Interest cost	0.12	(0.23)	0.44	0.46
	Past Service cost	-	-	-	-
		2.61	1.86	0.89	0.83
VI	Expenses recognised in the Other comprehensive income				
	Remeasurements (gain) / loss on defined benefit plans	(2.73)	2.95	(0.20)	(0.07)
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	(1.56)	(1.35)	(0.85)	(0.79)
	1% decrease in discount rate	1.76	1.51	1.08	1.01
	1% increase in salary escalation rate	1.75	1.51	-	-
	1% decrease in salary escalation rate	(1.58)	(1.37)	-	-
	1% increase in employee turnover rate	(0.04)	0.01	-	-
	1% decrease in employee turnover rate	0.03	(0.01)	-	-
	1% increase in Medical inflation rate	-	-	1.09	1.01
	1% decrease in Medical inflation rate	-	-	(0.86)	(0.80)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2020-21 (Funded)	2019-20 (Funded)	2020-21 (Non funded)	2019-20 (Non funded)
IX	Maturity profile of defined benefit obligations				
	Within the next 12 months	2.31	3.21	-	-
	Between 1 and 5 years	11.41	8.51		
	Between 5 and 10 years	11.78	11.13		
X	Actuarial assumptions				
	Discount rate	6.44%	6.82%	6.91%	6.81%
	Expected Return on Plan Assets (p.a.)	6.44%	6.82%	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 analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.
- (d) The Company makes contributions to the Gratuity Trust, which manages the investment. The Trust is a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.
- (e) The Company provides post retirement medical benefits to qualifying employees.
- (f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2021 and 31st March, 2020. 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 towards its gratuity plan during the year 2021-22.
- (j) The salary escalation rate considered in the actuarial valuation is arrived after taking into consideration the seniority, the promotion, inflation and other relevant factors.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

35 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 24, *RELATED PARTY DISCLOSURES*

i) Other Related Parties:

- 1 ASK Wealth Advisors Private Limited
- 2 Crompton (CSR) Foundation

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
- 5 Ms. Shweta Jalan, Non-Executive Director
- 6 Mr. Sahil Dalal, Non-Executive Director
- 7 Mr. Promeet Ghosh, Non-Executive Director
- 8 Mr. Shantanu Khosla, Managing Director
- 9 Mr. Mathew Job, Executive Director (from 22nd January, 2021) and Chief Executive Officer
- 10 Mr. Sandeep Batra, Chief Financial Officer
- 11 Ms. Pragya Kaul, Company Secretary

iv) Details of related party transactions:

		₹ crore	
Sr. no.	Nature of transaction	2020-21	2019-20
1	Services received		
	ASK Wealth Advisors Private Limited	0.20	0.19
	Total	0.20	0.19
2	Contributions (Employer's) to Post Retirement Funds		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.00	-
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.26	1.37
	Total	4.26	1.37

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

₹ crore			
Sr. no.	Nature of transaction	2020-21	2019-20
3	Compensation to Key Management Personnel		
	Short-term benefits	15.49	19.13
	Share-based Payments (Refer Note b below)	17.99	19.39
	Director's sitting fees	0.42	0.26
	Commission	0.72	0.62
	Total	34.62	39.40
4	Donations Paid		
	Crompton (CSR) Foundation	9.96	0.46
	Total	9.96	0.46

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 31 st March, 2021	As at 31 st March, 2020
1	Other Receivable		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.58	-
	Total	3.58	-
2	Other Payable		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	-	1.76
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.10	0.10
	Total	0.10	1.86

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, 2021

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.

		2020-21	2019-20
(a) Basic earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	616.65	496.39
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	Nos	62,73,66,090	62,70,96,946
Earnings per share - Basic (one equity share of ₹ 2 each)	₹	9.83	7.92
(b) Diluted earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	616.65	496.39
Denominator for earnings per share			
Weighted number of equity shares outstanding for basic EPS during the year	Nos	62,73,66,090	62,70,96,946
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	53,40,705	48,68,618
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,27,06,795	63,19,65,564
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	9.75	7.85

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:

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
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 Consolidated Financial Statements

for the year ended 31st March, 2021

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 2021 and 31st March, 2020 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 PAYMENTS*

Employee stock options - equity settled

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

Disclosures:

Particulars	₹ crore	
	31 st March, 2021	31 st March, 2020
Charge for the year	25.17	22.83
Employee Stock option outstanding	162.54	141.24

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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

Particulars	31 st March, 2021				31 st March, 2020			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2016	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19 th January, 2020	22 nd October, 2016	22 nd October, 2016	22 nd October, 2016	19 th January, 2020	22 nd October, 2016	22 nd October, 2016	22 nd October, 2016
Total number of options approved under ESOS	98,00,000	40,00,000	1,09,68,057	31,33,731	48,00,000	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-5 Years	1-10 Years	1-10 Years	1-5 Years	1-5 Years	1-10 Years	1-10 Years
Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66
Maximum term of Options granted (years)	Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant	Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant		
Source of shares (Primary, Secondary or combination)	Primary							
Variation in terms of options	There have been no variations in the terms of the options							

(c) Options movement during the year:

Particulars	31 st March, 2021				31 st March, 2020			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	3,70,000	34,15,883	1,07,53,536	30,86,725	-	31,33,769	1,09,68,057	31,33,731
No. of options granted during the year	71,62,750	-	-	-	3,70,000	10,10,000	-	-
No. of options forfeited / lapsed during the year	3,894	5,07,033	25,664	7,333	-	4,79,834	1,64,521	47,006
Number of options vested but not exercised at the end of the year	19,249	17,63,826	1,06,27,872	30,79,392	-	13,65,883	50,50,147	14,57,184

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Particulars	31 st March, 2021				31 st March, 2020			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Number of options exercised during the year	32,357	2,75,024	1,00,000	-	-	2,48,052	50,000	-
Money realised by exercise of options (₹)	83,69,138	5,50,88,628	92,83,000	-	-	4,68,48,804	46,41,500	-
No. of options outstanding at the end of the year	74,96,499	26,33,826	1,06,27,872	30,79,392	3,70,000	34,15,883	1,07,53,536	30,86,725
No. of options exercisable at the end of the year	19,249	17,63,826	1,06,27,872	30,79,392	-	13,65,883	50,50,147	14,57,184
Weighted Average Remaining Contractual Life (in years)	7.92	4.15	3.55	3.52	8.09	5.31	4.91	4.90

(d) Weighted average information for year:

Particulars	2020-21				2019-20			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose								
Exercise price equals market price (₹)	405.95	-	-	-	264.73	258.65	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-
Weighted average fair value of options granted during the year whose								
Exercise price equals market price (₹)	160.01	-	-	-	95.76	100.56	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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

Particulars	2020-21	2019-20	
	ESOP 2019	ESOP 2019	ESOP 2016
Price of the underlying share in market at the time of the option grant (₹)	405.95	264.73	258.65
Exercise price (₹)	405.95	264.73	258.65
Risk free interest rate (based on government securities)	5.64%	6.20%	6.49%
Expected life (years)	5.64	5.00	5.76
Expected volatility	33.25%	31.39%	30.63%
Dividend yield	0.49%	0.75%	0.77%

(f) Number and Weighted Average Exercise Price of Options

Particulars	2020-21		2019-20	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,76,26,144	137.24	1,72,35,557	129.18
Granted during the year	71,62,750	405.95	13,80,000	263.10
Forefeited during the year	5,43,924	229.52	6,91,361	172.17
Exercised during the year	4,07,381	178.56	2,98,052	172.76
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,38,37,589	215.17	1,76,26,144	137.24
Exercisable at the end of the period	1,54,90,339	123.86	78,73,214	127.59

(g) Weighted average share price of options exercised during the year is ₹ 375.04 (Previous year ₹ 244.21).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

39 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108, OPERATING SEGMENTS

A. General Information

(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 :

Electric 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

2020-21	Reportable segments		
	Electric Consumer Durables	Lighting Products	Total
Revenue			
External Customers	3,757.13	1,046.38	4,803.51
Inter-segment	-	-	-
Total revenue	3,757.13	1,046.38	4,803.51
Segment profit	739.22	131.73	870.95
Segment profit includes:			
Depreciation and amortization expense	7.78	6.52	14.30
Segment assets	912.83	439.56	1,352.39
Segment liabilities	689.63	414.21	1,103.84
Other disclosures			
Capital expenditure	17.71	4.56	22.27

Notes to the Consolidated Financial Statements

 for the year ended 31st March, 2021

₹ crore

2019-20	Reportable segments		
	Electric Consumer Durables	Lighting Products	Total
Revenue			
External Customers	3,389.04	1,131.22	4,520.26
Inter-segment	-	-	-
Total revenue	3,389.04	1,131.22	4,520.26
Segment profit	673.10	70.59	743.69
Segment profit includes:			
Depreciation and amortization expense	4.92	8.39	13.31
Segment assets	721.88	501.12	1,223.00
Segment liabilities	479.17	391.48	870.65
Other disclosures			
Capital expenditure	37.36	14.96	52.32

C. Reconciliations of information on reportable segments

₹ crore

Particulars	2020-21	2019-20
(a) Income		
Total income for reportable segments	4,803.51	4,520.26
Elimination of inter-segment revenue	-	-
Total income (Refer Note 23)	4,803.51	4,520.26
(b) Profit before tax		
Total profit before tax for reportable segments	870.95	743.69
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(25.17)	(22.83)
Finance costs	(42.91)	(40.67)
Other unallocable expenditure net of unallocable Income	(79.24)	(89.50)
Total profit before tax from operations as reported in Statement of profit and loss	723.63	590.69

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
(c) Assets		
Total assets for reportable segments	1,352.39	1,223.00
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	1,426.95	698.74
Deferred tax assets (net)	58.55	50.67
Total assets as reported in Balance sheet	3,617.30	2,751.82
(d) Liabilities		
Total liabilities for reportable segments	1,103.84	870.65
Other unallocated amounts		
Borrowings	478.79	349.72
Other liabilities	103.24	63.11
Total liabilities as reported in Balance sheet	1,685.87	1,283.48

D. Disaggregation of revenue based on products

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

E. Geographic information

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

F. Information about major customers

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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 31 st March, 2021	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		6.15	6.15				
In Deposit accounts- bank deposits with maturity beyond 12 months		-	-				
Others							
Cash and cash equivalents		262.42	262.42				
Bank balance other than cash and cash equivalents		341.53	341.53				
Current investments	769.73		769.73		769.73		769.73
Trade receivables		491.18	491.18				
Other current financial assets		13.15	13.15				
	769.73	1,114.43	1,884.16	-	769.73	-	769.73
Financial liabilities							
Borrowings		478.79	478.79				
Trade payables		864.67	864.67				
Other current financial liabilities		54.75	54.75				
	-	1,398.20	1,398.20	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

₹ crore

As at 31 st March, 2020	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		6.84	6.84				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.28	0.28				
Others		0.70	0.70				
Cash and cash equivalents		24.03	24.03				
Bank balance other than cash and cash equivalents		24.09	24.09				
Current investments	540.82		540.82		540.82		540.82
Trade receivables		463.46	463.46				
Other current financial assets		12.77	12.77				
	540.82	532.17	1,072.99	-	540.82	-	540.82
Financial liabilities							
Borrowings		349.72	349.72				
Trade payables		643.57	643.57				
Other current financial liabilities		47.14	47.14				
	-	1,040.43	1,040.43	-	-	-	-

B. Fair value hierarchy

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

The categories used are as follows:

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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

i. 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)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

for identification, evaluation and mitigation of operations, strategic and external risks. RMC has the overall responsibility for monitoring and recovering the Risk Management Plan and associated practices of the Company.

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

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

i. 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.

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Fixed-rate instruments		
Financial assets		
Bank deposits	585.88	34.68
Total	585.88	34.68
Financial liabilities		
Non-current borrowings	298.79	179.72
Current maturities of non-current borrowings	180.00	170.00
Total	478.79	349.72

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

ii. Credit risk

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

Trade receivables

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

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

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Not past due	399.62	276.56
Past due 1-360 days	77.83	169.24
Past due 361- 720 days	13.73	17.66
more than 720 days	-	-
	491.18	463.46

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, 2019	19.64
Impairment loss recognised/ (reversed)	27.96
Write-off of bad debts	(24.36)
Balance as at 31st March, 2020	23.24
Impairment loss recognised	12.14
Write-off of bad debts	(14.14)
Balance as at 31st March, 2021	21.24

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Cash and cash equivalents and bank deposits

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

Derivatives

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

Investment in mutual funds

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

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

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.

As at 31 st March, 2021	Contractual cash flows						₹ crore
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years	
Non current financial liabilities							
Borrowings (including interest)	509.44	561.36	236.15	21.75	303.46	-	
Current financial liabilities							
Trade payables	864.67	864.67	864.67	-	-	-	
Other financial liabilities	24.10	24.10	24.10	-	-	-	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

₹ crore

As at 31 st March, 2020	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)	373.83	397.44	201.33	196.11	-	-
Current financial liabilities						
Trade payables	643.57	643.57	643.57	-	-	-
Other financial liabilities	23.02	23.02	23.02	-	-	-

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.

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

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

Category	Instrument	Currency	Cross Currency	Amounts (\$ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	6.28	Buy	As at 31 st March, 2021
Hedges of recognised liabilities	Forward Contract	USD	INR	0.25	Buy	As at 31 st March, 2021

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Exposure to currency risk

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

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Financial assets		
Trade receivables	6.61	20.01
	6.61	20.01
Financial liabilities		
Trade payables	55.73	70.31
	55.73	70.31
Net foreign currency exposure	(49.12)	(50.30)

Sensitivity analysis

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

Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
As at 31st March, 2021			
USD	5%	(2.46)	2.46
		(2.46)	2.46

Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
As at 31st March, 2020			
USD	5%	(2.51)	2.51
		(2.51)	2.51

41 CAPITAL MANAGEMENT

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

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, 2021 was as follows:

Particulars	₹ crore	
	As at 31 st March, 2021	As at 31 st March, 2020
Total borrowings (including current portion of long-term debts)	478.79	349.72
Less : Cash and cash equivalents	262.42	24.03
Less : Other bank balances	341.53	24.09
Less : Current investments	769.73	540.82
Adjusted net debt	(894.89)	(239.22)
Total equity	1,931.43	1,468.34
Adjusted net debt to adjusted equity ratio	(0.46)	(0.16)

42 Additional Information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31st March, 2021:

Name of Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)
Parent Company								
Crompton Greaves Consumer Electricals Limited	98.62%	1,904.78	98.07%	604.74	100.00%	2.19	98.08%	606.93
Indian Subsidiaries								
Pinnacles Lighting Project Private Limited	0.70%	13.51	1.03%	6.37	0.00%	-	1.03%	6.37
Nexustar Lighting Project Private Limited	0.68%	13.14	0.90%	5.54	0.00%	-	0.90%	5.54

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

43 The List of subsidiaries included in Consolidated Financial Statements are as under:

Sr. no.	Name of the subsidiary companies	Principal place of business	Proportion of direct ownership as on 31 st March, 2021	Proportion of direct ownership as on 31 st March, 2020
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%

44 Based on assessment order received during the year, the Company has written-back an amount of ₹ 76.68 crore (Previous year ₹ 57.38 crore) in respect of earlier years and the same is netted-off from current tax expense for the year ended 31st March, 2021.

45 COVID-19 has caused disruptions to businesses across India. The management has considered subsequent events, internal and external information in finalising various financial estimates as at the date of approval of these financial results and have not identified any material impact on the carrying value of assets, liabilities or provisions. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

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

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

Signatures to Notes 1 to 48

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, 2021

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Mumbai, 21st May, 2021

Pragya Kaul
Company Secretary
Membership No. A17167

Crompton

Crompton Greaves Consumer Electricals Limited

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

CIN: L31900MH2015PLC262254