Crompton

Crompton Greaves Consumer Electricals Limited

CIN: L31900MH2015PLC262254

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

Phone: +912261678499 Fax: +912261678383

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

NOTICE OF THE 4th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Fourth Annual General Meeting (the "AGM")** of the Members of Crompton Greaves Consumer Electricals Limited (the "Company") will be held on Wednesday, 25th July, 2018 at 3.00 p.m. (IST) at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Ms. Shweta Jalan (DIN: 00291675) who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS:

4. **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, 2019 amounting to ₹ 4.20 lacs (Rupees Four Lacs Twenty Thousand) (excluding all taxes and reimbursement of out of pocket expenses) be ratified and confirmed.

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

By order of the Board
For Crompton Greaves Consumer Electricals Limited

Pragya Kaul
Company Secretary & Compliance Officer
Membership No. A17167

Registered Office:
Tower 3, 1st Floor, East Wing, Equinox Business Park,
LBS Marg, Kurla (West), Mumbai- 400 070.
Date: 15st May, 2018
Place: Mumbai.

NOTES:

1. A statement setting out the material facts relating to the special business to be transacted at the Meeting pursuant to section 102(1) of the Companies Act, 2013 is annexed hereto. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect

of Director seeking appointment/ re-appointment at the Annual General Meeting is furnished as Annexure A to the Notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF SELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. A Route map giving directions to reach the venue of the 4th Annual General Meeting is given at the end of the Notice.
4. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
5. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered and Corporate Office of the Company to facilitate clarifications during the Meeting.
6. Corporate Members intending to send their representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-Members from attending the Meeting.
8. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to Karvy Computershare Private Limited.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent.
10. Non-resident Indian shareholders are requested to inform about the following to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:-
    a) The change in the residential status on return to India for permanent settlement;
    b) The particulars of the NRE Account with a Bank in India, if not furnished earlier.
11. The Securities and Exchange Board of India (SEBI) vide Circular Ref No. MRD/DoP/CIR-05/2007 dated 27th April, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/ private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Registrar and Share Transfer Agent for registration of such transfer of shares.
12. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 21st July, 2018 to Wednesday, 25th July, 2018 (both days inclusive).
13. The dividend, if declared at the Annual General Meeting, would be paid/dispatched after 25th July, 2018 to those persons or their mandates:
    a) whose names appear as Beneficial Owners as at the end of the business hours on 19th July, 2018 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 Agent on or before 19th July, 2018.

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

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

16. The Notice of AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

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

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

Instructions for Voting through electronic means:

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

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

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

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

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

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

take utmost care to keep your password confidential.

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

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

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

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

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

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

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

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

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

xiii. Initial password is provided in the enclosed notice.

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

Other Instructions:

xv. The remote e-voting commences on 22nd July, 2018 at 10:00 a.m. and ends on 24th July, 2018 at 05:00 p.m. (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of 19th July, 2018 may cast their vote electronically. The remote e-voting module shall be blocked forthwith at the end of the aforesaid mentioned time limit for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently. (Note: Remote e-voting shall not be allowed beyond the said time period).

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

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

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

xix. The results declared along with the Scrutinizer's report shall be placed on the Company's website

www.crompton.co.in and on the website of M/s. Karvy Computershare Private Limited viz. https://evoting.karvy.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

- **Item No. 4**

  The 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, 2019.

  In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

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

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

By order of the Board
For Crompton Greaves Consumer Electricals Limited

Pragya Kaul
Company Secretary & Compliance Officer
Membership No. A17167

Registered Office:
Tower 3, 1st Floor, East Wing, Equinox Business Park,
LBS Marg, Kurla (West), Mumbai- 400 070.
Date: 15th May, 2018
Place: Mumbai.

ANNEXURE A

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

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

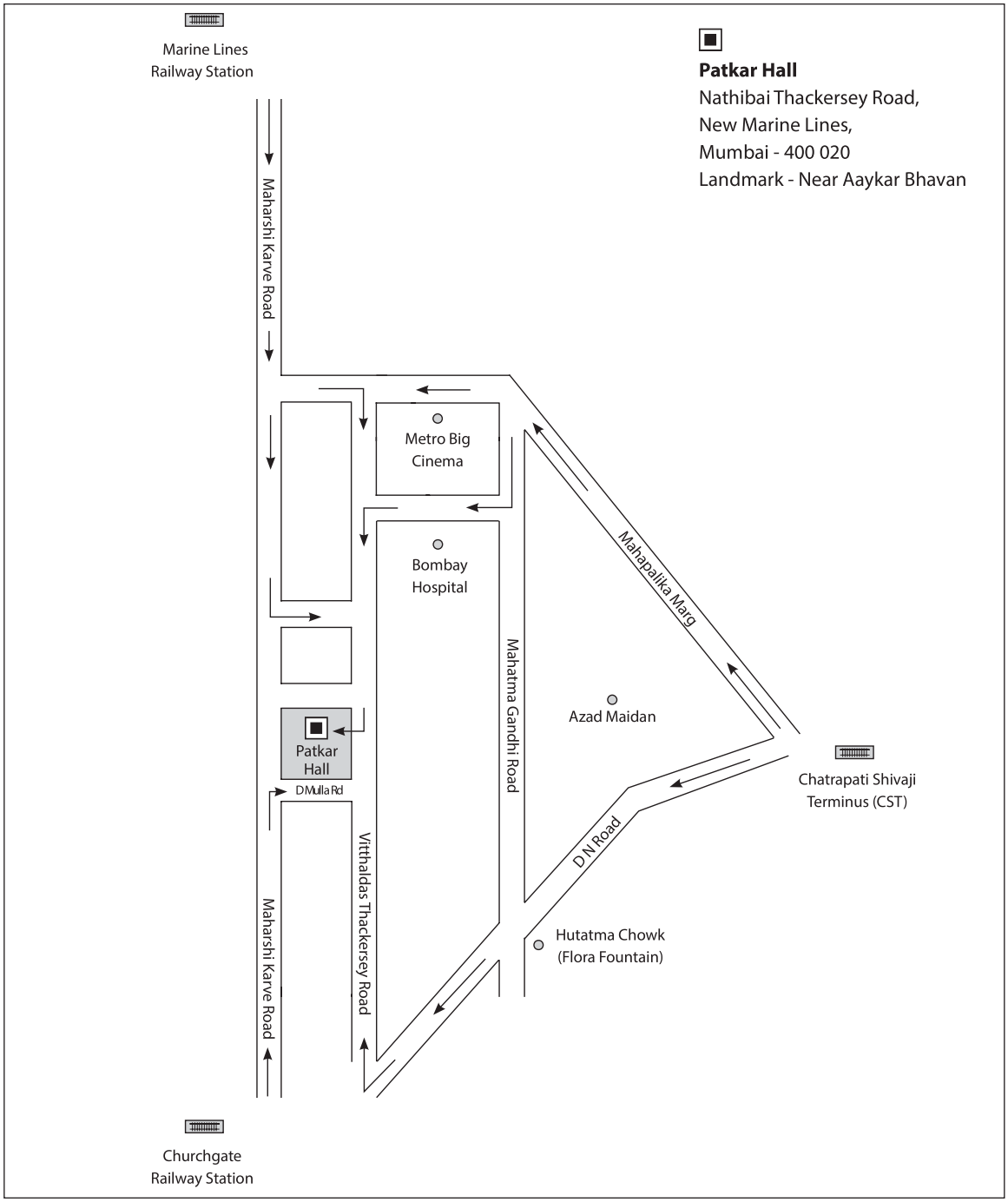
Name of the Director	**Ms. Shweta Jalan**
Director Identification Number	00291675
Category	Non Executive, Non Independent Director
Date of Birth	29th January, 1976
Age	42 years
Date of First Appointment on the Board	16th August, 2016
Relationship with Directors and KMPs	N.A.
Qualifications	MBA
Expertise in specific functional area.	In private equity, across a wide range of sectors such as industrial, healthcare, financial services and consumer
Remuneration last drawn	N.A.
No. of Meetings of the Board attended during the year	6
Terms and Conditions of Appointment or re-appointmentalong with remuneration	Ms. Shweta Jalan has been appointed as Non- Executive, Non-Independent Director. She will not be entitled to Sitting Fees for attending the Meetings of Board and Committees thereof
Board Membership of Companies as on 31st March, 2018	NIL
Chairman/Member of the Committee of the Board of Directors as on 31st March, 2018	NIL
Number of shares held in the Company as on 31st March, 2018	NIL

Note:

1. Only public limited companies other than Crompton Greaves Consumer Electricals Limited have been taken into consideration for the purpose of Board Membership of Companies as on 31st March, 2018.
2. Only Audit and Stakeholders Relationship Committees of Public Limited Companies other than Crompton Greaves Consumer Electricals Limited have been taken into consideration for the purpose of determining the Chairmanship/Memberships of the Committees of the Board of Directors as on 31st March, 2018.

Route Map to the AGM Venue:

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



Crompton

ANNUAL REPORT | 2017-18



Crompton Greaves Consumer Electricals Ltd.

LET'S HANGOUT GHAR PE!

Highlights 2017-18

₹ 4,105 Crore
Revenue for the year

₹ 562 Crore
EBIDTA for the year

₹ 324 Crore
PAT

₹ 497 Crore
Cash Generated from Operations

₹ 5.17
Basic EPS

₹ 1.75
Dividend per share

Segmental Revenue



*EBIDTA: Earnings Before Interest Depreciation and Taxes ■ *PAT: Profit After Taxes ■ *EPS: Earnings Per Share

Chairman's Message



Mr. H.M. Nerurkar
Chairman

Our focus remains on nurturing the long-term growth potential of the company, while maximising the available opportunities and minimising the risks. I wish to touch upon how we managed on all of these parameters in the last year.

Dear Shareholders,

Greetings from Crompton!

I am happy to report back to you on yet another year of strong performance. Our focus remains on nurturing the long-term growth potential of the company, while maximising the available opportunities and minimising the risks. I wish to touch upon how we managed on all of these parameters in the last year.

With more than two years of independent operations, our performance has affirmed our strategic choices and now our focus is on accelerated execution, which will be the key determinant of our overall results.

The year was marked with the landmark change in the indirect tax regime with several taxes getting subsumed in GST. Anticipating the implications, especially on our vendors and channel partners, we ran extensive training and awareness programs in the run-up to the transition.

Trade remained cautious, especially regarding treatment of tax credit on stock as on 30th June, affecting our sales in months of May and June. The result was lower sales in the 1st quarter, seasonally the peak quarter for the Company. While sales growth did pick up in the subsequent quarters, it will take some time for the structural benefits of GST to get realised. However, the longer term gains from this tax change will clearly outweigh any temporary shortfall.

Total income for last year was Rs. 4,105.1 crores, with comparable revenue growth of 8.4%. Comparable Revenue growth in the period of July 2017 to March 2018 was 13.4%. As mentioned earlier, growth in the first quarter was impacted by transition to GST. Profit before tax grew by 14.2% for the year.

The macroeconomic scenario of the country remains strong with a positive outlook. FDI inflows remain strong, asserting our attractive position in global scenario and PMI is also showing positive trend. Combined with some decisive steps for debt overhang resolution in industry, this augurs well for investment climate in the country.

While inflation is in check, we have some risks on input price due to global movement in commodity price and monetary tightening in some major economies resulting in currency and interest rate movement. The growth projections for the year are healthy and outlook is positive, with likely positive impact on consumer demand. With construction activity still to recover completely, government remains an important driver for housing growth, primarily through affordable housing schemes. There is a strong investment in infrastructure, driving related markets and laying the foundation for future growth. One significant step in this has been 100% electrification of villages across India which was

completed in April 2018. As the focus here shifts to 100% electrification of households, we will be willing participants in improvement of life there. A significant channel for this will be EESL programs, which have taken long strides in feasibility and affordability for energy efficient products.

Specifically for the company's structural growth enhancement, our strategy is based on five pillars – Brand Excellence, Portfolio Excellence, Go-to-market (GTM) Excellence, Operational Excellence and Organisation Excellence. We are on track with respect to the milestones we had set and have firm plans for execution over coming period.

- We have observed a positive shift in consumer's perception towards the brand 'Crompton' including amongst the younger age group. The categories of Anti-dust fans and LEDs have been championed by the Company and integrated marketing campaigns run in several markets to cement the proposition for the consumer. These have not only bolstered sales but strengthened brand Crompton overall amongst consumers, retailers and influencers too.
- We have introduced innovative products based on understanding consumer requirements and addressing unmet consumer needs. The idea is to understand the consumer, identify the addressable needs, prioritise and develop commercial propositions. This keeps an innovation pipeline of big ideas ready for steady introduction. Anti-dust has been a successful innovation for us and we have launched Air 360 and TRICOOL this year on this format.
- Distribution is our favoured channel for access to market, helping in stronger market interaction, investment in growth and stronger visibility in market. We have widened the scope of our GTM pilot, basis initial success and are putting in infrastructure and organisational resources for sales enablement. With data-based enablement, we have initiated secondary sales tracking and automation of processes.
- Our operational excellence focus has been on improving our efficiency and efficacy. While achieving margin improvement, we have setup processes in the organisation for structural cost improvements.
- Our organisation is more capable than ever in dealing with changing market conditions and carrying our initiatives at quicker pace. This has been made possible due to our continuous focus on talent management and acquisition.

Our confidence in our chosen path has been enhanced by the results that we have achieved so far. Going forward, the focus will remain on driving results in short term and long term, by accelerating our efforts.

Yours sincerely



Hemant Nerurkar

Brand Excellence

Over the past two years, the Company has continuously invested in building its brand through its new campaigns which have strengthened the positioning of making your home, the best place to hang out. Not only did the Company focus on impactful communication that works but also ensured that the right media selection led to high impact and deliveries across the Target Group (TG). There has been significant improvement in consumer recall and perception towards the brand 'Crompton', especially amongst the younger TG.

The Company has kept the consumer at the heart of the innovation engine. Basis extensive research to understand their pain points we have come up with products which can really add value to their life and solve their core issues.

This enabled us to launch a new fan 'Air 360' that delivers air to upto 50% more area which solves the consumer's problem of having to sit under the fan in order to get maximum breeze. We also launched a revolutionary window cooler 'TRICOOL' that provides 60% better cooling than regular coolers.

AIR 360 Fan



Fans - Fans Brand Equity TVC

A still from AIR 360 Fan TVC



Appliances - Air coolers print campaign

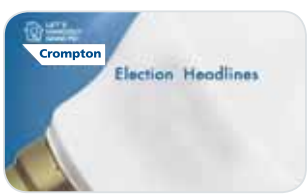
TRICOOL Window Air Cooler

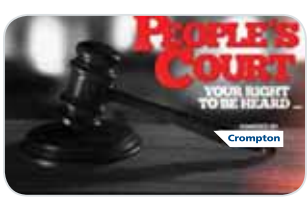


Media Presence

NEWS







CRICKET







GENERIC







Portfolio Excellence

Fans



Air 360

- New Air 360 range of fans covers 50% greater area in the room
- Gives industry leading air delivery
- Unique elevated & aerodynamically designed blades



Antidust Dignita

- Its soft dual tone motifs perfectly suit the modern decor
- The antidust coating ensures less dust collection and ease of cleaning



Splitz

- The exotic body trims and ring give a designer look
- Along with its signature aesthetics, this fan gives high speed & better air delivery



Crypto

- Crypto is an innovative fan where a technical constraint which was creating an aesthetic eyesore is converted into a designer element
- Rivets on the fan blades are used as a design element
- This fan also comes with high speed for superior air flow



Antidust Avancer Prime & Antidust Jura Prime

- White finish to match the decor of modern rooms
- Antidust property of fan ensures easy cleaning of fans & maintains look of the fan

Lighting



Power Ray Batten & Power LED Bulb

- Step dimming option provides the convenience of adjusting lighting levels as per needs of consumers
- The dimming can be controlled via a single switch eliminating the need for dimmers
- An ideal solution for home and commercial interiors



Magic Ray Batten & Magic LED Bulb

- Lets you create the magical ambience you desire with three different mood lighting options
- Convenience of operating these lights with a single switch



Signature Series

- High end LED commercial luminaire to cater to the increasing demand for performance – driven, functional and energy efficient lighting solution for the indoor commercial segment
- It received an award for excellent product design " India Design Mark 2018"



TREND I

- Linear suspended luminaire suitable for 36/40/72/ 80 W with 4 ft. & 8 ft. version
- Ideal for open office spaces where demand for suspended Linear luminaire is increasing

Lighting (cont.)



Surround

- LED Circular Industrial Highbay luminaire suitable for 70/ 110/ 140 W
- Tapered fin design for excellent thermal management & ingress protection IP66
- Received an award for excellent product design under " India Design Mark 2018"



Higher Wattage range for LED Lamp

- High wattage range of LED lamps is a perfect replacement for CFL lamps
- Delivers 100 lumens/watt and is available in 30W, 40W and 50W
- The lamps light up large areas while consuming less energy and are most suited for outdoor illumination and retail shops



Nebula & Empire

- Our Landscape portfolio was enhanced by adding two new products
- Nebula Decorative LED is suitable for 40 W applications
- Empire decorative LED Streetlight is suitable for 60/ 120 W applications



Supra

- LED Circular Industrial Highbay luminaire Suitable for 70/ 110/ 140 W
- Tapered fin design for excellent thermal management & ingress protection IP66
- Received an award for excellent product design under " India Design Mark 2018"

Pumps



Open Well Dry Winding Pumps OWVD Series

- OWVD series have increased efficiency, inbuilt dry run protection and affordable price range
- Provides trouble-free operation and lower energy bill
- Coated with antirust CED coating for rust free pump and longer life



High Pressure Washing Pump "CPW"

- Range starts from 70 Bar to 150 Bar with induction motor for long life and reliability
- Can be used at commercial establishments like malls, hotels, airports, railway stations where continuous cleaning activity is needed



Mini Crest

- Optimum performance considering household usage
- Wide range of applications in residential buildings, bungalows etc.

Appliances



TRICOOL Window Cooler

- A revolutionary window mounted air cooler that comes with 3-sided honey comb and gives 60% better cooling as compared to standard plastic coolers
- Saves space and is easy to maintain
- 16-inch fan leads to highest air delivery in the category providing best-in-class cooling comfort



Duro Wet Grinder

- A powerful 160-Watt high torque motor, with 2 years warranty
- Portable, convenient in size with two litre capacity
- Shock proof aesthetically designed ABS body Natural black stone for longer life
- With atta kneader and coconut scraper



Rhino Iron

- Heavy-duty iron
- 1,000 W heating element with 2-layered non-stick black colour TEFAL coating
- Ergonomically designed comfortable handle grip
- 360 degrees swivel cord to reach at all the corners of the cloth easily
- Full plastic body with white and silver colour for an elegant look



Mystique Turbo Cooler

- Air cooler with capacities of 22L, 34L and 50L
- Highest air throw as compared to any other tower cooler
- Motor overload protector and unique blower design for better cooling
- Large castor wheels provide improved mobility
- ABS sturdy body adds to its longer life

Market Excellence

Aariya Par





Bust the Dust





Crompton Fans launched its market blitz campaigns such as "Bust the Dust" and "Aariya Par". These resulted into higher visibility and greater brand awareness in market.

Market Blitz







B2C Lighting launched unique marketing campaigns throughout the year to reach new outlets and to popularise new products. These campaigns were highly successful and provided greater push to the brand.

Premier Programs





Attractive schemes for retailers and aggressive secondary pricing strategy resulted into higher market share

Outdoor and Wall Painting Branding



Outdoor branding to create greater awareness about brand Crompton

In-shop Branding



Operational Excellence

Fans NECA Award



Crompton won the most energy efficient appliance of the year award for ceiling fans category

Lighting Global SSL



Crompton won the prestigious International Solid State Lighting (ISA) Global SSL Top 100 Installations award for end to end Apron lighting of GMR, Hyderabad Airport. The award was conferred to Crompton at Beijing in Nov 2017.

Lighting and Pumps Superbrand

Crompton Pumps and Lighting has been proudly selected as 'Superbrand' of the year by Business Superbrands India.

Appliance Award



Crompton Appliances team won best design award for "Mystique Turbo Cooler" by ET Polymer

India Design Mark - 2018

Crompton 'Signature Series' of commercial Lighting fixtures and the 'Supra series' of Industrial fixtures were conferred the 'India Design Mark 2018' in February 2018.

Landmark Installations



LED Facade lighting at BMC headquarters, Mumbai



LED Streetlighting, Pokhran Road No.1, Thane



LED Streetlighting at Railway Junction over bridge, Trichy



LED Lighting at Bismi Hypermart, Vaitila



LED decorative tiles installation at Banca Sella, Perungudi

Organisational Excellence

Pride and Glory Awards

The second annual Crompton Pride & Glory Awards night was held on the 9th of March 2018. Crompton Pride & Glory Awards is a stride to create an environment where excellence is promoted, expected and recognised. The entire evening was a grand celebration with emphasis on the Crompton Behaviours on which the awards are categorised. The achievers were felicitated with trophies, certificates and cash prizes for their outstanding achievements and remarkable contributions during January 2017 to December 2017.



Corporate Social Responsibility

UJJVAL DEEP
Lighting Hopes
CSR Initiative by Crompton



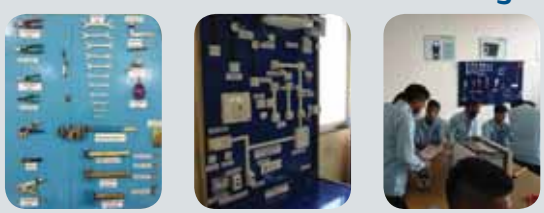


Our CSR initiatives primarily focus on the following key areas:

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

We have identified Don Bosco Technical Institute and ASMACS as NGO partners for Skill Building in electrician and plumber trades.

Simulator and Tool Room Training



Industry Visit during training



Classroom sessions and Lab training



Market Capitalisation

₹ 14,839 Crore

As on 31st March, 2018 (NSE)

BSE Symbol: 539876

NSE Symbol: CROMPTON

Reuters: CROP.BO

Bloomberg Code: CRG:IN



3rd Annual General Meeting of Crompton held on 27th July, 2017 at Shree Bhaidas Maganlal Sabhagriha, Vile Parle West, Mumbai 400 056. From left to right are: Mr. Sahil Dalal, Mr. P. M. Murty, Ms. Pragya Kaul, Mr. H. M. Nerurkar, Mr. Shantanu Khosla, Mr. D. Sundaram, Mr. Promeet Ghosh and Mr. Ravi Narain.

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Corporate Information

BOARD OF DIRECTORS

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

Mr. Shantanu Khosla (DIN: 00059877)
Managing Director

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

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

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

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

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

Mr. Ravi Narain (DIN:00062596)
Non-Executive Director (Resigned w.e.f. 5th March, 2018)

CHIEF EXECUTIVE OFFICER
Mr. Mathew Job

CHIEF FINANCIAL OFFICER
Mr. Sandeep Batra

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Pragya Kaul

STATUTORY AUDITORS
M/s. Sharp & Tannan, Chartered Accountants

SECRETARIAL AUDITORS
M/s. Mehta & Mehta, Company Secretaries

INTERNAL AUDITORS
M/s. Grant Thornton India LLP

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

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

REGISTRAR AND SHARE TRANSFER AGENT
M/s. Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B,
Plot No 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032

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

Management Discussion & Analysis (MDA)

Last year was another significant year in the short history of your Company. We continued to drive the performance of the Company with the aims we had set out: revenue growth faster than market growth, profit growth atleast in line with revenue growth and conversion of all profits to cash.

We had set 5 pillars of our strategy that will help us reach the stated objectives:

- Brand Excellence
- Portfolio Excellence
- Go-to-market Excellence
- Operational Excellence
- Organisation Excellence

With more than two years of independent operations, our performance on the strategic choices have affirmed the same and now our focus is on accelerated execution. Going forward, continued success in these areas will remain the key determinants of our overall results.

The year was marked with the landmark change in the indirect tax regime with the transition to GST. Several taxes were subsumed in GST. We had anticipated implications of this transition, especially on our vendors and channel partners and had done extensive training and awareness programs in the run-up to the transition. As a pre-emptive measure, and to enable our channel partners to take seamless credit of taxes on their stocks as on 30th June, we got all our warehouses registered under the Central Excise laws. However, caution in the trade, especially regarding treatment of tax credit on stock as on 30th June, affected our sales in months of May and June and this resulted in lower sales in the 1st quarter, which is seasonally the peak quarter for the Company. While sales growth did pick up in the subsequent quarters, it will take some time for the structural benefits of GST to get realised. However, the longer term gains from this tax change will clearly outweigh any temporary shortfall.

During last year, comparable sales for your Company grew by 8.4%. As mentioned earlier, growth in the first quarter was impacted by transition to GST. Growth in the period of July'17 to Mar'18 was 13.4%. Profit before tax grew by 14.2%.

Industry Structure and Developments

The identified reportable segments for the Company are Electrical Consumer Durables and Lighting.

Electrical Consumer Durables:

The relevant product categories within this segment are Fans, Pumps and Appliances.

Fans:

Basis application, fans can be classified as ceiling fans, table, wall and pedestal fans (TPW fans) and exhaust fans. New fans installation is driven by construction sector growth and electrification reach, with latter being more relevant for the economy segment of the market. While construction sector growth remains low, implementation of RERA and incentive schemes like Pradhan Mantri Awas Yojna will address this gap. Additionally, move to premium segment and energy efficiency are emerging as important value drivers in this market.

Pumps:

On basis of usage, pumps are classified as residential, agricultural and commercial/industrial. Urbanisation, new house construction and water availability (surface vs groundwater) drive residential pumps market. Agricultural pumps growth is strongly linked with rural income levels, monsoon conditions and electrification reach. Government programs on energy efficient and solar pumps for irrigation are other important factors for driving growth.

Appliances:

The main categories where we are present are: water heaters, air coolers, small kitchen appliances (juicer mixer grinders, induction cooktop etc.), irons and power back-up systems. The drivers for these products are urban household income levels whereas construction activity is key for water heaters. Move towards organized sector also has a significant bearing on the market. Premiumisation remains an important value driver for this category.

Lighting

Light Emitting Diode (LED) is now the dominant lighting technology across all applications. Other technologies that are still present, although declining are Fluorescent Lighting (FTL and CFL) incandescent bulb and High Intensity Discharge (HID) lamps. LED lighting costs and prices have continued to drop across all applications, leading to higher uptake from consumers.

Replacement of existing fixtures with LED lighting to realise energy savings is a significant driver in this market. In streetlighting and LED lamps market, this demand is particularly enabled by EESL programs, enabling wider penetration for lamps and consolidated sourcing for streetlights. Energy Savings Company (ESCo) model is an emerging new trend in commercial lighting, where capital commitment for the buyer is lowered and the supplier of the products gets revenue from the savings generated due to switchover to LED fixtures.

Segment Results and Performance

Electrical Consumer Durables:

For the year ended 31st March 2018, segment sales was ₹ 2,828.12 crore and EBIT of ₹ 534.67 crore. Net capital employed in this segment was ₹ 124.85 crore. EBIT margin improved by 180bps on back of cost reduction programs and enriched product mix.

Fans sales have a seasonal pattern, with higher sales in summer months. Last year, this period coincided with transition period for GST, where primary sales was affected due to transition to GST. This affected the overall growth of the category.

We have focused on driving our portfolio choices in fans, focusing on delivering value-added products to the market and raising awareness. Our continued driving of Anti-dust fans was an effort in this direction.

We maintain our strong lead in residential pumps market, especially in the 'mini' pump series. Agricultural pumps market provides a strong potential for growth and hence remains our focus segment in product development and channel expansion.

In appliances, our focus has been to gain share in air coolers and water heaters and these efforts will continue to drive our results in this category.

Our portfolio efforts in this segment will be supplemented with continued initiatives in deepening and widening our channel connect. This is detailed subsequently.

Lighting

For the year ended 31st March 2018, segment sales were ₹ 1,277.00 crore and EBIT of ₹ 147.28 crore. Net capital employed in the segment was ₹ 22.99 crore as on 31st March 2018. Cost efficiencies continue to be an important business driver with gross cost improvement in excess of 5% of sales. In line with the pricing situation in the market, we passed this benefit to the market, driving topline growth.

We had started a 'go-to-market' initiative for reach expansion as a pilot in South India. On successful implementation, this initiative was extended pan-India.

With advances in LED technology application, we have stepped up the pace of new product introduction, reducing our costs, while improving the value addition to consumer. The trend of market price reduction for this segment continues, in line with cost improvement. LED lamp volumes increased by 101%, while revenue grew by 62%. LED Batten and Panel revenues more than doubled over last year.

Some of the key achievements and action plans across the five strategic pillars are:

Brand Excellence

Our brand message is targeted towards young consumers, in line with stress on brand longevity and consumer relevance. Over the past year, we have identified the best delivery of message in conveying our differentiation to the consumer, tying this effort strongly with our portfolio excellence focus. A leading example for this is our campaign around Anti-dust fans, where our concerted campaign provided strong visibility to this pioneering introduction as well as helped us beat the noise in the crowded media space.

Similarly, we utilised our differentiated product proposition on other marketing platforms, as relevant to the consumer. This includes highlighting via print media the superior performance of our fans in low-voltage conditions to semi-urban consumers and extra power delivered by our pumps to rural consumers via wall paintings.

Portfolio Excellence

Consumer relevance is the lens through which our entire portfolio excellence program is focused. The essential

groundwork that has gone into this is a connect with consumers and understanding of their preferences, desires and unmet needs along with decision making criteria. This helps us set our priorities as we invest in ideation, prototypes and market testing. Basis stage-gated cross functional feedback, the right ideas are taken up for investment in launch, raising awareness and driving market initiatives.

Our efforts over the past year have reflected in various new product introductions, especially in focus segments of our portfolio. For example, we have enhanced fans' functionality through wider air delivery cone by introducing Air 360, a fan which gives air over 50% more area. In lighting, the focus has been to deliver the best value for consumer to deliver energy savings by converting to LED. In pumps, Mini Crest will help a wider market upgrade to branded product in applications where we are strong. The launch of TRICOOL Air Cooler, helps consumers save space in room and gives comfort of higher cooling with lower humidity.

Overall, the approach is to build a pipeline of ideas where we are able to deliver significant value enhancement to the consumer and commercialise the ideas as they are developed into product propositions.

Go-to-market excellence

We define excellence in market on two parameters – the width of sales network reach and the depth of coverage within the shops. The way forward we have identified towards these goals is a data-driven active selling model. For this, we are putting the infrastructure in place for data integration across our sales channel as well as creating capability in the organization to best capture the resulting benefits.

The data infrastructure will enable seamless data flow between the company and the sales channel, capturing relevant information and enabling automated functioning and prompt issue resolution. To this end, we are extending the data integration and tracking of our primary sales to secondary sales. In line with the importance of this imperative, we are realigning our sales organisation to create relevant centres of excellence and accountability for focus initiatives, e.g. in-shop performance, channel development etc. Capturing the relevant data from market will help us track our returns on investments and hence focus our efforts better for sustainable returns. This will also enable to tie our entire value chain together, and resulting transparency will create a win-win situation for us and our business partners through higher efficiencies in inventory and resource allocation.

Over past year we have completed two phases of our Go-to-market initiative, where we have focused on empowering distributor-led channel development. The first phase focused on Lighting in Southern region, which we extended to pan-India markets in the second phase. The results of both these phases have been encouraging, as reflected in reach numbers as well as segment performance. The third phase is to extend this to all product categories across India and the models for this extension are under testing and will be progressively deployed.

Modern Retail

As 'omni-channel' retailing gathers salience, penetration of modern trade will increase. We are working proactively to provide the omni-channel experience to our consumers. In line with the trend, we are present in more than 1300 stores pan-India, having entered new chains over last year, and have active presence across all online platforms – Amazon, Flipkart, PayTM, where we maintain leadership in geysers, coolers, LED lighting and fans.

Exports

We export to more than 20 countries, with higher focus on Indian sub-continent, Middle east and Africa. Exports cover all our product categories. The stability and growth of this business is premised on the loyalty of our channel partners to our brand, along with our commitment on product supply, after sales service and spares supply. Going forward, the focus will be on deepening our brand connect in specific markets and enhance channel interaction through deeper presence in strategic markets.

After Sales service

Through our 545 service franchisees, we have a pan-India presence and wide coverage. In-line with our focus on consumer, we are targeting continuous improvement in customer satisfaction. Our customer now has many options for complaint registration, with introduction of WhatsApp based registration, nationwide toll-free customer care number and service link on website. We have deepened IT enablement of our service to improve customer relationship management and enable better internal controls. All this has helped us close more than 90% of the registered complaints within 48 hours.

Operational excellence:

i. Cost improvement

Efficiency improvement remains a key thrust area of our strategy. Execution focus on saving costs in material and overhead spending helped us drive share gain in LED lighting through cost leadership as well as improve margins across product categories. These savings provided us with internally generated funds for investment in growth initiatives. In initial stages we had focused on commercial levers as quick-wins for cost reduction, along with technical and design improvement. As we progressed in this exercise, we have incorporated additional levers for more long-term and structural cost improvement e.g. value-centric product design, optimising manufacturing strategy – including selective in-house production, and collaboration with vendors for their cost improvement. In line with these efforts, the focus over the past year has been on deepening the organization structure for sustained efficiency improvement.

ii. IT systems

We went live with Project Urja (SAP), on 1st February 2017. In 2017-18 our systems were made GST compliant. The success was evident in the fact that we did not face any system issue during these key transitions. The digital journey for the next phase has been initiated and primarily focusses on automating the Supply Chain, Sales and Human Resource functions. Our ERP systems are being leveraged in building collaboration solutions across our strategic business partners in sales and procurement. In this phase we are also developing our Enterprise Data Warehouse, Mobility and Analytics platform. Automation of our business planning and tracking will help tie up all the initiatives underway.

iii. Supply Chain

The aim on supply chain efficiency is two-fold – improved availability and lower cost. As a pan-organisation exercise, we have mapped all process gaps and weaknesses and set up corrective action along with metrics to track improvement initiatives. One such action has been to implement a Sales and Operations planning process with strict cadence and harmonizing of metrics across sales and production. The goal is to use demand forecasting to improve placement efficiency of our products. As secondary sales tracking through technology improves, the accuracy of our demand forecast will improve further. One upshot of this has been a marked improvement in product availability at our selling points, without pressure on inventory.

GST implementation has provided us an opportunity to redefine our warehouse footprint to optimize inventory and operations cost without compromise on response time. Implementation for this network redesign is underway in northern region and will be rolled out pan-India, after the learnings from this pilot.

Organisation excellence

Organisation excellence initiatives are focused on capability and leadership development, employee engagement and talent management. Our capability development effort is geared towards priority initiatives in organization development i.e. sales organization development and supply chain, along with functional capability enhancement and leadership development. We look to nurture employee engagement through transparency and communication across the organisation. Multiple initiatives have been undertaken towards this end, which include frequent town-halls, small group interactions between employees and leadership along with rewards and recognition programs.

Driving a performance-based culture and employee development have been two key priorities for us. Key leadership gaps were filled in and the complete leadership team is now in place. The talent management processes were further strengthened through processes such as 360-degree feedback process and enhanced transparency in performance management.

Opportunities

Improvement in the economy, emergence of new markets and changing consumer preferences provide valuable opportunities for our industry and can be harnessed for growth with the right operating model.

1. **Improved macroeconomic outlook:** GST has now stabilized across value chain for most industries and the business structuring for its full benefit is underway. The growth forecast for economy is showing a corresponding upward tick. This will reflect correspondingly in consumer demand and construction activity, boosting the overall market demand.

2. **New product markets:** Energy efficiency, solar power and technology upgrade present many latent markets which can be developed. This will require an enabling policy environment, investment by companies, cost improvement and consumer awareness to click together. A similar combination for LED lighting worked faster than anticipated and can be replicated.
3. **Changing consumer preference:** Multiple factors contribute to changing product preference for consumers. Rising income levels are driving the demand for more value-added products across product categories, which can appropriately be addressed by differentiated propositions. This is driving the overall trend of premiumisation in most relevant product markets. Energy efficiency is higher in consumer's purchase criteria, as the life-cycle costs become more salient.
4. **Capex light buying models in lighting:** Streetlighting and Commercial lighting sector is seeing a move towards different models of buying. One emerging trend is ESCo model, where the seller will invest in installation at site and earn by sharing in the resulting energy savings, under BOT paradigm. While this provides opportunity for quality demonstration and higher customer engagement, full risk profile of this model will be mapped going forward. Also, with central budget allocation of capital towards energy efficiency, the purchase for various local bodies is being pooled and standardized, bridging viability gap for various local bodies.
5. **Move towards organised segment:** Our industry has a significant presence of relatively small scale local players. These players can often provide nimble solutions for specific local requirements, but compromises on quality are too common. As awareness on quality, product performance and life-cycle costs improves, organized segment footprint is improving in most product markets. Also, improved tax compliance across the industry, with GST, will improve the relative advantage for the organised sector.

Threats

Changes in the market and operating model also pose a list of threats that need to be managed.

1. **Competitive intensity:** LED lighting industry remains fragmented, on back of technology-induced disruption and changes in purchase process for business customers. This product category has seen entry of multiple players with resulting effect on pricing and market shares. Other product segments of our interest are similarly target for competition, where niche product segments are being explored for entry. While the foothold available in other product categories is not similar to lighting, we will need to retain our focus to avoid slippage across any segment.
2. **Commodity cost movement:** Metals such as Copper, Aluminium and Steel account for a significant part of our input costs. These metal prices have moved upwards over last year and further inflation risk remains. The recent weakening of the Rupee vs the US Dollar will put pressure on inflation. Maintaining and improving our profitability is dependent on managing this risk well.
3. **Channel reaction to new sales model:** The way forward for us in go-to-market model has been deeply deliberated, ensuring transparency and communication. This offers win-win opportunities for us and our chosen channel partners. However, this will involve time investment in markets where our share of distribution is relatively low. Hence, the implementation will need to be carefully calibrated and managed to ensure that there is no disruption to the business.
4. **Technology changes:** Technology changes have potential to disrupt existing market structure, creating new opportunities along with new risks to be managed. The onus will remain on us to anticipate the changes and do our preparation in time.

Risk mitigation

Over past year, we witnessed continued rise in commodity prices, putting sharp pressure on our costs. In line with our established framework, we managed this with a mix of strong focus on efficiency improvement, pricing decisions and portfolio enhancement to derive better value in market. This will be the strategy going forward that will help us conserve our margin and revenues in adverse cost scenario.

This focus on the basics of efficiency in all operations and consumer connect through portfolio, reach and brand remains the best bet for growth and meeting any challenges. Developing higher consumer relevance for our products and taking them to consumers' doorstep at best possible value will help us consolidate in areas where we lead the market and gain

foothold in areas where we are a challenger. Our established record of operations and transparency in dealing with business partners is a core strength that helps us in developing new partnerships for tackling changes in the market. At the same time, product innovation focus keeps us abreast with emerging technologies nearing commercialisation stage.

We look to use information technology as a major enabler for business. In addition to helping us focus our actions for growth, the data captured across the value chain helps raise early flags on issues and helps measure efficacy of our actions. As we enhance this data flow, we will tap this functionality for creating win-win situations for the organization, business partners and employees.

Outlook

The overall economic situation of the country is healthy with improving growth forecasts and favourable macroeconomic indicators. Going forward, this should reflect well in growth numbers for major sectors. While the inflation has been within bounds, recent strengthening of US Dollar can exert some pressure on our commodity input costs and interest rates.

The outlook for our industry remains robust. There has been a renewed focus on infrastructure spending, reflecting in corresponding lighting industry growth. However, real estate sector continues to lag in growth, remaining as a peg for growth in future.

Successful commercialization of technologies on cusp of viability will be an important factor in winning future markets. Important action areas will include developing the appropriate use cases for 'smart' products for best utilisation of communication technology. At the same time, while LED lighting is commercially established, improvement in design and application continues to bring significant cost advantages and supply chain simplification.

Harnessing many of these technology trends will be on basis of expanding the business partnership ambit to include new specialized skills e.g. relating to electronics development or communication network development. This will also be the case for addressing new buying models like ESCo.

Building and commercialising consumer relevant and meaningful product propositions will be a key factor in delivering faster than market growth. Our recent product launches – Air 360 Fan and TRICOOL Air Cooler will be taken to market in coming year and will be followed up by other similarly consumer relevant product introductions in other categories.

Cautionary Statement

The Management of Crompton has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The Management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimations and expectations may be 'forward looking statements' within the meaning of applicable law and regulations. Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

Board Report

Dear Shareholders,

Your Directors are pleased to present the Fourth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2018.

FINANCIALS:

The table below depicts the financial performance of your Company for the year ended 31st March, 2018.

(₹ crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from operations	4,105.12	4,016.67
Total income	4,135.87	4,036.16
Profit before Exceptional Items and Tax	485.44	427.56
Exceptional Items	-	2.52
Profit before Tax	485.44	425.04
Tax expenses (including deferred Tax)	161.65	141.87
Profit after Tax	323.79	283.17

COMPARABLE REVENUE

Your Company adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2017, as part of the 2nd wave of companies required to transition to the new standards. While details of the changes due to transition are given in the notes to accounts, this necessitated the restatement of the financials for the previous year (2016-17) and accordingly the 2016-17 numbers as given above are the restated numbers.

With effect from 1st July, 2017, the country moved to the GST regime wherein several taxes were subsumed into GST. This necessitated adjustment of prices for many of the Company's products but without any increase in prices in the hands of the consumer. Under the prevailing revenue reporting requirements, the income from Sales/operations got reduced with commensurate reduction in cost of purchases. In order to make the numbers comparable with the previous year, suitable adjustments have been made while commenting on sales growth numbers in this report.

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

Comparable Revenue grew 8.4% to ₹ 4,105.12 crore. Profit Before Tax (PBT) at ₹ 485.44 crore was up by 14.2% versus last year.

Finance costs of ₹ 63.74 crore represent the interest cost on the Non Convertible Debentures of ₹ 650 crore.

Profit Before Tax "PBT" was ₹ 485.44 crore and Profit After Tax "PAT" was ₹ 323.79 crore. PBT margin was 11.7% and PAT margin was 7.9%.

INCREASE IN SHARE CAPITAL – Exercise of Stock Options

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

Date of Allotment	No. of Shares	Remarks
6th December, 2017	16,275	Allotment of shares arising out of exercise of options
2nd February, 2018	22,688	Allotment of shares arising out of exercise of options

Accordingly, the paid-up share capital of the Company as on the date of this Report is ₹ 1,25,35,70,210 divided into 62,67,85,105 equity shares of ₹ 2/- each.

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

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 1.75 per Ordinary (Equity) Share of the face value of ₹ 2 each, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date. The dividend outgo, inclusive of tax on distributed profits would absorb a sum of ₹ 132.23 crore.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has adopted a Dividend Distribution Policy which is available on the Company's website.

RESERVES:

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

REVISION IN CREDIT RATING

CRISIL has, as part of its annual review of the Company's credit rating, revised its outlook to 'Positive' from 'Stable' and reaffirmed the ratings at 'CRISIL AA'. This rating is for the Company's long term facilities and Non-convertible Debentures. The short-term rating remains at CRISIL A1+.

INDIAN CORPORATE GOVERNANCE SCORECARD:

BSE Ltd. jointly with International Finance Corporation (IFC) and Institutional Investor Advisory Services (IiAS) with the financial support of the Government of Japan has developed the Indian Corporate Governance Scorecard which is a fair assessment of corporate governance practices at the corporate level. The Scorecard is based on the G20/OECD Principles of Corporate Governance. Your Company has featured in top 10 companies amongst S&P BSE 100 (BSE 100) companies evaluated basis this Scorecard.

HUMAN RESOURCES & EMPLOYEE RELATIONS:

Employee Relations

Employee relations in your Company, over the last few years, have been excellent. 2017-18 was a landmark year with two long-term settlements signed for a 5 year term, with the employee unions at Bethora and Kundaim units. These settlements are unique not only for their duration, and other work practice changes, but also for the high-degree of transparency and good spirit demonstrated.

Talent Management

Driving a performance-based culture and employee development have been two key priorities of your Company. Key leadership gaps were filled in and the complete leadership team is now in place. A 360 degree feedback initiative was done for select employees. The process of goal setting, midyear appraisals and annual performance assessment was made time bound and transparent.

Capability & Leadership Development

Capability building is one of the five strategic levers on which the organisation strategy is built. In this context various initiatives were launched to build process and people capability. The most significant of those included induction of best-in-class talent in the strategic areas of Go-to-Market and Product Supply, Leadership development and functional capability enhancement.

Employee Engagement & Communication

Various initiatives were undertaken to drive transparency and communication in the organisation. This includes frequent town-halls and small group interactions between leadership of the organisation (including the CEO), and employees. A comprehensive employee recognition program was rolled out during the year.

As of 31st March, 2018 the permanent employee strength was 1,615.

DIRECTORATE & KEY MANAGERIAL PERSONNEL:

The appointment and remuneration of Directors is governed by the Nomination and Remuneration Policy of your Company which also contains the criteria for determining qualifications, positive attributes and independence of Directors. The detailed Nomination and Remuneration Policy is contained in the Corporate Governance section of the Annual Report.

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

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

Mr. Ravi Narain resigned from the Board w.e.f 5th March, 2018. The Board places on record their appreciation of the valuable advice and guidance given by Mr. Ravi Narain while he was a Director of the Company.

Ms. Shweta Jalan, Director, is liable to retire by rotation and being eligible for re-appointment at the ensuing Annual General Meeting (AGM) of your Company has offered herself for re-appointment.

Her details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting (AGM) of your Company.

Appropriate resolution seeking your approval to her re-appointment as Director is included in the Notice.

All Independent Directors have submitted declarations that they continue to meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 read with the rules thereof.

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

The Board of Directors met six (06) times during the year 2017-18. 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. The Committees are Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship & Share Transfer Committee and Allotment Committee. The composition, terms of reference, number of meetings held and business transacted by the Committees is given in the Corporate Governance Report.

BOARD EVALUATION:

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

Considering the Guidance Note on Performance Evaluation of Board dated 5th January, 2017 published by SEBI, structured assessment sheets were finalized in consultation with the Board Members to evaluate the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. The evaluation process was facilitated by the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee.

The parameters for performance evaluation of Board include composition of the Board, process of appointment to the Board of Directors, common understanding that the different Board members have of the roles and responsibilities of the Board, timeliness for circulating the board papers, content and the quality of information provided to the Board, attention to the company's long term strategic issues, evaluating strategic risks, overseeing and guiding major plans of action, acquisitions, divestment, etc.

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

Performance of individual Directors was evaluated based on parameters such as meeting attendance, 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 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.

The results of the evaluation were shared with the Board and individual Directors and thereafter the Board and Committees have agreed on actions to further improve the effectiveness and functioning of the Board and Committees.

The Board also reviewed the process of and noted the actions identified in the last year's evaluation.

FAMILIARIZATION PROGRAMME:

Your Company has in place a structured induction and familiarization program 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 CSR Committee are also involved and briefed about CSR initiatives of the Company.

The 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 familiarization program are uploaded and can be accessed on the Company's website (www.crompton.co.in).

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES:

Your Company has no subsidiaries, associates and joint ventures.

RELATED PARTY TRANSACTIONS:

All contracts or arrangements or transactions with related parties were at arms' length basis. There were no material contracts or arrangements or transactions with related parties, therefore Form AOC-2 does not form part of this report.

Policy on Materiality of and dealing with Related Party Transaction of the Company is available on the website of the Company and can be accessed at the web link: www.crompton.co.in.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013.

RISK MANAGEMENT:

Your Company recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks, in the internal and external environment and incorporates risk mitigation plans in its strategy and business/operational plans.

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defence cover of the Company's risk management. The Company has a robust structure for managing and reporting on risks.

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

The key business risks facing the Company are detailed below.

1. "Go to Market" – The ability to manage business continuity while establishing the new distribution model. Your Company is looking at IT enablement and realigning roles and rewards to new way of working.
2. Operational excellence – The ability to improve and sustain quality and drive down costs at the same time. Your Company has initiated vendor rationalization, emphasis on in-house manufacturing and scorecard evaluation of vendors.
3. Branding/Innovation – The ability to continue to "out innovate" competition. Your Company is strengthening its consumer insight process and filing up the competency gaps in the concerned team.
4. Ability to succeed in the new business model (ESCO), in lighting, where the customer does not pay for the fixtures but instead asks the supplier to share the gains from the savings generated. Correct estimation and assessment of the contractual risks and obligations in such models becomes very important. Your Company is looking at standardizing the framework for assessing the tenders/business opportunities.
5. Organization Excellence – Ability to attract and retain the right talent may lead to your Company's inability to achieve organisation's goals.

Your Company is taking steps to mitigate and reduce the impact of these risks to the operations of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

Your Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements.

The audit plan is approved by the Audit Committee, which regularly reviews the compliance to the plan.

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

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

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

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

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

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

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

RESEARCH AND DEVELOPMENT:

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

Your Company conducts consumer research with a view to identify unmet consumer needs. The Anti Dust range of fans launched in FY 2016-17 was an outcome of such extensive consumer research. This range has been very successful and is now a category leader.

Your Company has recently launched the AIR 360 fan which delivers air over more than 50% of the area as compared to other fans. Its unique elevated blade design coupled with antidrag technology and a powerful motor helps it to provide the enhanced coverage.

Research and Development efforts in pumps were focused on developing energy efficient pumps for a variety of applications to enhance ease and convenience of use and conserve water. Some of the products introduced in the year were:

- Open well dry winding Pumps (OWVD) series coated with antirust CED coating which increases efficiency, ensures trouble free operation, lowers power consumption and long life.
- High pressure washing pump "CPW" series with enhanced pressure upto 150 Bar was launched with induction motor for long life and reliability. CPW induction motor pumps can be used at commercial establishments like malls, hotels, airports and railway stations where continuous cleaning activity is going on.
- High quality alloy impeller "CDW" series was introduced for construction sites, mining and flood control. This pump is robust for rugged applications.

The lighting segment has seen massive disruption with the adoption of LED technology. This ever evolving technology has helped drastically reduce energy usage and now provides a platform to add on features like connectivity etc. While your Company continues to innovate in this area, we have also tied up with leading technology solution providers from around the world to bring latest designs and offerings to the Indian consumer.

India's first, "Signature Series"- range of new Architectural/ Decorative Low glare Office lighting Troffers incorporating ambience, visual comfort and performance needs of the commercial office space market requirements, was launched during the year.

Low glare high efficacy indoor lighting recessed luminaires were introduced using state of the art design tools.

An integrated sleek LED tube light fixture "Smart Ray" with a unique feature such that it can be mounted on a wall without a batten or fixture was also introduced last year. The LED lamp portfolio was extended to incorporate high wattage LED bulbs and other variants of LED surface lights and LED linear and spot lights in consumer LED Lighting space.

Innovatively engineered, aesthetically designed, "Supra Series", high performance and highly energy efficient range of High bay/ Well glass and Floodlights were introduced in Industrial and Infrastructure segment.

The efforts on introduction of cost competitive products and continuous value engineering in LED portfolio substantially contributed towards meeting the challenges of market and achieving cost leadership.

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 EESL, Tata Steel, GMR, Dholera smart city, Inkel, Kolkata Metro Rail, HIDCO, KMRCL, NBCC to name a few.

In Appliances your Company has recently launched the TRICOOL Air cooler. TRICOOL, unlike other conventional coolers draws fresh air from outside the room which results in better cooling as well as ventilation. Its unique honeycomb design and superior fan provides best in class cooling comfort. Further being window mounted, TRICOOL eliminates the hassle of looking for space to keep the cooler post the summer months.

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 2 to this Report.

ENVIRONMENT, HEALTH & SAFETY (EHS):

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

A comprehensive EHS manual titled "KAVACH" comprising the policies, procedures and work instructions has been prepared. Deployment of "KAVACH" has been ensured across the organization through rigorous trainings, defining dedicated EHS structure in line with required competencies and performance reviews through periodic assessments.

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

A comprehensive EHS performance scorecard has been deployed and is monitored on monthly basis. Regular cross functional quarterly EHS meets are conducted at various manufacturing units with the agenda of natural resource conservation, electricity consumption reduction, industrial effluent reduction, water conservation, air emissions, waste generation and disposal. EHS improvement plans, scorecard discussions and benchmarking practices are deployed at plant level. All improvement suggestions are implemented within time frame as decided.

A brief on Environmental, Health and Safety (EHS) programs of the Company is as under.

Environment

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 cycles of our products is now an essential part of our philosophy.

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

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

During the year substantial investment was made at the units to meet the different new government regulations and the drive to achieve best Environmental pollution control measures on 3R's (Reduce, Reuse & Recycle) philosophy was strengthened.

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

Rainwater harvesting systems are installed at our Baroda, Ahmednagar and Goa Plants and around 100 Lakh Litres of water was recharged in 2017-18. RO waste water is being re-used because of which 67.5KL of water was saved.

Installation of transparent sheets on the roof of the Baroda and Goa units allow sunlight to enter and reduce the usage of artificial light and thus save energy. The green belt area in Goa unit was increased by plantation of 156 trees.

All units of your Company are complying with CPCB/ MOEF (Ministry of Environment and Forest) guidelines specially on waste water treatment. All Trade and Domestic effluents have been segregated through independent treatment system. 100% STP and ETP treated water is being used for gardening in all plants. New STP of capacity 20 KLD installed at Kundaim, Goa plant for recycling of waste water.

Aspect Impact and Hazard Identification and Risk analysis are conducted for our manufacturing operations. We have received authorization of E-waste from CPCB. Our FTL and CFL Products are RoHS compliant and, we have converted two of the three FTL lines into Pill Dozing from Liquid dozing to reduce the risk of Mercury (Hg) exposure in environment.

Safety:

Towards Fire-Safety, your Company has ensured to achieve and maintain globally approved Fire-Safety Standards. All units are in process to install best fire/smoke detection technology to get the information in time in case of any fire incident. To mitigate such incident all units are 100% equipped 24x7 with dedicated firefighting team members. EHS team identified all available fire hazards by conducting third party Fire-Safety audits/HAZOP study/Risk Assessment studies and made action plan to close all findings. Your Company is committed to building safety culture within by Implementing Behavior Based Safety through trainings and workshops, recording workplace hazards, conducting scheduled Fire-Safety Audits (in-house), adopting on-line Work Permit System (WPS), Daily Tool-box talks. Safety committee meetings and interaction with all associates, Fire-safety Drills, Safety Week celebration and continuous safety trainings to all concerns starts with Induction. All actions and recommendations are being recorded and evaluated by respective EHS leaders. This monitoring has a major role in reducing work place hazards/incidents and becoming an incident free organization.

Your organization has identified scenario-based emergency preparedness plans to counter specific emergency situations. On regular basis mock tests are planned and executed to ensure ERT (Emergency Response Team) members responsiveness and effectiveness.

Degree of prevention is being monitored through focusing on appropriate safety control selection such as elimination of unsafe activities, providing better substitute methods and installation of engineering full proof solutions (Poka-Yoke).

Key Safety programs carried out during the year were:

- Conducted third party Safety audits IS:14489-1998 at all plant locations and ensured closure of all improvement plans as per time lines.
- 100% new joiners have been covered with behavioral, based and technical safety at all plant locations. Refresher safety trainings were conducted for all ERT and new safety committee members.
- New Safety PPE's introduced viz. breathing apparatus, automatic fire nozzles, mobile scaff old tower with stairway for safe height work, flammable chemicals storage cans, Fire cabinets for lab storage etc.
- Installed Fire alarm & detection system at all plant locations
- Safety signs visual displays have been standardized and displayed at all appropriate places.
- Daily and weekly safety review meetings are being conducted at shop and at plant management level to check EHS progress.
- Electronic display boards are provided which show contact information and daily availability of ERT and OHC team members for quick response to incidences.
- Poka-yoke's (Mistake-Proofing) were installed at various equipment's/machines to ensure human safety and to eliminate risk at hazard prone areas.
- LOTO (Lock-out Tag-Out) concept deployed across all plants.
- Periodic Mock drill and fire drills were conducted at all plants to ensure readiness and responsiveness of system.

Health:

An individual's health and well being is shaped by several social, economic and environmental determinants. A range of workplace (e.g. physical environment, culture) and non-workplace issues (e.g. lifestyle choices, living conditions) can impact the health of an employee. For better health of employee, all three aspects such as body, mind and soul needs to be nurtured carefully and hence structured initiatives have been introduced in steps.

Following key health programs were carried out during the year to promote healthy lifestyle and to enhance motivation:

- Health education awareness trainings and motivational speeches.
- Initiated daily warm up exercises at shift start.
- Revisited employee health insurance coverage for appropriate preventive screenings.
- Executed medical surveillance plans and periodic medical checkups.
- Periodic workplace monitoring such as noise & lux level.
- Ergonomics study through expert medical practitioners to identify short-term and long-term health injuries.
- A healthy work environment created through actions such as making healthy food available.
- Annual sports events being planned across organization and contestants being awarded subsequently. This brings sportsmanship spirit, team collaboration and caring of buddy employee at workplace.

CORPORATE SOCIAL RESPONSIBILITY(CSR):

FRAMEWORK & VISION

Our CSR strategy framework is based on the principles of 'Responsible Business' and 'Shared Value'. Our vision is to contribute significantly to the development of marginalised youth by providing them with employable vocational and life management skills and for contributing to water neutrality by participating in water conservation initiatives.

The CSR program framework is both in line with the company's long-term commitment to build positive value for the communities (including key stakeholders) as well as address key developmental priorities as identified by the Schedule VII of the Companies Act 2013.

As decided by the CSR Committee, initiatives primarily focus on the following key areas:-

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

Your Company believes in partnering with dedicated and committed organizations to deliver its CSR objectives. During the year under review, after extensive research and due diligence, two partners were on boarded for carrying out skill development programs.

In 2017-18, 292 youth were imparted training in electrical, plumbing trades and data entry operation across three training centres. The training centres provide residential facilities and duration of each batch is about 2 months. Besides the domain training of Multi skill electrical trade, the trainees are also trained in soft skills, personality development, english language skill, computer skill etc. Focus is on ensuring placement of the majority of the youth and is part of the commitment of the NGO imparting the training.

In Kapadvanj, Gujarat we have partnered with Don Bosco Technical Society and in Baddi, Haryana and Ahmednagar, Maharashtra, with Asmacs Skill Development Limited (ASMACS).

Highlights of the skill development program run in Kapadvanj, Gujarat are:

- No. of Beneficiaries: 112
- Project Period: June 2017- May 2018
- Location: Don Bosco Tech- Kapadvanj, Kheda District, Gujarat
- Courses: Domestic Electrician Solution and Data Entry Operator
- Employment will be offered to minimum 70 percent of beneficiaries

Electrical Batch (Kapadvanj) Crompton



Highlights of the skill development program run in Baddi, Himachal Pradesh are:

- No. of Beneficiaries: 120
- Location: Baddi University, Baddi, Himachal Pradesh
- Courses: Electrician and Multi Skilled Technician (Electrical)
- From the 1st Batch 24, from the 2nd Batch 27 and from the 3rd Batch 7 have been placed. Training for 4th batch of 30 youth is under progress.

Class Room & Lab (Baddi) **Crompton**



Highlights of the skill development program run in Ahmednagar are:

- No. of Beneficiaries: 60
- Location: Raisoni Institute of Technology at Ahmednagar, Maharashtra
- Courses: Electrician and Multi Skilled Technician (Electrical)
- 1st Batch of 30 have been trained and 100% have been offered jobs

Class Room & Lab (Ahmednagar) **Crompton**



Testimonials



My name is Vishal Singh. I am from Pandoga distt. UNA, H.P. We are 5 members in my family. I have done my 12th from Govt school Pandoga. Financially my family is not that much capable so that they can afford expensive training. I was scared about my future that what I will do for my career. I was not able to find any direction for my future. One day I heard about the Crompton CSR Project running by ASMACS Skills in Baddi. I came to know that its free residential program and easily approachable, so I took admission. The trades available with the course were Multiskill Technician and Helper Electrician both are evergreen trades. I took admission in Helper Electrician. At training center I learned all the technical terms that is helpful for industrial exposure. According to my knowledge and working skill today I am well placed in Sukam Solar Power Solutions. Now I can forward steps towards my future with my hard work and punctuality because Crompton has provided me a good platform to start my career. I am a skilled person now and I approach to any industry for future growth.

Thanks to Crompton & Asmacs Skills.



I am Jasveer Singh from Kotla power house Distt. Ropar, Punjab. I have completed my 10th from Punjab Board of school education, Mohali. My father is a farmer and I have 4 sisters in my family. Since I was an unskilled person I was not getting any job anywhere. But ASMACS Skill Development provided me great opportunity to be a skilled person through there Crompton CSR Project at Baddi. Here I got great exposure to enhance myself theoretically as well as practically in electrical domain. The atmosphere of skill center is very positive & whole staff is very cooperative. Theoretical and practical's sessions are very well clear guest lectures were given time to time. Asmacs Skill sector provide us industrial visit time to time. They provide us all the facilities as fooding and lodging. After the completion of course, I got job in Chandigarh Electrical Work at Ropar with the salary of ₹6000. I want to give all the credit to Crompton & Asmacs Skills center team who help to make stable my financial condition.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2018, in accordance with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as Annexure 3.

PLANS FOR 2018-19

Your Company will continue the skill development centres currently running at Baddi & Ahmednagar. Additional partners have been identified for other parts of India and we intend to train around 1000 youth in 2018-19.

Several water conservation projects have also been identified and we are at advanced stage to sign MOU's with NGOs for executing the same.

GREEN INITIATIVES:

Electronic copies of the Annual Report and Notice of the 4th Annual General Meeting will be sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Notice and Annual Report will be sent in the permitted mode. [Members requiring physical copies can send a request to the Company]. The physical copies of the aforesaid documents will also be available at your Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year of the Company i.e. 31st March, 2018 and the date of the Board Report.

MATERIAL ORDERS OF REGULATORS/COURTS/TRIBUNALS:

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

SHARE REGISTRAR & TRANSFER AGENT:

M/s. Karvy Computershare Pvt. Ltd. ("Karvy"), a SEBI registered Registrar & Transfer Agent ("RTA") has been appointed as the Company's RTA for shares and NCD's. The contact details of Karvy are mentioned in the Report on Corporate Governance.

PUBLIC DEPOSITS:

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

AUDITORS:

(a) Statutory Auditors:

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

(b) Cost Auditors:

M/s. Ashwin Solanki & Associates, Cost Accountants carried out the cost audit during the year. The Board of Directors have appointed M/s. Ashwin Solanki & Associates, Cost Accountants as Cost Auditors for the financial year 2018-19.

(c) Secretarial Auditors:

M/s. Mehta and Mehta, Practicing Company Secretaries carried out the secretarial audit during the year. The Board of Directors have appointed M/s. Mehta and Mehta, Secretarial Auditors for 2018-19. The Secretarial Audit report is annexed herewith as Annexure 4 to the Report.

PARTICULARS OF EMPLOYEES:

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

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

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

BUSINESS RESPONSIBILITY REPORT:

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

COMPLAINTS RELATING TO SEXUAL HARASSMENT:

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to

redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the year under review, no complaint was received.

VIGIL MECHANISM:

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

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

Whistle-blower Policy of your Company is available on the website of the Company and can be accessed at the web link: www.crompton.co.in.

LISTING:

The equity shares of your Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The Non-Convertible Debentures of the Company are listed on the Debt Segment of National Stock Exchange of India Ltd. Your Company has paid the Listing fees for both the Stock Exchanges for the F.Y. 2017-18 and F.Y. 2018-19.

ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed hearwith as Annexure 6.

SECRETARIAL STANDARDS:

The 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.

Your Directors confirm that:

- the Annual Accounts have been prepared in conformity with the applicable Accounting Standards
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for 2017-18
- sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities
- the Annual Accounts have been prepared on a going concern basis
- the internal financial controls laid down in the Company were adequate and operating effectively
- the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively

GENERAL:

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

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

ACKNOWLEDGEMENTS:

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

On behalf of the Board of Directors

For Crompton Greaves Consumer Electricals Limited

H. M. Nerurkar
Chairman
DIN: 00265887

Place: Mumbai
Date: 15th May, 2018

ANNEXURE 1

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

Details of ESOP		Crompton Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)
I.	Description of each ESOP that existed at any time during the year			
1.	Date of shareholder's approval	22nd October, 2016	22nd October, 2016	22nd October, 2016
2.	Total number of options approved under ESOP	40,00,000	1,09,68,057	31,33,731
3.	Vesting requirements	As specified by the Nomination and Remuneration Committee subject to minimum one year from the date of grant		
4.	Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange which has higher Trading Volume, as on the day prior to the date on which the Nomination and Remuneration Committee (NRC) approves the Grant.	Exercise price per Option is ₹ 92.83.	Exercise price per Option is ₹ 185.66.
5.	Maximum term of options granted (years)	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant	
6.	Source of shares(Primary, Secondary or combination)	Primary		
7.	Variation in terms of options	There have been no variations in the terms of the options		
II.	Method used to account for ESOP			
	The Company has calculated the employee compensation cost using the Fair value method of accounting for the Options granted.			
III.	Option Movement during the year:			
1.	Number of Options Outstanding at the beginning of the year	30,00,000	1,09,68,057	31,33,731
2.	Number of Options Granted during the year	8,00,000	0	0
3.	Number of Options Forfeited / lapsed during the year	6,04,633	0	0
4.	Number of Options Vested but not exercised during the year	5,86,404	26,32,334	7,52,095
5.	Number of Options Exercised during the year	38,963	0	0
6.	Total number of shares arising as a result of exercise of options	38,963	0	0
7.	Money realised by exercise of options (₹)	₹ 72,70,496	0	0
8.	Number of options Outstanding at the end of the year	31,56,404	1,09,68,057	31,33,731
9.	Number of Options exercisable at the end of the year	5,86,404	26,32,334	7,52,095

Details of ESOP		Crompton Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)
IV.	Weighted average exercise price of Options granted during the year whose:			
i.	Exercise price equals market price	NIL	NIL	NIL
ii.	Exercise price is greater than market price	221.15	NIL	NIL
iii.	Exercise price is less than market price	225.83	NIL	NIL
Weighted average fair value of options granted during the year whose:				
i.	Exercise price equals market price	NIL	NIL	NIL
ii.	Exercise price is greater than market price	80.26	NIL	NIL
iii.	Exercise price is less than market price	98.10	NIL	NIL
V.	Employee-wise details of options granted during the financial year 2017-18 to:			
(i)	Senior Managerial personnel.	Mr. A. Jethithor- 1,50,000 options Mr. S. Batra - 1,50,000 options	NIL	NIL
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Mr. A. Jethithor - 1,50,000 options Mr. G. Ahuja - 70,000 options Mr. A. Gurnani - 70,000 options Mr. J. Kumbhar - 70,000 options Mr. R. Nadkarni - 70,000 options Mr. S. Nagar - 70,000 options Mr. S. Batra - 1,50,000 options	NIL	NIL
(iii)	Identified employees who were granted options, during any one year, equal to or exceeding 1 per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	Mr. S. Khosla has been granted options under PSP1 and PSP 2 scheme in excess of 1% of the issued capital.	
Method and Assumptions used to estimate the fair value of options granted during the year:				
The fair value has been calculated using the Black Scholes Option Pricing model				
The Assumptions used in the model are as follows:				

Particulars		ESOP	PSP 1	PSP 2
1.	Risk Free Interest Rate	6.87%	No grants during the year	
2.	Expected Life	5.01		
3.	Expected Volatility	33.38%		
4.	Dividend Yield	0.55%		
5.	Price of the underlying share in market at the time of the option grant (₹)	221.56		

Details of ESOP	Crompton Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)
Weighted Average share price of Options exercised during the year : ₹ 244.43			
Exercise price and weighted average remaining contractual life of Outstanding Options			
Scheme Name	**Number of Options Outstanding**	**Weighted Average Remaining Contractual Life (in years)**	**Exercise Price (₹)**
ESOP 2016	31,56,404	6.29	194.36
PSP 1	1,09,68,057	6.89	92.83
PSP 2	31,33,731	6.89	185.66
Diluted Earnings Per Share(EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33; "Earning Per Share"	5.15		

On behalf of the Board of Directors

For Crompton Greaves Consumer Electricals Limited

H. M. Nerurkar

Chairman

DIN: 00265887

Place: Mumbai

Date: 15th May, 2018

ANNEXURE 2

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

A. CONSERVATION OF ENERGY:

(a) ENERGY CONSERVATION MEASURES TAKEN

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

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

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

1 Reduction of natural gas consumption in Baroda Plant by 10M^3/Hr in FTL line by optimizing sintering furnace operation.

2 Replacement of all conventional lights at Goa, Ahmednagar and Baroda Plants with LED bulbs thereby saving 3700 kwh/month.

3 Installing clear sheets on the roof of Goa and Baroda Plants to allow natural sunlight to enter and reduce the usage of artificial light and thus save energy.

4 Electrical load reduction of 10 KWH by shutting down an Air compressor in Baroda Plant, following recommendations arising out of an air leakage audit.

5 Nitrogen gas consumption reduction by 0.5M^3/Hr in manufacturing of GLS lamps in Baroda Plants, by controlling the flow rate and thereby reducing the pressure.

6 Argon gas consumption reduction in Baroda Plant by replacing the cylinder system with Liquid Dura cylinder with provision of common header line.

7 Improvement in Power factor in Baroda Plant from 0.96 to 0.99 by using APFCR (Automatic Power Factor Control Panel) unit, replacing faulty capacitors & through regular monitoring.

(b) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

NIL

B. TECHNOLOGY ABSORPTION:

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

Some of the initiatives were:

1. The unique elevated blade design coupled with aerodynamic design of blade with antidrag technology and a powerful motor of AIR 360 Fan which covers 50% more space and gives 50% more air delivery as compared to standard fans.
2. Research in electrical motor design by using advanced design and simulation software has helped in developing optimized designs having high competitiveness as well as optimize material content.
3. In-house CFD analysis capability for regenerative pumps has been developed, which enables to predict fluid flow and efficiency. This will help to reduce design cycle time as well as improve efficiency.
4. New pressure washer pumps with higher pressure (90, 130 and 150 Bar) launched with Induction motor for maximum reliability as better cleaning experience.
5. Established state of art SMT (Surface Mounting Technology) unit at Baroda Plant which will enable inhouse driver assembly for LED bulbs.
6. In house designed and developed semi-automatic LED Bulb assembly line at Baroda Plant, this will help to improve productivity and process reliability.
7. A completely innovative concept with the introduction of LED Lighting fixtures (2x2 tile) integrated with smoke detector and PIR (Passive

Infrared) Sensor. This saves cost, space, reduces installation complexity and the ceiling clutter in offices and commercial complexes and is highly appreciated by the influencers like the architects/ interior designers and consultants.

8. Foray into the emerging field of intelligent lighting solutions for outdoor application with the introduction of smart streetlighting solution for smart cities incorporating state of the art individually controlled streetlight solutions using the latest communication protocols like Zigbee, PLC, RF or hybrid solutions with a web interface. This has features of individual streetlight monitoring for energy consumption, fault detection and alerts for the municipal corporations, and control options with dimming based on predetermined or user need based or real time clock based apart from the energy savings capabilities to the tune of 75-85%.
9. In Appliances we have recently launched the TRICOOL Air Cooler. TRICOOL, unlike other conventional coolers draws fresh air from outside the room which results in better cooling as well as ventilation. Its unique honeycomb design and superior fan provides best in class cooling comfort. Further being window mounted, TRICOOL eliminates the hassle of looking for space to keep the cooler post the summer months.

C. IMPORTED TECHNOLOGY:

Nil

D. EXPENDITURE ON R&D:

R & D expenditure for the year was ₹ 13.84 crore

E. FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign exchange earned : ₹ 75.65 crore

Foreign exchange used : ₹ 239.84 crore

On behalf of the Board of Directors

For Crompton Greaves Consumer Electricals Limited

H. M. Nerurkar

Chairman

DIN: 00265887

Place: Mumbai

Date: 15th May, 2018

ANNEXURE 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-2018

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

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

   Your Company will leverage its national presence to create deep impact by focusing on sectors which are critical for sustainable development of the society.

   CSR initiatives will primarily focus on the following areas: -

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

   The CSR policy is placed on the website of the Company at the below mentioned link:

   www.crompton.co.in/media/CGCEL-CSR-Policy.pdf

2. Composition of the CSR Committee:

   Mr. Shantanu Khosla, Chairman (Managing Director) (DIN: 00059877)

   Mr. H. M. Nerurkar, Member (Independent Director) (DIN: 00265887)

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

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

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

3. Average net profit of the Company for last three financial years: ₹ 197.73 crore

4. Prescribed CSR Expenditure (two % of the amount as in item 3 above): ₹ 3.95 crore

5. Details of CSR spent during the Financial Year:

   a. Total amount to be spent for the financial year 2017-18: ₹ 1.48 crore

   b. Amount unspent, if any: ₹ 2.47 crore

   c. Manner in which the amount spent during the financial year:

(1) Sr. No.	(2) CSR Project or activity identified	(3) Sector in which the project Is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where project(s) or program(s) was undertaken	(5) Amount outlay (bud get) project(s) or program(s) wise (in ₹)	(6) Amount spent on the project(s) or program(s) sub heads 1. Direct expenditure on project(s) or program(s) 2. Overheads (in ₹)	(7) Cumulative expenditure upto the reporting period (in ₹)	(8) Amount spent: Direct or through implementing agency (in ₹)
1.	Skill Training In ▪ Electric Domestic Solution ▪ Domestic Data Entry Operator	Employment enhancing vocational skills	Kapadvanj, Kheda District, Gujarat	22,98,703	Direct Expenditure: 21,83,767 Overheads : 1,14,936	22,98,703	Implementing Agency
2.	Skill Training In ▪ Electric Domestic Solution ▪ Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Baddi, Himachal Pradesh (Phase I)	49,00,000	Direct Expenditure: 46,55,000 Overheads: 2,45,000	71,98,703	Implementing Agency
3.	Skill Training In ▪ Electric Domestic Solution ▪ Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Baddi, Himachal Pradesh (Phase II)	28,80,000	Direct Expenditure: 27,36,000 Overheads: 1,44,000	1,00,78,703	Implementing Agency
4.	Skill Training In ▪ Electric Domestic Solution ▪ Multiskilled Technician (Electrical)	Employment enhancing vocational skills	Ahmednagar, Maharashtra	38,00,000	Direct Expenditure: 36,10,000 Overheads: 1,90,000	1,38,78,703	Implementing Agency
5.	Contribution to Disaster Relief-Flood	Promoting Health care	Banaskantha and Patan Districts, Gujarat	5,00,000	Direct Expenditure: 5,00,000	1,43,78,703	Direct
6.	Provided Pedestal and Ceiling Fans to Centre for Terminally ill	Promoting Health Care	Ponda, Goa	88,424	Direct Expenditure: 88,424	1,44,67,127	Direct
7.	Provided aids and appliances for laboratory in Engineering College	Promoting Education	Ponda, Goa	1,57,600	Direct Expenditure: 1,57,600	1,46,24,727	Direct
8.	Provided Fans to Local School	Promoting Education	Shingave, Ahmednagar, Maharashtra	20,958	Direct Expenditure: 20,958	1,46,45,685	Direct
9.	Provided Fans to Rotary Club	Promoting Health care And Education	Mumbai	56,639	Direct Expenditure: 56,639	1,47,02,324	Direct
10.	Provided Fans to Vanvasi Kalyan Ashram	Promoting Welfare of Scheduled Tribes	Akole, Ahmednagar, Maharashtra	53,620	Direct Expenditure: 53,620	1,47,55,944	Direct

(1) Sr. No.	(2) CSR Project or activity identified	(3) Sector in which the project Is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where project(s) or program(s) was undertaken	(5) Amount outlay (bud get) project(s) or program(s) wise (in ₹)	(6) Amount spent on the project(s) or program(s) sub heads 1. Direct expenditure on project(s) or program(s) 2. Overheads (in ₹)	(7) Cumulative expenditure upto the reporting period (in ₹)	(8) Amount spent: Direct or through implementing agency (in ₹)
11.	Provided Computers to Local School	Promoting Education	Vambori, Ahmednagar, Maharashtra	27,088	Direct Expenditure: 27,088	1,47,83,032	Direct
	Total Amount Spent for the Financial Year 2017-18					**1,47,83,032**	

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

Your Company remains committed to spending its CSR budget. The focus in 2017-18 was to identify suitable implementation agencies with whom your Company would partner. For skill development & training two agencies were selected and three centers were made operational. Your Company is in discussion with more such agencies such that work in this area can be ramped up. In 2018-19, your Company is confident of a substantial increase in its CSR spend.

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

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

On behalf of the Board of Directors

For Crompton Greaves Consumer Electricals Limited

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director & Chairman CSR Committee
DIN: 00059877

Date: 15th May, 2018
Place: Mumbai

ANNEXURE 4

Secretarial Audit Report

FORM No. MR-3

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,
The Members,
Crompton Greaves Consumer Electricals Limited
Equinox Business Park,1st Floor, Tower 3,
LBS Marg, Kurla (W),
Mumbai 400070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate provisions 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 conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized 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, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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(during the year under review not applicable to the Company);

(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, 2009 (during the year 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 (during the year under review not applicable to the Company);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

(vi) Bureau of Indian Standards

The National Standards Body of India

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

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India for the period from 1st April 2017 to 30th September, 2017 and Revised Secretarial Standards for the period from 1st October, 2017 to 31st March, 2018;

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

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

We further report that:

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

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

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.

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

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

i) The Board at its Meeting held on 26th May, 2017 recommended a dividend of Rs 1.50 per equity share of face value Rs 2 each and the same was approved by the Shareholders at the Annual General Meeting held on 27th July, 2017.

ii) The Nomination and Remuneration Committee approved Grant of ESOP under the Crompton ESOP Plan (ESOP 2016) on-

- 3rd April, 2017 – 1,50,000 options at an exercise price of Rs. 216.95 per stock option
- 26th October, 2017 – 5,00,000 options at an exercise price of Rs 221.15 per stock option
- 6th March, 2018– 1,50,000 options at an exercise price of Rs 234.70 per stock option.

iii) The Company allotted 38,963 equity shares of Rs 2 each under the Company's Employee Stock Option Scheme, 2016 (ESOP 2016) during the financial year 2017-18.

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

Dipti Mehta
Partner
FCS No : 3667
CP No. : 3202

Place : Mumbai
Date : 15th May, 2018

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
Equinox Business Park,1st Floor, Tower 3,
LBS Marg, Kurla (W),
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. 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
FCS No : 3667
CP No. : 3202

Place : Mumbai
Date : 15th May, 2018

ANNEXURE 5

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

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for 2017-18:

The median remuneration of employees of the Company during the 2017-18 was ₹ 5,95,902/- 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 2017-18	Ratio of Remuneration of each Director to Median Remuneration of employees for 2017-18
1	Mr. Shantanu Khosla (DIN: 00059877)	Managing Director	₹ 7,26,11,786	121.85
2	Mr. H. M. Nerurkar (DIN: 00265887)	Chairman, Independent Director	₹ 19,30,000	3.24
3	Mr. D. Sundaram (DIN: 00016304)	Independent Director	₹ 18,30,000	3.07
4	Mr. P. M. Murty (DIN: 00011179)	Independent Director	₹ 14,90,000	2.50
5	Ms. Shweta Jalan (DIN: 00291675)	Non-Executive Director	NIL	N.A.
6	Mr. Sahil Dalal (DIN: 07350808)	Non – Executive Director	NIL	N.A.
7	Mr. Ravi Narain* (DIN: 00062596)	Non – Executive Director	NIL	N.A.

^The remuneration of Independent Directors covers sitting fee and commission.

* ceased to be a Director with effect from 5th March, 2018.

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

The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2017-18 is provided in the table below:

Sr. No.	Name of Director/KMP	Designation	% increase in Remuneration in 2017-18
1	Mr. Shantanu Khosla	Managing Director	9.2%
2	Mr. Mathew Job	Chief Executive Officer	9.2%
3	Mr. Sandeep Batra	Chief Financial Officer	9.2%
4	Ms. Pragya Kaul	Company Secretary & Compliance officer	10%

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

In the Financial Year, there was an increase of 13.27% in the median remuneration of employees.

(d) The number of permanent employees on the rolls of the Company:

There were 1,615 permanent employees on the rolls of the Company as on 31st March, 2018.

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

Average percentile increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2017-18 was 12.39% whereas the increase in the managerial remuneration for the Financial Year 2017-18 was 9.25%.

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

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

(f) Affirmation that the remuneration is as per the remuneration policy of the company:

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

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

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

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

H. M. Nerurkar
Chairman
DIN: 00265887

Place: Mumbai
Date: 15th May, 2018

Form No. MGT-9

Extract of Annual Return

For the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Electrical Consumer Durables (Fans, Pumps and Appliances)	27501, 27502, 27503, 28132	68.89
2.	Lighting Products (Luminaire, Light Sources)	27400	31.11

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

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

i Category Wise Shareholding

Category of Shareholders		Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	1. Indian									
	a. Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
	b. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	c. State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	d. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	f. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub - Total (A) (1)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0.00**	**0.00**	**0.00**
	2. Foreign									
	a. NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	c. Bodies Corporate	14,00,60,033	0	14,00,60,033	22.34	14,00,60,033	0	14,00,60,033	22.34	0.00
	d. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub - Total (A) (2)		**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**0.00**
Total Shareholding of Promoter A = (A) (1) + (A) (2)		**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**14,00,60,033**	**0**	**14,00,60,033**	**22.34**	**0.00**
B.	Public Shareholding									
I.	Institutions									
	a. Mutual Funds/UTI	8,24,66,826	5,166	8,24,71,992	13.16	6,72,27,089	5,166	6,72,32,255	10.73	(2.43)
	b. Banks/FI	3,78,10,263	79,360	3,78,89,623	6.05	2,61,63,016	79,360	2,62,42,376	4.19	(1.86)
	c. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	d. State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
	e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	g. Foreign Institutional Investors	18,22,48,811	80,362	18,23,29,173	29.09	21,80,08,760	80,362	21,80,89,122	34.79	5.70
	h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	i. Alternate Investment Funds	23,61,711	0	23,61,711	0.38	33,36,266	0	33,36,266	0.53	0.15
	j. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total B(1)		**30,48,87,611**	**1,64,888**	**30,50,52,499**	**48.68**	**31,47,35,131**	**1,64,888**	**31,49,00,019**	**50.24**	**1.56**
II.	Non - Institutions									
a.	Bodies Corporate									
	I. Indian	4,48,07,007	33,761	4,48,40,768	7.15	3,97,52,041	33,161	3,97,85,202	6.35	(0.80)
	II. Foreign*	7,54,04,873*	0	7,54,04,873*	12.03	7,54,04,873*	0	7,54,04,873*	12.03	0.00
	II. Overseas	61,250	350	61,600	0.01	61,250	350	61,600	0.01	0.00
b.	Individual									
	I. Individual shareholders holding nominal share capital upto ₹ 1 Lakh	3,74,45,510	48,10,788	4,22,56,298	6.74	3,54,20,724	44,85,312	3,99,06,036	6.37	(0.37)
	II. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	1,36,99,597	1,21,520	1,38,21,117	2.21	1,13,82,697	1,21,520	1,15,04,217	1.84	(0.37)
c.	Others									
	I. Trust	7,49,693	0	7,49,693	0.12	3,73,156	0	3,73,156	0.06	(0.06)
	II. Clearing Members	9,23,595	85	9,23,680	0.15	8,17,104	85	8,17,189	0.13	(0.02)
	III. Foreign Nationals	3,158	0	3,158	0.00	3,158	0	3,158	0.00	0.00
	IV. Non Resident Indians	24,81,743	59,739	25,41,482	0.41	11,29,865	58,385	11,88,250	0.19	(0.22)
	V. NBFC registered with RBI	14,162	0	14,162	0.00	1,31,047	0	1,31,047	0.02	0.02
	VI. Others	10,16,779	0	10,16,779	0.16	26,50,325	0	26,50,325	0.42	0.26
Sub-total (B)(2):-		**17,66,07,367**	**50,26,243**	**18,16,33,610**	**28.98**	**16,71,26,240**	**46,98,813**	**17,18,25,053**	**27.42**	**(1.56)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**48,14,94,978**	**51,91,131**	**48,66,86,109**	**77.66**	**48,18,61,371**	**48,63,701**	**48,67,25,072**	**77.66**	**0.00**
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)		**62,15,55,011**	**51,91,131**	**62,67,46,142**	**100.00**	**62,19,21,404**	**48,63,701**	**62,67,85,105**	**100.00**	**0.00**

Notes:-

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

ii. Promoters Shareholding: -

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

Notes:-

* *Encumbrance over 9,15,10,260 equity shares held by Amalfiaco Ltd. (Promoter) in the Company as a security towards loan taken by Amalfiaco Ltd.*

iii. Changes in Promoters Shareholding

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

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

I. MACRITCHIE INVESTMENTS PTE. LTD.*

	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017	7,54,04,873	12.03	Nil	Nil	Nil
At the end of the year- 31.03.2018				7,54,04,873	12.03

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

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

II. LIFE INSURANCE CORPORATION OF INDIA

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		3,28,20,195	5.24			
13-10-2017	Decrease/Transfer			-5,03,785	3,23,16,410	5.16
20-10-2017	Decrease/Transfer			-2,71,346	3,20,45,064	5.11
27-10-2017	Decrease/Transfer			-7,64,894	3,12,80,170	4.99
31-10-2017	Decrease/Transfer			-11,95,316	3,00,84,854	4.80
03-11-2017	Decrease/Transfer			-6,78,295	2,94,06,559	4.69
10-11-2017	Decrease/Transfer			-25,35,192	2,68,71,367	4.29
17-11-2017	Decrease/Transfer			-18,00,562	2,50,70,805	4.00
24-11-2017	Decrease/Transfer			-23,72,023	2,26,98,782	3.62
01-12-2017	Decrease/Transfer			-8,39,760	2,18,59,022	3.49
08-12-2017	Decrease/Transfer			-1,89,253	2,16,69,769	3.46
15-12-2017	Decrease/Transfer			-4,24,603	2,12,45,166	3.39
22-12-2017	Decrease/Transfer			-4,12,978	2,08,32,188	3.32
29-12-2017	Decrease/Transfer			-1,54,635	2,06,77,553	3.30
26-01-2018	Decrease/Transfer			-1,56,165	2,05,21,388	3.27
At the end of the year- 31.03.2018					2,05,21,388	3.27

III. SMALLCAP WORLD FUND, INC

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		2,96,70,000	4.73			
07-04-2017	Decrease/Transfer			-35,00,000	2,61,70,000	4.18
02-06-2017	Decrease/Transfer			-3,81,097	2,57,88,903	4.11
09-06-2017	Decrease/Transfer			-13,50,903	2,44,38,000	3.90
16-02-2018	Decrease/Transfer			-15,00,000	2,29,38,000	3.66
23-02-2018	Decrease/Transfer			-30,00,000	1,99,38,000	3.18
02-03-2018	Decrease/Transfer			-16,17,045	1,83,20,955	2.92
09-03-2018	Decrease/Transfer			-11,86,716	1,71,34,239	2.73
16-03-2018	Decrease/Transfer			-8,08,119	1,63,26,120	2.60
23-03-2018	Decrease/Transfer			-5,08,142	1,58,17,978	2.52
30-03-2018	Decrease/Transfer			-16,36,260	1,41,81,718	2.26
At the end of the year- 31-03-2018					1,41,81,718	2.26

IV. BIRLA SUNLIFE TRUSTEE COMPANY PVT LTD

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		2,37,01,379	3.78			
07-04-2017	Decrease/Transfer			-2,11,500	2,34,89,879	3.75
14-04-2017	Decrease/Transfer			-1,13,000	2,33,76,879	3.73
28-04-2017	Decrease/Transfer			-1,14,600	2,32,62,279	3.71
05-05-2017	Increase/Transfer			2,00,000	2,34,62,279	3.74
05-05-2017	Decrease/Transfer			-3,80,000	2,30,82,279	3.68
12-05-2017	Decrease/Transfer			-10,82,200	2,20,00,079	3.51
19-05-2017	Decrease/Transfer			-8,84,800	2,11,15,279	3.37
02-06-2017	Decrease/Transfer			-80,382	2,10,34,897	3.36
09-06-2017	Decrease/Transfer			-64,000	2,09,70,897	3.35
23-06-2017	Decrease/Transfer			-2,00,000	2,07,70,897	3.31
07-07-2017	Increase/Transfer			5,15,000	2,12,85,897	3.40
04-08-2017	Increase/Transfer			7,05,500	2,19,91,397	3.51
11-08-2017	Increase/Transfer			5,90,000	2,25,81,397	3.60
11-08-2017	Decrease/Transfer			-15,100	2,25,66,297	3.60
08-09-2017	Decrease/Transfer			-27,200	2,25,39,097	3.60
29-09-2017	Decrease/Transfer			-47,200	2,24,91,897	3.59
06-10-2017	Decrease/Transfer			-51,462	2,24,40,435	3.58
27-10-2017	Decrease/Transfer			-2,33,888	2,22,06,547	3.54
31-10-2017	Decrease/Transfer			-50,000	2,21,56,547	3.54
10-11-2017	Increase/Transfer			5,87,000	2,27,43,547	3.63
17-11-2017	Increase/Transfer			18,02,500	2,45,46,047	3.92
24-11-2017	Increase/Transfer			16,25,500	2,61,71,547	4.18
01-12-2017	Decrease/Transfer			-5,41,747	2,56,29,800	4.09
08-12-2017	Decrease/Transfer			-14,10,000	2,42,19,800	3.86
05-01-2018	Increase/Transfer			84,500	2,43,04,300	3.88
05-01-2018	Decrease/Transfer			-50,500	2,42,53,800	3.87
12-01-2018	Increase/Transfer			1,96,000	2,44,49,800	3.90
19-01-2018	Decrease/Transfer			-64,000	2,43,85,800	3.89
26-01-2018	Increase/Transfer			2,00,000	2,45,85,800	3.92
02-02-2018	Increase/Transfer			4,10,700	2,49,96,500	3.99
09-02-2018	Decrease/Transfer			-4,53,795	2,45,42,705	3.92
23-03-2018	Increase/Transfer			6,12,724	2,51,55,429	4.01
23-03-2018	Decrease/Transfer			-43,966	2,51,11,463	4.01
At the end of the year- 31-03-2018					2,51,11,463	4.01

V. HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		2,17,42,929	3.47			
19-05-2017	Decrease/Transfer			-21,80,000	1,95,62,929	3.12
26-05-2017	Decrease/Transfer			-8,86,700	1,86,76,229	2.98
02-06-2017	Decrease/Transfer			-1,76,500	1,84,99,729	2.95
23-06-2017	Decrease/Transfer			-2,70,000	1,82,29,729	2.91
30-06-2017	Decrease/Transfer			-17,80,000	1,64,49,729	2.62
07-07-2017	Decrease/Transfer			-10,00,000	1,54,49,729	2.47
14-07-2017	Decrease/Transfer			-2,00,000	1,52,49,729	2.43
21-07-2017	Decrease/Transfer			-21,39,591	1,31,10,138	2.09
28-07-2017	Decrease/Transfer			-24,78,000	1,06,32,138	1.70
04-08-2017	Decrease/Transfer			-24,50,000	81,82,138	1.31
11-08-2017	Decrease/Transfer			-21,34,352	60,47,786	0.96
25-08-2017	Decrease/Transfer			-34,000	60,13,786	0.96
08-09-2017	Decrease/Transfer			-1,00,000	59,13,786	0.94
15-09-2017	Decrease/Transfer			-14,92,000	44,21,786	0.71
22-09-2017	Decrease/Transfer			-2,07,000	42,14,786	0.67
29-09-2017	Decrease/Transfer			-26,78,536	15,36,250	0.25
06-10-2017	Decrease/Transfer			-3,91,500	11,44,750	0.18
13-10-2017	Decrease/Transfer			-95,000	10,49,750	0.17
10-11-2017	Increase/ Transfer			2,00,000	12,49,750	0.20
08-12-2017	Decrease/Transfer			-47,000	12,02,750	0.19
23-02-2018	Increase/ Transfer			73,12,500	85,15,250	1.36
23-02-2018	Decrease/Transfer			-2,87,500	82,27,750	1.31
02-03-2018	Increase/ Transfer			31,50,000	1,13,77,750	1.82
09-03-2018	Increase/ Transfer			2,17,000	1,15,94,750	1.85
16-03-2018	Increase/ Transfer			21,72,000	1,37,66,750	2.20
23-03-2018	Increase/ Transfer			4,11,000	1,41,77,750	2.26
30-03-2018	Increase/ Transfer			15,80,000	1,57,57,750	2.51
At the end of the year- 31-03-2018					1,57,57,750	2.51

VI. TIAA-CREF FUNDS

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		1,52,38,300	2.43			
14-04-2017	Decrease/Transfer			-6,96,317	1,45,41,983	2.32
21-04-2017	Decrease/Transfer			-2,77,471	1,42,64,512	2.28
05-05-2017	Decrease/Transfer			-3,19,940	1,39,44,572	2.22
26-05-2017	Decrease/Transfer			-3,08,296	1,36,36,276	2.18
21-07-2017	Decrease/Transfer			-6,09,228	1,30,27,048	2.08
28-07-2017	Decrease/Transfer			-12,83,001	1,17,44,047	1.87
04-08-2017	Decrease/Transfer			-4,94,650	1,12,49,397	1.79
08-09-2017	Decrease/Transfer			-5,991	1,12,43,406	1.79
15-09-2017	Decrease/Transfer			-11,18,238	1,01,25,168	1.62
29-09-2017	Decrease/Transfer			-8,74,387	92,50,781	1.48
13-10-2017	Decrease/Transfer			-8,27,553	84,23,228	1.34
20-10-2017	Decrease/Transfer			-45,976	83,77,252	1.34
27-10-2017	Decrease/Transfer			-20,842	83,56,410	1.33
31-10-2017	Decrease/Transfer			-10,44,543	73,11,867	1.17
03-11-2017	Decrease/Transfer			-69,83,855	3,28,012	0.05
24-11-2017	Decrease/Transfer			-3,28,012	0	0.00
At the end of the year- 31-03-2018					0	0.00

VII. NOMURA INDIA INVESTMENT FUND

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		1,37,56,230	2.19			
28-04-2017	Increase/Transfer			4,75,000	1,42,31,230	2.27
26-05-2017	Increase/Transfer			3,33,783	1,45,65,013	2.32
02-06-2017	Increase/Transfer			3,13,000	1,48,78,013	2.37
25-08-2017	Increase /Transfer			77,000	1,49,55,013	2.39
01-09-2017	Increase /Transfer			5,00,000	1,54,55,013	2.47
29-09-2017	Increase/Transfer			30,204	1,54,85,217	2.47
31-10-2017	Increase/Transfer			10,00,000	1,64,85,217	2.63
17-11-2017	Decrease/Transfer			-4,97,784	1,59,87,433	2.55
01-12-2017	Decrease/Transfer			-3,10,972	1,56,76,461	2.50
08-12-2017	Decrease/Transfer			-3,58,068	1,53,18,393	2.44
15-12-2017	Increase/Transfer			2,13,880	1,55,32,273	2.48
22-12-2017	Decrease/Transfer			-5,00,000	1,50,32,273	2.40
At the end of the year- 31-03-2018					1,50,32,273	2.40

VIII. NORDEA 1 SICAV - ASIAN FOCUS EQUITY FUND

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017						
28-04-2017	Increase/Transfer			35,90,148	35,90,148	0.57
05-05-2017	Increase/Transfer			1,05,082	36,95,230	0.59
26-05-2017	Increase/Transfer			48,046	37,43,276	0.60
02-06-2017	Increase/Transfer			8,92,920	46,36,196	0.74
09-06-2017	Increase/Transfer			9,62,836	55,99,032	0.89
16-06-2017	Increase/Transfer			3,23,639	59,22,671	0.94
30-06-2017	Increase/Transfer			10,78,608	70,01,279	1.12
07-07-2017	Increase/Transfer			26,071	70,27,350	1.12
21-07-2017	Decrease/Transfer			-28,160	69,99,190	1.12
28-07-2017	Increase/Transfer			8,36,287	78,35,477	1.25
11-08-2017	Increase/Transfer			1,00,477	79,35,954	1.27
18-08-2017	Increase/Transfer			7,05,375	86,41,329	1.38
18-08-2017	Decrease/Transfer			-9,006	86,32,323	1.38
25-08-2017	Increase/Transfer			77,190	87,09,513	1.39
01-09-2017	Increase/Transfer			9,316	87,18,829	1.39
08-09-2017	Increase/Transfer			7,578	87,26,407	1.39
15-09-2017	Increase/Transfer			7,382	87,33,789	1.39
22-09-2017	Increase/Transfer			1,46,440	88,80,229	1.42
29-09-2017	Increase/Transfer			14,530	88,94,759	1.42
13-10-2017	Increase/Transfer			1,97,684	90,92,443	1.45
20-10-2017	Increase/Transfer			13,271	91,05,714	1.45
27-10-2017	Increase/Transfer			2,55,910	93,61,624	1.49
27-10-2017	Decrease/Transfer			-13,639	93,47,985	1.49
31-10-2017	Decrease/Transfer			-26,579	93,21,406	1.49
10-11-2017	Increase/Transfer			4,69,952	97,91,358	1.56
17-11-2017	Increase/Transfer			7,36,565	1,05,27,923	1.68
17-11-2017	Decrease/Transfer			-11,716	1,05,16,207	1.68
24-11-2017	Increase/Transfer			17,426	1,05,33,633	1.68
08-12-2017	Increase/Transfer			4,16,490	1,09,50,123	1.75
22-12-2017	Increase/Transfer			1,65,299	1,11,15,422	1.77
05-01-2018	Increase/Transfer			6,865	1,11,22,287	1.77
12-01-2018	Increase/Transfer			3,52,274	1,14,74,561	1.83
02-02-2018	Increase/Transfer			22,400	1,14,96,961	1.83
09-02-2018	Increase/Transfer			956	1,14,97,917	1.83
09-02-2018	Decrease/Transfer			-25,023	1,14,72,894	1.83
23-02-2018	Increase/Transfer			14,11,092	1,28,83,986	2.06
02-03-2018	Increase/Transfer			6,14,842	1,34,98,828	2.15
09-03-2018	Increase/Transfer			18,536	1,35,17,364	2.16
16-03-2018	Increase/Transfer			2,14,759	1,37,32,123	2.19
23-03-2018	Decrease/Transfer			-26,691	1,37,05,432	2.19
30-03-2018	Decrease/Transfer			-3,01,462	1,34,03,970	2.14
At the end of the year- 31-03-2018					1,34,03,970	2.14

IX. FRANKLIN TEMPLETON INVESTMENT FUNDS

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year -01-04-2017		1,24,46,700	1.99			
03-11-2017	Increase/Transfer			46,36,184	1,70,82,884	2.73
At the end of the year- 31-03-2018					1,70,82,884	2.73

X. HDFC STANDARD LIFE INSURANCE COMPANY LIMITED

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		1,18,05,840	1.88			
07-04-2017	Decrease/Transfer			-69,758	1,17,36,082	1.87
14-04-2017	Decrease/Transfer			-2,943	1,17,33,139	1.87
21-04-2017	Increase/Transfer			4,252	1,17,37,391	1.87
28-04-2017	Decrease/Transfer			-2,75,136	1,14,62,255	1.83
05-05-2017	Decrease/Transfer			-99,418	1,13,62,837	1.81
12-05-2017	Decrease/Transfer			-4,45,814	1,09,17,023	1.74
19-05-2017	Decrease/Transfer			-4,97,635	1,04,19,388	1.66
26-05-2017	Increase/Transfer			1,04,19,388	2,08,38,776	3.32
26-05-2017	Decrease/Transfer			-1,04,19,388	1,04,19,388	1.66
02-06-2017	Decrease/Transfer			-1,73,370	1,02,46,018	1.63
09-06-2017	Decrease/Transfer			-17,055	1,02,28,963	1.63
23-06-2017	Increase/Transfer			6,734	1,02,35,697	1.63
30-06-2017	Increase/Transfer			6,565	1,02,42,262	1.63
30-06-2017	Decrease/Transfer			-759	1,02,41,503	1.63
14-07-2017	Increase/Transfer			226	1,02,41,729	1.63
21-07-2017	Increase/Transfer			5,07,237	1,07,48,966	1.72
04-08-2017	Increase/Transfer			74	1,07,49,040	1.72
11-08-2017	Increase/Transfer			2,905	1,07,51,945	1.72
18-08-2017	Decrease/Transfer			-12,975	10,738,970	1.71
25-08-2017	Decrease/Transfer			-34,225	1,07,04,745	1.71
01-09-2017	Decrease/Transfer			-253	1,07,04,492	1.71
08-09-2017	Increase/Transfer			400	1,07,04,892	1.71
15-09-2017	Increase/Transfer			7,100	1,07,11,992	1.71
22-09-2017	Increase/Transfer			23,519	1,07,35,511	1.71
22-09-2017	Decrease/Transfer			-10,999	1,07,24,512	1.71
29-09-2017	Increase/Transfer			91,339	1,08,15,851	1.73
06-10-2017	Increase/Transfer			12,712	1,08,28,563	1.73

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
20-10-2017	Increase/Transfer			1,223	1,08,29,786	1.73
27-10-2017	Decrease/Transfer			-110	1,08,29,676	1.73
31-10-2017	Increase/Transfer			1,20,000	1,09,49,676	1.75
03-11-2017	Decrease/Transfer			-1,184	1,09,48,492	1.75
10-11-2017	Decrease/Transfer			-1,50,450	1,07,98,042	1.72
17-11-2017	Decrease/Transfer			-1,95,356	1,06,02,686	1.69
24-11-2017	Increase/Transfer			13,162	1,06,15,848	1.69
01-12-2017	Decrease/Transfer			-1,68,430	1,04,47,418	1.67
08-12-2017	Decrease/Transfer			-2,37,069	1,02,10,349	1.63
15-12-2017	Increase/Transfer			40,284	1,02,50,633	1.64
22-12-2017	Decrease/Transfer			-5,522	1,02,45,111	1.63
29-12-2017	Decrease/Transfer			-13,911	1,02,31,200	1.63
05-01-2018	Decrease/Transfer			-11,954	1,02,19,246	1.63
19-01-2018	Increase/Transfer			1,00,217	1,03,19,463	1.65
26-01-2018	Increase/Transfer			7,563	10,32,7026	1.65
02-02-2018	Increase/Transfer			4,16,560	1,07,43,586	1.71
16-02-2018	Decrease/Transfer			-7,234	1,07,36,352	1.71
23-02-2018	Increase/Transfer			3,70,342	1,11,06,694	1.77
02-03-2018	Increase/Transfer			49,838	1,11,56,532	1.78
09-03-2018	Increase/Transfer			24,393	1,11,80,925	1.78
16-03-2018	Increase/Transfer			33,584	1,12,14,509	1.79
23-03-2018	Increase/Transfer			3,29,126	1,15,43,635	1.84
30-03-2018	Increase/Transfer			7,50,417	1,22,94,052	1.96
At the end of the year-31-03-2018					1,22,94,052	1.96

XI. AMANSA HOLDINGS PRIVATE LIMITED

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		1,15,98,374	1.85			
14-04-2017	Decrease/Transfer			-5,46,828	1,10,51,546	1.76
05-05-2017	Decrease/Transfer			-51,546	1,10,00,000	1.76
28-07-2017	Increase/Transfer			21,09,196	1,31,09,196	2.09
04-08-2017	Increase/Transfer			7,14,225	1,38,23,421	2.21
29-09-2017	Increase/Transfer			37,29,376	1,75,52,797	2.80
At the end of the year-31-03-2018					1,75,52,797	2.80

XII. AZIM PREMJI TRUST

	Increase or Decrease / Reasons	Shareholding at the beginning of the year (As on 1st April, 2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01-04-2017		95,87,426	1.53			
18-08-2017	Decrease/Transfer			-90,190	94,97,236	1.52
26-01-2018	Decrease/Transfer			-2,87,064	92,10,172	1.47
09-02-2018	Decrease/Transfer			-2,12,468	89,97,704	1.44
At the end of the year- 31-03-2018					89,97,704	1.44

v. – Shareholding of Directors and Key Managerial Personnel

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

V. INDEBTEDNESS:

(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	650.00	-	-	650.00
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	44.63	-	-	44.63
Total (i+ii+iii)	694.63	-	-	694.63
Addition		-	-	
Reduction		-	-	
Net Change		-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	650.00	-	-	650.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	44.31	-	-	44.31
Total (i+ii+iii)	**694.31**	**-**	**-**	**694.31**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in crore)

Sr. No.	Particulars of Remuneration	Mr. Shantanu Khosla, Managing Director (DIN: 00059877)
1.	Gross Salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.54
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	▪ as % of profit	
	▪ Others specify	
5.	Others, please specify (Variable Pay)	3.72
	Total	**7.26**
	Ceiling as per the Act	5% of the Net Profit of the Company

b - Remuneration to other Directors

(₹ in crore)

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

* *Note: None of the Non-Executive Non-Independent Directors were paid any remuneration during the year 2017-18.*

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

(₹ in crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Mathew Job (CEO)	Mr. Sandeep Batra (CFO)	Ms. Pragya Kaul (CS)	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.38	2.14	0.25	4.77
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961				
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	▪ as % of profit				
	▪ Others specify				
5.	Others, please specify (Variable Pay)	2.77	1.45	0.01	4.23
	Total	**5.15**	**3.59**	**0.26**	**9.00**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

On behalf of the Board of Directors

For Crompton Greaves Consumer Electricals Limited

Place: Mumbai

Date: 15th May, 2018

H. M. Nerurkar

Chairman

DIN: 00265887

Corporate Governance Report

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

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

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

2. BOARD OF DIRECTORS

a. COMPOSITION:

The Company has formulated and adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse so as to benefit from fresh perspectives, new ideas and broad experience. As on the date of this Report, the Company has a seven member Board of Directors. The Chairman, Mr. H. M. Nerurkar is an Independent Director.

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

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

Thus, as on 31st March, 2018, the Board comprises one Executive Director and six Non-Executive Directors, of whom three are Independent Directors. 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, 2018

Name	Particulars	Other Board/Committee Memberships		
		Directorships*	Committee Memberships**	Committee Chairmanships**
Mr. H. M. Nerurkar	Chairman Non-Executive Director, Independent	4	5	2
Mr. Shantanu Khosla	Executive, Managing Director	-	-	-
Mr. D. Sundaram	Non-Executive Director, Independent	3	6	3
Mr. P. M. Murty	Non-Executive Director, Independent	-	2	-
Ms. Shweta Jalan	Non-Executive Director	-	-	-
Mr. Sahil Dalal	Non-Executive Director	-	-	-
Mr. Promeet Ghosh	Non-Executive Director	-	-	-
Mr. Ravi Narain #	Non-Executive Director	NA	NA	NA

 # Resigned w.e.f 5th March, 2018

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

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

b. BOARD MEETINGS:

There were 06 Board Meetings held during 2017-18.

Meetings of the Board are pre-scheduled. Board meetings are convened by giving appropriate notice to the Directors. 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.

TABLE 2

Attendance Record of the Directors for Year 2017-18

Name	Board Meetings							Last AGM
	26.5.2017	27.7.2017	14.9.2017	26.10.2017	23.1.2018	20.3.2018	21.03.2018#	27.07.2017
Mr. H. M. Nerurkar (DIN: 00265887)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Shantanu Khosla (DIN: 00059877)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. D Sundaram (DIN: 00016304)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P M. Murty (DIN: 00011179)	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Ms. Shweta Jalan (DIN: 00291675)	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Mr. Sahil Dalal (DIN: 07350808)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Promeet Ghosh (DIN: 05307658)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Narain* (DIN: 00062596)	Yes	Yes	No	No	Yes	NA	NA	Yes

** Resigned w.e.f 5th March, 2018*

 # Board Meeting held on 20th March, 2018 was adjourned to 21th March, 2018.

The Board sets and oversees the Company's strategic direction and evaluates risks and opportunities, investments, financial performance, asset optimization, management policies and their effectiveness. The Board has dedicated meetings for review of strategic and annual operating plans, capital allocation and annual budgets of businesses. Additionally, the Board reviews the compliance processes, internal control systems and material occurrences in the areas of EHS, financial liabilities, regulatory claims and developments in human resources.

c. INDEPENDENT DIRECTORS MEETING:

During the year under review, a meeting of the Independent Directors was held on 7th December, 2017. All Independent Directors were present at the meeting to discuss the performance evaluation of the Non-Independent Directors & the Board and Chairman and assess information flows from Management to the Board.

d. FAMILIARISATION PROGRAMME:

The details of the Familiarisation programme is given in the Board Report of the Company and is available on the website of the Company at http://www.crompton.co.in/media/Familiarisation-Programme-for-FY-2017-18.pdf.

e. RELATIONSHIP BETWEEN DIRECTORS:

None of the Board of Directors are related to each other.

f. DIRECTORS' REMUNERATION:

The annual remuneration package of Mr. Shantanu Khosla, Managing Director comprises a fixed salary

component including a basket of allowances/ reimbursements and a Variable Pay component.

A service agreement exists with Mr. Shantanu Khosla which contains his terms and conditions of service, including remuneration, notice period, severance compensation, etc, as approved by the Nomination and Remuneration Committee and the Board of Directors, from time to time.

The remuneration paid to Mr. Shantanu Khosla in 2017-18 was as follows:

(₹ in crore)

Annual Salary	3.54
Variable Pay	3.72
Total	7.26

g. NON-EXECUTIVE 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, upto 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 and Chairman of the Audit Committee.

The Non-Executive Non-Independent Directors are not paid any remuneration.

The remuneration of Non-Executive Independent Director is given in Table 3.

TABLE 3

Compensation of Non-Executive Independent Directors of the Company for attending various Board and Committee Meetings for the year 2017-18

(₹ in crore)

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

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

* The amount of sitting fees includes the sitting fees paid to Non-Executive Independent Directors for attending the Board and Committee meetings.

h. CODE OF CONDUCT:

The 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 FY 2017-2018. As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Shantanu Khosla, as the Company's Managing Director, has signed a declaration, stating that the Board of Directors and senior management personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report.

This Code is available on the Company's website http://www.crompton.co.in.

i. DIRECTORS SHAREHOLDING:

As on 31st March, 2018 none of the Directors hold any shares and/or convertible instruments in the Company.

j. COMMITTEES OF THE BOARD:

I. 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 & processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act and SEBI Regulations.

- There were 4 Audit Committee Meetings held during 2017-18.

Table 4 given below gives the attendance record of the Members of the Audit Committee: -

TABLE 4

Audit Committee Meetings

Name	Designation	26.5.2017	27.7.2017	26.10.2017	22.1.2018	23.1.2018#
Mr. D. Sundaram	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. P. M. Murty	Member	Yes	Yes	Yes	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	Yes	Yes	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes	Yes	No	No

Audit Committee Meeting held on 22nd January, 2018 was adjourned and held on 23rd January, 2018.

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

Terms of reference of Audit Committee are:

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

II. NOMINATION AND REMUNERATION COMMITTEE

- There were 3 Nomination and Remuneration Committee Meetings held during 2017-18.

Table 5 given below gives the attendance record of the Members of the Nomination and Remuneration Committee:-

TABLE 5

Nomination and Remuneration Committee Meetings				
Name	**Designation**	**26.5.2017**	**26.10.2017**	**23.1.2018**
Mr. P. M. Murty	Chairman	Yes	Yes	Yes
Mr. D. Sundaram	Member	Yes	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes.	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes	No
Mr. Promeet Ghosh	Member	No	Yes	Yes
Mr. Ravi Narain*	Member	Yes	No	Yes

* Resigned w.e.f 5th March, 2018

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

- Terms of reference of Nomination and Remuneration Committee are:
  - Determine the criteria for appointment including qualifications, positive attributes and independence of a Director;
  - Identify candidates who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
  - Recommend to the Board a policy in relation to the remuneration for the Directors, Key Managerial Personnel and other employees;
  - Carry out evaluation of performance of each Director and performance of the Board as a whole;
  - Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
  - To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.
- The Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors and KMPs. The Committee also anchored the performance evaluation of the Individual Directors.

REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated the Remuneration Policy which deals with the remuneration of the Directors and Key Managerial Personnel (KMP) of the Company. The Policy is guided by the principles as envisaged under Section 178 of the Companies Act, 2013. A substantial excerpt of the Policy is enclosed as Annexure to this Report.

III. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

- There were 2 Corporate Social Responsibility Committee Meetings held during financial year 2017-18.
- Table 6 given below gives the attendance record of the Members of the Corporate Social Responsibility Committee:

TABLE 6

Corporate Social Responsibility Committee Meetings

Name	Designation	26.5.2017	26.10.2017
Mr. Shantanu Khosla	Chairman	Yes	Yes
Mr. H. M. Nerurkar	Member	Yes	Yes
Mr. D. Sundaram	Member	Yes	Yes
Ms. Shweta Jalan	Member	Yes	Yes
Mr. Promeet Ghosh	Member	No	Yes

- 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 there under (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.

IV. STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

- There was 1 Stakeholders' Relationship and Share Transfer Committee Meeting held during financial year 2017-18.
- Table 7 given below gives the attendance record of the Members of the Stakeholders Relationship and Share Transfer Committee-

TABLE 7

Stakeholders Relationship & Share Transfer Committee Meetings

Name	Designation	23.01.2018
Mr. H. M. Nerurkar	Chairman	Yes
Mr. D. Sundaram	Member	Yes
Mr. Shantanu Khosla	Member	Yes
Mr. Sahil Dalal	Member	Yes

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

Ms. Pragya Kaul also serves as the Compliance Officer of the Company.

During the year, 234 complaints were received from the shareholders, all of which have been attended/ resolved to the satisfaction of the Shareholders.

V. ALLOTMENT COMMITTEE

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

During the year Allotment Committee approved allotment of 16,275 and 22,688 shares arising out

of exercise of stock options by Eligible Employees through circular resolution.

- There were 2 circular resolutions passed by the Allotment Committee during financial year 2017-18.
- The Company Secretary of the Company acts as the Secretary of the Committee.

INSIDER TRADING

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

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 8

Information on General Body Meetings

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
1.	1st Extra-Ordinary General Meeting	24th April, 2015 at 10:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Special	3	1. Approval of reduction of share capital of the Company; 2. Approval for increasing the borrowing limits; 3. Approval for creating mortgage/charge on the assets of the Company.
2.	2nd Extra-Ordinary General Meeting	18th September, 2015 at 11:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Ordinary	2	1. Appointment of Independent Director – Mr. P. M. Murty; 2. Appointment of Independent Director – Mr. D. Sundaram.
3.	3rd Extra-Ordinary General Meeting	23rd November, 2015 at 11:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400030.	Special	2	1. Approval for increasing the borrowing limits; 2. Approval for creating mortgage/charge on the assets of the Company.
4.	4th Extra-Ordinary General Meeting	7th December, 2015 at 11:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Special	2	1. Approval to set limit for loan and investments by the Company u/s. 186 of the Companies Act, 2013; 2. Approval for alteration of Articles of Association of the Company.
5.	1st Annual General Meeting	24th July, 2015 at 9:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Ordinary	3	1. Adoption of Financial Statements; 2. Re-appointment of Mr. Madhav Acharya as a Director; 3. Appointment of M/s. Sharp & Tannan as Statutory Auditors.

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
6.	2nd Annual General Meeting	11th August, 2016 at 2.00 p.m. at IES Manik Vidyamandir (Manik Sabhagriha Auditorium), Opposite Lilavati Hospital, Bandra Reclamation, Mumbai - 400 050.	Ordinary	8	1. Adoption of Financial Statements; 2. Appointment of Statutory Auditor; 3. Appointment of Mr. Shantanu Khosla as Director; 4. Appointment of Mr. Shantanu Khosla as Managing Director; 5. Appointment of Mr. H. M. Nerurkar as Independent Director; 6. Appointment of Ms. Sonia N. Das as Director; 7. Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates; 8. Payment of Commission to Non-Executive Independent Directors of the Company.
7	3rd Annual General Meeting	27th July, 2017 at 3.00 p.m. at Shree Bhaidas Maganlal Sabhagriha, Next To Mithibai College, Juhu Vile Parle Development (JVPD) Road No. 1, Vile Parle West, Mumbai - 400 050.	Ordinary	10	1. Adoption of Financial Statements; 2. Declaration of Dividend; 3. Appointment of Mr. Shantanu Khosla as Managing Director; 4. Ratification of appointment of M/s. Sharp & Tannan as the Statutory Auditors and to fix their remuneration; 5. Revision in remuneration of Mr. Shantanu Khosla, Managing Director of the company; 6. Appointment of Ms. Shweta Jalan as a Director of the company; 7. Appointment of Mr. Sahil Dalal as a Director of the company; 8. Appointment of Mr. Ravi Narain as a Director of the Company; 9. Appointment of Mr. Promeet Ghosh as a Director of the company; 10. Ratification of the remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the company.
			Special	2	1. Increase in borrowing limits from ₹ 1,800 crore to ₹ 2,500 crore; 2. Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings under section 180(1) (a) of the Companies Act, 2013.

No special resolution(s) were passed at the 1st and 2nd Annual General Meetings.

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

Postal Ballot:

During the Financial Year 2017-18 no resolution was passed through the postal ballot.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

COMPLIANCE WITH MANDATORY REQUIREMENTS

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

WEBSITE, NEWS & EVENTS

i. A separate dedicated section under 'Investors' on the Company's http://www.crompton.co.in/investor-grievances/ gives information on applicable policies including policy on dealing with related party transactions http://www.crompton.co.in/media/Materiality-Policy.pdf, information on Registrar & Share Transfer Agent ('RTA') along with news and events held during the year of the Company.

ii. The quarterly, half yearly and yearly results are sent to the Stock Exchanges where the shares of the Company are listed. The results are normally published in "Financial Express" (English Daily), "Economic Times" (English Daily) and "Loksatta" (Marathi Daily). The results are displayed on the Company's website www.crompton.co.in. Press Releases are also issued, which are also displayed on the Company's website.

iii. The required disclosures to the extent applicable including results were also sent to the Stock Exchanges.

iv. Presentations are also made to institutional investors and analysts. These presentations and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company.

GENERAL SHAREHOLDER INFORMATION

4th ANNUAL GENERAL MEETING

Date & Day : Wednesday, 25th July, 2018.
Time : 3.00 pm
Venue : Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020.

FINANCIAL YEAR

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

FINANCIAL CALENDAR

First Quarter Results
End July/First fortnight of August

Second Quarter Results
End October/First fortnight of November

Third Quarter Results
End January/First fortnight of February

Last Quarter Results and Annual Audited Results
April/May

DATES OF BOOK CLOSURE AND DIVIDEND PAYMENT DATE:

Book Closure for Dividend will be from 21st July, 2018 to 25th July, 2018, both days inclusive and the Dividend would be paid/ despatched after 25th July, 2018.

SHARE TRANSFER SYSTEM

The Company's shares are compulsorily traded in dematerialized form. In the case of transfers in physical form which are lodged at the Registrar and Transfer Agent's office, these are processed within a maximum period of 15 days from the date of receipt. All share transfers and other share related issues are approved by Stakeholders' Relationship and Share Transfer Committee duly constituted for this purpose. During 2017-18, 27 approvals were obtained. The total number of shares in physical form transferred during the year under review was 20,107 shares.

DEMATERIALISATION OF SHARES

As on 31st March 2018, 99.22% of the total shares of the Company were in dematerialized form, compared with 99.18% as on 31st March, 2017.

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

Corporate Identification Number:-
L31900MH2015PLC262254

PLANT LOCATIONS

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

REGISTRAR AND TRANSFER AGENT AND ADDRESS FOR CORRESPONDENCE:

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

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

Telephone : +91 40-67161510

Fax : +91 40-23420814

Email : inward.ris@karvy.com

Website : www.karvycomputershare.com

Contact Person : Mr. Rajendra Prasad V

Designation : Manager - Corporate Registry

SEBI Registration : INR000000221

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

Crompton Greaves Consumer Electricals Ltd.

CIN : L31900MH2015PLC262254

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

Telephone : +91 22-61678499

Fax : +91 22-61678383

Email : crompton.investorrelations@crompton.co.in

Website : www.crompton.co.in

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

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

Sr. No.	Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1	1 – 5000	1,01,535	2,65,62,143	4.24
2	5001 -10000	974	69,29,340	1.11
3	10001- 20000	431	60,40,124	0.96
4	20001-30000	124	30,12,120	0.48
5	30001-40000	55	19,41,802	0.31
6	40001-50000	43	20,09,597	0.32
7	50001-100000	88	61,90,072	0.99
8	100001 and above	241	57,40,99,907	91.59
	TOTAL	**1,03,491**	**62,67,85,105**	**100.00**

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH 2018

Sr. No.	Category	No. of shares of ₹ 2 each	% of shareholding
1	Promoter & Promoter Group (Foreign Bodies Corporate)*	21,54,64,906*	34.37*
2	Indian Financial Institutions	2,61,12,792	4.17
3	Bodies Corporates	3,97,85,202	6.36
4	Foreign Institutional Investors	62,98,701	1.00
5	Banks	1,29,584	0.02
6	Clearing Members	8,17,189	0.13
7	Foreign Nationals	3,158	0.00
8	Foreign Portfolio Investors	21,17,90,421	33.79
9	H U F	9,85,695	0.16
10	Mutual Funds	6,72,32,255	10.73
11	NBFC	1,31,047	0.02
12	Non Resident Indians	11,88,250	0.19
13	Overseas Corporate Bodies	61,600	0.01
14	Resident Individuals	5,04,24,558	8.04
15	Trusts	3,73,156	0.06
16	Alternative Investment Fund	33,36,266	0.53
17	NRI Non- Repatriable	26,50,325	0.42
	TOTAL	**62,67,85,105**	**100.00**

Notes:-

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

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

MARKET PRICE DATA

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

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High	Low	Total	High	Low	Total
	Face Value ₹ 2	Face Value ₹ 2	Turnover (₹ in crore)	Face Value ₹ 2	Face Value ₹ 2	Turnover (₹ in crore)
April, 2017	238.75	209.95	96.76	238.90	209.50	432.69
May, 2017	245.20	212.00	61.58	246.00	213.45	502.32
June, 2017	246.00	213.15	45.60	245.90	213.50	375.20
July, 2017	232.50	200.15	42.94	232.50	200.05	392.94
August, 2017	232.35	210.75	54.90	232.00	211.05	242.40
September, 2017	227.20	204.00	123.12	226.95	204.50	254.87

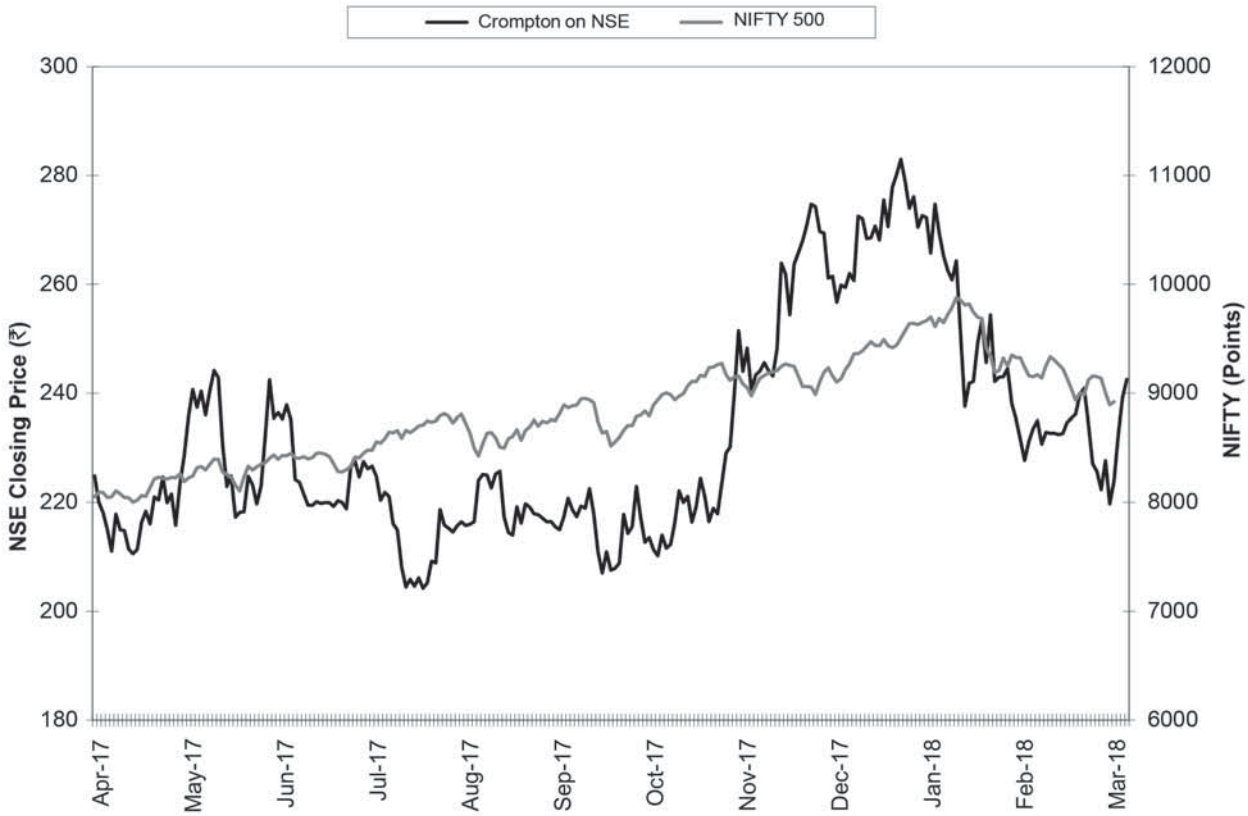
Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High Face Value ₹ 2	Low Face Value ₹ 2	Total Turnover (₹ in crore)	High Face Value ₹ 2	Low Face Value ₹ 2	Total Turnover (₹ in crore)
October, 2017	229.00	208.55	30.57	229.90	208.60	403.49
November, 2017	292.05	215.25	158.61	291.90	215.25	848.10
December, 2017	280.40	252.00	95.14	280.55	254.20	302.74
January, 2018	295.00	233.10	22.76	295.00	232.30	485.10
February, 2018	264.45	220.65	170.30	264.95	220.30	542.96
March, 2018	244.00	217.50	87.71	244.70	217.30	406.83

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, 2018

Description	No. of Shareholders	Shares	% to Equity
Physical	7,268	48,63,701	0.78
NSDL	63,253	60,63,55,846	96.74
CDSL	32,970	1,55,65,558	2.48
TOTAL	1,03,491	62,67,85,105	100.00

OUTSTANDING GDRS/ ADRS/ WARRANTS/ CONVERTIBLE INSTRUMENTS AS ON 31ST MARCH, 2018

Nil

DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

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

UNCLAIMED SHARES

9,55,925 number of equity shares were lying in the unclaimed suspense account of CG Power and Industrial Solutions Limited (erstwhile Crompton Greaves Limited). Pursuant to the Scheme of demerger, equivalent number of equity shares were allotted on 22nd March, 2018. There were 9,53,021 number of equity shares lying in Unclaimed Suspense Account as unclaimed shares as on 31st March, 2018.

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 share holders and the outstanding shares in the suspense account lying as on 1st April, 2017	4,073	9,55,803
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	11	2,782
Number of shareholders to whom shares were transferred from suspense account during the year;	11	2,782
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2018	4,062	9,53,021

The voting rights on these shares in the suspense account as on 31st March, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

MD & CFO CERTIFICATION

For 2017-18, Mr. Shantanu Khosla, Managing Director and Mr. Sandeep Batra, Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the said Certificate is contained in this Annual Report.

REPORT ON CORPORATE GOVERNANCE

This Chapter, read together with the "Annexure to Corporate Governance", constitutes the Compliance Report on Corporate Governance for F.Y. 2017-18.

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

Place: Mumbai
Date: 15th May, 2018

H. M. Nerurkar
Chairman
DIN: 00265887

Annexure to Corporate Governance

NOMINATION AND REMUNERATION POLICY

APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT

Appointment criteria and qualifications

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

Term/Tenure

1. Managing Director/Whole-time Director

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

2. Independent Director

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

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

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

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

Removal

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

Retirement

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

Remuneration for Directors and KMPs

1. The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

   Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
5. The remuneration to KMP's shall be decided and recommended by the 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.

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

H. M. Nerurkar
Chairman
DIN: 00265887

Place: Mumbai
Date: 15th May, 2018

Compliance Certificate on Corporate Governance

To,

The Members of
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 year ended 31st March, 2018 as prescribed in 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 as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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

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

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

Dipti Mehta
Partner
FCS No : 3667
CP No. : 3202

Place : Mumbai
Date : 15th May, 2018

Compliance Certificate by Managing Director and Chief Financial Officer

To,

The Board of Directors

Crompton Greaves Consumer Electricals Limited

Dear Sir/Madam,

Sub: Compliance Certificate for the year ended 31st March, 2018 – 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, it is certified that –

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:
   (1) the significant changes in internal control over financial reporting during the year;
   (2) there were no significant changes in accounting policies during the year; and
   (3) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You,

Shantanu Khosla
Managing Director
(DIN: 00059877)

Sandeep Batra
Chief Financial Officer

Place: Mumbai
Date: 15th May, 2018

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 the 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, 2018.

Shantanu Khosla
Managing Director
(DIN: 00059877)

Place: Mumbai
Date: 15th May, 2018

Business Responsibility Report (BRR)

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

Section A - GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	L31900MH2015PLC262254
2.	Name of the Company	Crompton Greaves Consumer Electricals Limited
3.	Registered Office and Corporate Office	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS, Marg, Kurla (West), Mumbai- 400070
4.	Website	www.crompton.co.in
5.	E-mail Id	crompton.investorrelations@crompton.co.in
6.	Financial Year reported	2017-18
7.	Sections that the Company is engaged in (Industrial Activity code-wise)	1. Electrical Consumer Durables (27501, 27502, 27503, 201132) 2. Lighting Products (27400)
8.	List three key products/services that the Company Manufactures/provides (as in Balance Sheet)	1. Electrical Consumer Durables – Fan, Appliances and Pumps 2. Lighting Products – Luminaires and Light Sources
9.	Locations where business activity is undertaken by the Company	The Company has 8 factories, 4 Regional offices and 22 Branch offices
10.	Markets served by the Company- Local /State/National/ International	The Company's products are distributed pan India and are also marketed in several countries like: Nepal, Sri Lanka, Singapore, Brunei, Fiji, UAE, Oman, Saudi Arabia, Bahrain, Iraq, Kuwait, Qatar, South Africa, Kenya, Ghana, Nigeria, Equatorial Guinea, Uganda, Italy, United Kingdom and Paraguay

Section B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (As on 31st March, 2018)	Rs. 125.36 crore
2.	Total Turnover	Rs. 4,135.87 crore
3.	Total profit after taxes	Rs. 323.79 crore
4.	Total Spending on Corporate Social Responsibility (CSR)	Rs. 1.48 crore
5	As percentage of Profit after taxes	0.46 %
6.	List of activities in which Corporate Social Responsibility (CSR) expenditures have been incurred.	▪ Vocational & skills training ▪ Projects that address environmental issues such as water and waste management ▪ Projects that impact lives of people who live near the manufacturing/processing facilities ▪ Engaging employees actively through corporate social responsibility

Section C - OTHER DETAILS

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

   No

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)

   Not 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%]

   No

Section D - BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

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

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

   b. Details of the BR Head

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

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

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the Policy being formulated in consultation with the relevant Stakeholders? (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the company. The policies are based on and are in compliance with the applicable regulatory requirements.								

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All statutory policies are approved by the Board of Directors, whereas other policies are signed by the respective business/ function head.								
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the Human Resources Department. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013 and Rules framed thereunder. The EHS Policy is overseen by the Chief Executive Officer. The Company has separate after sales service centres which looks at all customer service/ complaints.								
6	Indicate the link for the policy to be viewed online?	Please refer below links:-								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Code of Conduct, CSR Policy and Prevention of Sexual Harassment Policy are available on the website of the Company. The EHS Policy has been communicated to all relevant stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The whistle blower mechanism provides employees a mechanism to report any concerns or grievances pertaining to any potential or actual violation of Code of Conduct. An investor grievance mechanism is in place to respond to investor grievances. The customer complaint mechanism records the grievances of customers on product and service quality and other issues.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	All polices are evaluated internally.								

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

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

Principle No.	Principle	Reference Document	Reference links
1	Businesses should conduct and govern themselves with ethics, transparency and accountability	1. Code of Conduct	1. http://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf
		2. Vigil Mechanism and Whistle Blower Policy	2. http://www.crompton.co.in/media/Vigil-Mechanism-and-Whistle-Blower-Policy.pdf
		3. Code of Conduct to Regulate Monitor and Report Trading by Insiders	3. http://www.crompton.co.in/media/Code-to-Regulate-Monitor-and-Report-Insider-Trading-CGCEL.pdf
		4. Prevention of Sexual Harassment Policy	4. http://www.crompton.co.in/media/CGCEL-POSH-Policy.pdf

Principle No.	Principle	Reference Document	Reference links
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life-cycle	Environment, Health and Safety Policy	http://www.crompton.co.in/media/EHS-Policy.pdf
3	Businesses should promote the well-being of all employees	1. Code of Conduct 2. Environment, Health and Safety Policy 3. Maternity Leave Policy	1. http://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf 2. http://www.crompton.co.in/media/EHS-Policy.pdf 3. The other polices are internal policies and are not displayed on the website of the Company but are a part of employee engagement portal.
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	1. Code of Conduct 2. Corporate Social Responsibility Policy	1. http://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf 2. http://www.crompton.co.in/media/CGCEL-CSR-Policy.pdf
5	Businesses should respect and promote human rights.	Code of Conduct	http://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf
6	Businesses should respect, protect, and make efforts to restore the environment	1. Corporate Social Responsibility Policy 2. Environment, Health and Safety Policy	1. http://www.crompton.co.in/media/CGCEL-CSR-Policy.pdf 2. http://www.crompton.co.in/media/EHS-Policy.pdf
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of Conduct	http://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf
8	Businesses should support inclusive growth and equitable development	Corporate Social Responsibility Policy	http://www.crompton.co.in/media/CGCEL-CSR-Policy.pdf
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Code of Conduct	http://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf

3. Governance related to BR

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

Annually

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

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

Section E – PRINCIPLE - WISE PERFORMANCE

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

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

   The Company is committed to adhere to the highest standards of ethical, moral and legal code of conduct for business operations. The Company, in order to maintain these standards has adopted the 'Code of Conduct', which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company. Any actual or potential violation of the Code, however insignificant or perceived as such, would be a matter of serious concern for the Company. All policies are communicated to Employees on joining.

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

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

   The Company has established a vigil mechanism for employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy facilitates employees to report without fear, any wrongdoings or unethical or improper practice which may adversely impact the image and/or the financials of the company to Whistle Blowing Investigation Committee.

   There is a separate Stakeholders Relationship Committee for shareholder grievances.

   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 (including at the beginning of the year) received during the reporting year have been resolved successfully as on 31st March, 2018.

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

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

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

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 the Company received 234 investor complaints from its shareholders which were promptly resolved. No complaint was outstanding, as on 31st March, 2018.

Principle 2:- PRODUCT LIFE CYCLE SUSTAINABILITY

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

1. **List three products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**
   i. Open well dry winding pumps (OWVD Series)
   ii. LED Glass Batten – 20W
   iii. Recyclable pulp tray instead of thermocol in packaging of newly developed fan model (Ariya Briz)

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. Open well dry winding pumps offer at least 10 % more overall efficiency, less overall material content and inbuilt dry running protection as compared to conventional wet type open well submersible pumps, which results in lower electricity cost to customer, lesser material content and hence less impact on environment. OWVD pumps provide inbuilt dry run protection to prevent motor burning in case of unavailability of water.

   ii. LED Glass Batten – 20W – It is an energy efficient batten designed at 100 LPW. This is a unique batten as it does not require conventional fixture to mount on wall. It requires holding clamps, which are part of product.

   iii. The recyclable pulp tray used in the packaging of Ariya Briz fan reduces carbon footprint.

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

   An efficient distribution network is an asset to any industry and is one of the key contributors in the sustainability and profitability. The Company has strategically created storage locations and introduced concept of Warehouse Management System for finished goods across the country for quick and easy serving and better transparency of stocks. An Enterprise Resource Planning (ERP) driven distribution system not only optimizes freight cost but also inventory levels.

   The company continuously works with vendors and suppliers to reduce environmental impact of sourcing. 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 & legal norms laid under state factory acts. Existing vendors undergo periodic EHS assessments as a part of routine audits and need to demonstrate sustenance for business continuity.

   Sustainability is extended to Suppliers significantly through responsible procurement practices and selection criteria focused on protection of environment, societal interest seeking resource efficiency, improving the quality of products and services. Though it is difficult to quantify exactly in terms of percentage, the Company is increasingly focused on sustainable sourcing.

   The Company has adopted recycling and reuse of metal bins for handling of semi-finished components for selected categories and thus eliminated wooden packaging. Multiple initiatives have been implemented to reduce damage during transportation at a few identified locations. The Company is investing consciously to secure cargo during dispatches by improving loading procedures. The Company has covered all dispatches for high risk/ damage routes under these procedures.

   Our various vendor agreements for major suppliers are in line with prescribed labour and environmental standards and ethical business practices.

   Initiatives like specification standardisation and value analysis and value engineering resulted into using lightweight and durable packaging materials. Optimising standards and material design and eliminating unnecessary packaging, have resulted in effective management of packaging waste.

   The Company does not allow any vehicles which is not having valid certificates including PUC certificates inside the factory nor use them for our transportation purpose.

   Our managed print services with the help of password authentication helps in reducing paper wastage and ink etc

4. **Steps taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors.**

   The Company encourages procurement of goods and services from local and small producers surrounding its plant locations. Our contractors, who are engaged in the plants, mostly employ workmen from the nearby villages. The Company also trains the vendors to meet the OH & S requirements across all its plant locations.

We source local material and labour whenever possible. This optimises logistics, considerably reducing the carbon footprint.

The house keeping/security are locally sourced at all facilities.

We call our vendors as our partners and this partnership is being deployed through continual development and upgradation at their end. We continuously educate our vendors through trainings, handholding, meetings, visits to their factories, workshops, rewards and recognitions through scorecard assessments etc.

Additionally, the Company has also promoted skills and livelihood development in the neighbouring community through various training and development programmes.

5. **Mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

The Environment Management Practices of the Company focus on the conservation of natural resources. We have stringent waste management policies for internally generated wastes.

Solid waste/ sludge from water & waste treatment plants and process waste from the Plants is disposed in a controlled manner to government approved Common Hazards Waste Treatments Storage and Disposal Facility (CHWTSDF).

Principle 3: EMPLOYEES' WELL-BEING

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The Company has made concerted efforts towards creating learning and development opportunities that continually enhance the employee value in line with the organizational objectives.

The Company focuses on ensuring well-being of all its employees. Safety and health of employees is extremely important to the Company and we are committed to building and maintaining a safe and healthy workplace. The following are essential parts of the Code of Conduct:

Diversity & Zero discrimination | Health & Safety | Good working environment

All employees who join the Company demonstrate their commitment to follow the Code of Conduct by signing in their acceptance to adhere to the same. Examples of a few of the principles of this code of conduct are listed below.

Diversity and equal opportunities

We value diversity within the Company and are committed to offering equal opportunities in employment. We do not discriminate against any team member or applicant for employment on the basis of nationality, ethnic origin, race, colour, religion, physical handicap/disability, gender, or marital status and always allow for equal opportunities for all team members.

Health & Safety

We are committed to provide safe and healthy working conditions to our employees

All company premises are non-smoking zones. We also have an EHS Policy in this regard and the EHS manual "Kavach" has been implemented across all locations.

- **Health Check-up**

  The Company has initiated a policy for health checkup of all of its plant and sales Employees.

  Good Working Environment

- **Progressive Human Resource Policy**

  The Company prides itself as a great place to work, a fact recognized and acknowledged externally as well. HR policies like flexible working hours, work- from- home arrangements, part-time work, leave and benefits, – to name a few – go a long way in ensuring that the employees successfully strike a work-life balance.

- **Engagement Forums**

  There are multiple touch points for leadership team to interact with employees through forums like town halls, engagement surveys, etc. The organization invests in functional training for all employees in line with their current and future career aspirations.

  The learning suite encompasses functional training, leadership development programs and behavioral training geared towards leading self, leading others and leading business.

The other details are:

1. Total number of employees

   The total number of employees including contract labourers and trainees were 4,208.

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 2018 were 2,593.

3. Number of permanent women employees

   The total number of permanent women employees were 188.

4. Number of permanent employees with disabilities

   We have 1 permanent employee with disability.

5. Employee associations recognized by the management

   Crompton respects the rights of employees to free association and union representation. The Company has various employee unions in Ahmednagar, Baroda, Bethora & Kundaim which encourage the employees to participate freely in constructive dialogue with the management.

6. Percentage of permanent employees that are members of recognized employee associations:

   All permanent blue collar employees of Ahmednagar, Baroda and Goa manufacturing units are members of trade unions/employee associations.

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

   No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported in the last financial year. No complaint was received for sexual harassment.

8. Percentage of under-mentioned employees that were given safety and skill upgradation training in the previous year:

   1. Permanent employees-78%
   2. Permanent women employees-67%
   3. Casual/ temporary/ contractual employees-86 %
   4. Employees with disabilities-100%

Principle 4: STAKEHOLDER ENGAGEMENT

1. **Has the company mapped its internal and external stakeholders?**

   Yes. The key stakeholders and their mode of engagements are shown below:-

Stakeholders	Mode of Engagement
Government and Regulatory Authorities	Industry bodies/forums, direct interactions.
Employee	Meetings, newsletters, employee satisfaction survey and trainings.
Customers	Customer meets and visits by Company officials.
Investors and Stakeholders	Investor meets, annual general meeting and annual report.
Suppliers	Site visits and personal/ telephonic interactions.
Trade Unions	Works Committee, Grievance Committee and Union Meetings.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Our disadvantaged and vulnerable stakeholders include differently-abled employees, women and rural communities in and around our plants.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

   The Company is an equal opportunity employer and provides equal opportunities to differently abled, marginalized and people from economically weaker background. All employees have equal opportunity on career growth.

Principle 5 - HUMAN RIGHTS

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

   The Code of Conduct is applicable to all employees of the Company.

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

   No complaints were received from stakeholders under 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**

   Your Company focuses on four major areas related to climate change i.e. energy conservation, water conservation, use of renewable energy and waste minimization.

   The Company's Environment, Health and Safety Policy covers all employees and stakeholders across all manufacturing units and it has been displayed both in English and local languages.

   In Fans/Pumps we identified high energy consumption equipment and replaced them with cost effective energy efficient equipment.

   We also monitor the operations and capacity optimization of pumps, motors and cooling tower operations to take corrective actions.

2. **The company's strategies/initiatives to address global environmental issues, such as climate change, global warming and more**

   Rainwater harvesting systems installed at Baroda, Ahmednagar and Goa Plants recharged average 100 Lakh Litres of water in 2017-18. In addition to this a new rain water harvesting project will be completed at Ahmednagar Pumps plant during 2018-19, which will charge additional 30 lakh litres of water.

   100 % STP and ETP treated water is being used for gardening in all plants. New STP of capacity 20 KLD was installed at Kundaim, Goa plant for recycling of waste water. RO waste water is being re-used because of which we saved 67.5KL water. Newly installed auto dish washer in Goa plant canteen reduced 80 % of water usage consumption vs manual washing.

   Fans unit has initiated using recyclable pulp tray in place of thermocol in the newly developed model "Ariya Briz"

   Installation of clear transparent sheets on the roof of the Baroda and Goa Factories allows natural sunlight to enter and reduced the usage of artificial light thus saving energy.

   The green belt in Goa was enhanced by plantation of 156 trees.

   All above points will contribute to long lasting positive impact on environment.

3. **Identification and assessment of potential environmental risk**

   Identification and assessment of potential environment risk is done by following EMS14001 & OSHAS 18001 Management System for Environment and Occupational Health & Safety. We also conduct Aspect Impact and Hazard Identification and Risk analysis of our manufacturing operations.

   We received authorisation of E-waste from CPCB. Our FTL and CFL Products are RoHS compliant now and also we have converted two of the three FTL lines into Pill Dozing from Liquid dozing to reduce the risk of Mercury exposure in environment.

4. **Company's initiatives towards clean development mechanism**

   A) All manufacturing locations are certified for ISO 14001 (Environmental Management Systems) requirements and OHSAS 18001 (Occupational Health and Safety Management Systems) requirements. Audits are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are completed within a reasonable time frame.

   B) In addition to above the EHS performance assessment is carried out annually at all plant locations, by inter divisional cross functional teams. Based on the outcome, areas for improvement are identified and objectives are defined for current year as well as the next year based on complexity of requirement

C) EHS manual "KAVACH" has been formed and implemented across the Company. EHS performance scorecard has been framed and is monitored on monthly basis at all plants. EHS Performance assessment is carried our every month at all plant locations by cross functional teams. Based on outcomes, areas for improvement are identified and findings are implemented within time frame decided.

5. The company's initiatives on – clean technology, energy efficiency and renewable energy, among others

The manufacturing facilities of Company have taken up initiatives on Clean Technology and energy efficiency. Innovative technologies are used to reduce the impact on the environment. CFL's in the plant were replaced with LED which resulted into savings of 3700KWH/month.

Pumps Division is making efforts towards developing 4-star and 5-star rating energy efficient pumps. In 2017-18, 74 numbers of 4-star and 5-star ratings were developed and added in product portfolio (Till date total 167 ratings developed)

A 3HP solar pump has been developed and is under trial at Nashik. Pumps Division is focussing on utilising enormous amount of untapped solar energy by giving thrust on manufacture and commissioning of solar pumps. Company has taken up initiatives on Clean Technology and energy efficiency. Innovative technologies are used to reduce the impact on the environment.

There is continuous thrust to improve energy efficiency rating of all products through design optimization. In Pumps division, 50 tons of Cast Iron and 3 tons of Copper was saved in 2017-18. New LED product line-up introduced are highly energy efficient and ensures energy saving. Manufacturing contribution of Energy Efficient LED Tube Lights, LED Battens and LED Bulbs has increased from 40% to 60% in FY 2017-18.

The Company's Baroda facility has been awarded Frost & Sullivan and TERI Sustainability award for 2018.

6. Reporting on the emissions/ waste generated by the company as per the permissible limits given by CPCB/ SPCB

The Company is complying with the emissions norms and is accordingly reporting it to CPCB and SPCB.

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 Indian Pump Manufacturers Association (IPMA), Southern India Engineering Manufacturers Association (SIEMA), Indian Fan Manufacturers Association (IFMA), the Advertising Standards Council of India, Indian Society of Advertisers, IMA IP Ltd., Indian Society of Lighting Engineers, Electrical Lamp Manufacturer's Association, Bureau of Indian Standards (BIS), National Lighting Code and Bombay Chambers of Commerce.

2. **Advocated/ lobbied through above associations for the advancement or improvement of public good**

The Company is working with IPMA core Committee towards creation of new standards for Solar Pumps.

Principle 8 - INCLUSIVE GROWTH

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Specified programmes/ initiatives/ projects by the company in pursuit of the policy related to principle 8.

1. Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

In line with the provisions of the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have adopted a CSR Policy. The CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the

implementation plan and reporting framework.

The thrust areas of the Company's CSR activities are:

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

Our efforts during the year were focused on the following:-

Sr. No	Projects or activities identified	Project details
1.	Skill Training in ▪ Electric Domestic Solution ▪ Multiskilled Technician (Electrical) ▪ Domestic Data Entry Operator	Promoting employment enhancing vocation skills in Kapadvanj, Kheda District, Gujarat; Baddi, Himachal Pradesh, and Ahmednagar, Maharashtra
2.	Promoting Health care	Contribution to Disaster Relief-Flood which covers Banaskantha and Patan Districts, Gujarat

2. **Modes through which programmes/ projects undertaken (through in-house team/ own foundation/ external NGO's/ Government structures/ any other organization)**

   The programmes are undertaken directly and through agencies.

3. **Impact assessments for initiatives**

   Currently, no impact assessment of our initiatives has been undertaken. However, the Company intends to review the impact of its various initiatives in coming years.

4. **Company's direct contribution to community development projects**

   Details of the projects undertaken are given in Annual Report on CSR Activities in the Board Report.

5. **Steps undertaken to ensure that community development initiatives are successfully adopted by the community**

   The Company ensures its presence is established right from the commencement of the initiatives. It collaborates with the communities right from need identification to project implementation.

Principle 9 - CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **Percentage of customer complaints/consumer cases pending as on the end of financial year**

   For FY 2017-18, 13,18,347 customer complaints were received by the Company. Out of this, 13,16,136 complaints/cases were successfully resolved.

   There were 27 consumer related legal cases as on 31st March, 2018.

2. **Product information and product labeling**

   All the Company's products carry the information required under the Legal Metrology Act, 2009.

3. **Case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of the financial year.**

   Nil

4. **Consumer survey/consumer satisfaction trends carried out by the Company**

   Yes we carry out consumer surveys to identify needs of consumers and use this information for product developments.

INDEPENDENT AUDITOR'S REPORT

To the Members of Crompton Greaves Consumer Electricals Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Crompton Greaves Consumer Electricals Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by 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 (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), and its cash flows and changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening Balance Sheet as at 1st April, 2016 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by us and have expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order.

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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and

   (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 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 Ind AS financial statements - (Refer Note 32 to the financial statements);

      (2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (3) reporting on being no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company is not applicable.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 15th May, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties are in the name of the Company, except, in one case of freehold land acquired consequent to the 'Scheme' - (Refer Note 35 to the Ind AS financial statements) with gross and net carrying amounts of ₹ 0.34 crore and ₹ 0.34 crore respectively - (Refer Note 2 to the Ind AS financial statements), in respect of which the deeds of conveyance is yet to be completed.

(ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.

(iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loan or given any guarantees or provided any security to the parties covered under Section 185 of the Act. Further, the Company has not made any investment or given any loan or given any guarantee or provided any security within the meaning of Section 186 of the Act. Accordingly, the Paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these accounts and records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, 2018 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount (₹ crore)*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax, Interest and Penalty	10.38	2010-11 and 2011-12 2013-14 and 2014-15	Commissionerate (Appeals)
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act and Value Added Tax	Tax, Interest and Penalty	0.06	1999-2000	High Court
		40.16	1991-92 1997-98 to 1999-2000 2001-02 to 2014-15 2016-17 and 2017-18	Commissionerate (Appeals)
		2.47	1996-97 2000-01 2002-03 and 2003-04 2005-06 to 2008-09 2010-11 and 2011-12	Tribunal
The Central Excise Act, 1944, the Customs Act, 1962 and Service Tax under the Finance Act, 1994	Duty and Penalty	1.37	2001-02	Commissionerate (Appeals)

(*net of pre-deposit paid in getting the stay / appeal admitted)

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has issued redeemable non-convertible debentures. However, there are no dues for repayment.

(ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, on an overall basis, the term loan has been applied for the purpose for which the term loan was obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The relevant details of such related party transactions have been disclosed in the financial statements, etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(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, 15th May, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Crompton Greaves Consumer Electricals Limited** (the 'Company') as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls 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 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 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 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 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, 2018, 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, 15th May, 2018

Balance Sheet
as at 31st March, 2018

₹ crore

Particulars	Note No	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	2	76.00	75.76	75.77
(b) Capital work-in-progress		0.61	0.05	0.07
(c) Goodwill	2	779.41	779.41	779.41
(d) Other intangible assets	2	6.17	6.34	2.83
(e) Financial assets				
(i) Others	3	12.93	12.43	11.83
(f) Deferred tax assets (net)	22	47.85	29.48	16.14
(g) Other non-current assets	4	14.68	6.36	6.22
Total non-current assets		**937.65**	**909.83**	**892.27**
(2) Current assets				
(a) Inventories	5	303.24	273.35	245.14
(b) Financial assets				
(i) Investments	6	367.58	318.87	-
(ii) Trade receivables	7	553.64	472.82	356.90
(iii) Cash and cash equivalents	8	172.49	65.60	89.77
(iv) Bank balances other than (iii) above	9	4.89	4.14	-
(v) Others	10	13.73	13.84	10.74
(c) Other current assets	11	71.77	54.85	63.60
Total current assets		**1,487.34**	**1,203.47**	**766.15**
TOTAL ASSETS		**2,424.99**	**2,113.30**	**1,658.42**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	125.36	125.35	125.35
(b) Other equity	13	664.14	392.40	81.02
Total equity		**789.50**	**517.75**	**206.37**
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	648.55	647.84	507.21
(ii) Other financial liabilities	15	-	-	0.08
(b) Provisions	16	17.48	17.55	14.47
Total non-current liabilities		**666.03**	**665.39**	**521.76**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	-	-	10.00
(ii) Trade payables	18	768.23	712.78	667.35
(iii) Other financial liabilities	19	63.95	63.76	143.52
(b) Other current liabilities	20	29.58	66.46	60.16
(c) Provisions	21	97.56	77.58	46.86
(d) Current tax liabilities (net)		10.14	9.58	2.40
Total current liabilities		**969.46**	**930.16**	**930.29**
Total liabilities		**1,635.49**	**1,595.55**	**1,452.05**
TOTAL EQUITY AND LIABILITIES		**2,424.99**	**2,113.30**	**1,658.42**
Significant accounting policies	1			
Contingent liabilities and commitments	32			
Other notes	33 to 47			

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

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 15th May, 2018

H. M. Nerurkar
Chairman
DIN: 000265877

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership. No. A17167

Mumbai, 15th May, 2018

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

₹ crore

Particulars		Note No	2017-18	2016-17
Income				
I.	Revenue from operations	23	4,105.12	4,016.67
II.	Other income	24	30.75	19.49
III.	**Total Income (I+II)**		**4,135.87**	**4,036.16**
IV.	**Expenses**			
	Cost of materials consumed	25	875.79	826.43
	Purchase of stock-in-trade	26	1,938.55	1,929.59
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(14.79)	(22.53)
	Excise duty on sale of goods		25.46	115.78
	Employee benefits expense	28	282.65	232.20
	Finance costs	29	63.74	65.53
	Depreciation and amortisation expense	2	12.61	11.04
	Other expenses	30	466.42	450.56
	Total Expenses (IV)		**3,650.43**	**3,608.60**
V.	Profit before exceptional items and tax		485.44	427.56
VI.	Exceptional items	31	-	2.52
VII.	Profit before tax		485.44	425.04
VIII.	Tax expense:			
	Current tax		181.80	153.77
	Deferred tax	22	(20.15)	(11.90)
IX.	**Profit for the year**		**323.79**	**283.17**
X.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements gain / (loss) on defined benefit plans		5.13	(4.17)
	(ii) Income tax related to items that will not be reclassified to profit or loss		(1.78)	1.44
	Other comprehensive income for the year (net of tax)		**3.35**	**(2.73)**
XI.	**Total comprehensive income for the year**		**327.14**	**280.44**
XII.	**Earnings per equity share**	39		
	1. Basic (₹)		5.17	4.52
	2. Diluted (₹)		5.15	4.51
Significant accounting policies		1		
Other Notes		33 to 47		

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

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 15th May, 2018

H. M. Nerurkar
Chairman
DIN: 000265877

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership. No. A17167

Mumbai, 15th May, 2018

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

STATEMENT OF CASH FLOWS
for the year ended 31st March, 2018

₹ crore

Particulars		2017-18	2016-17
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional items and tax		**485.44**	**427.56**
Adjustments for:			
Depreciation and amortisation expense		12.61	11.04
Interest expense		63.74	65.53
Loss on sale of property, plant and equipment		0.25	0.17
Provision for expenses on employee share options		57.03	30.94
Net loss / (gain) on sale or fair valuation of investments		(1.26)	0.23
Interest income		(12.69)	(16.01)
Income from mutual funds		(16.03)	(2.90)
Unrealised exchange (gain) / loss (net)		0.86	(0.06)
		104.51	**88.94**
Cash Generated from operations before working capital changes		**589.95**	**516.50**
Adjustments for			
(Increase) / Decrease in trade and other receivables		(102.42)	(110.82)
(Increase) / Decrease in inventories		(29.89)	(28.21)
Increase / (Decrease) in trade and other payables		17.92	54.56
Increase / (Decrease) in provisions		21.09	29.64
		(93.30)	**(54.83)**
Cash generated from operations		496.65	461.67
Taxes paid (net of refunds)		(181.24)	(146.59)
Cash flows before exceptional items		315.41	315.08
Exceptional items:			
Expenses in relation to the 'Scheme' (Refer Note 35)		-	(2.52)
Net cash (used in) / generated from operating activities	**[A]**	**315.41**	**312.56**
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Interest income		12.42	15.93
Income from mutual funds		16.03	2.90
Sale of property, plant and equipment		0.15	0.14
		28.60	**18.97**
Less: Outflows from investing activities			
Purchase / sale of current investments (net)		47.44	319.11
Investment in bank deposits		0.75	4.14
Purchase of property, plant and equipment and intangible assets		13.46	14.98
		61.65	**338.23**
Net Cash (used in) / generated from investing activities	**[B]**	**(33.05)**	**(319.26)**

₹ crore

Particulars		2017-18	2016-17
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of shares		0.73	-
Proceeds from issue of debentures		-	650.00
		0.73	**650.00**
Less: Outflows from financing activities			
Repayment of term loan from bank		-	634.45
Repayment of working capital demand loan from bank		-	10.00
Payment of dividend including dividend distribution tax		112.85	-
Interest and cost of issue of debentures paid		63.35	23.03
		176.20	**667.48**
Net Cash (used in) / generated from financing activities	**[C]**	**(175.47)**	**(17.48)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		106.89	(24.17)
(a) Cash and cash equivalents at beginning of the year (Refer Note 8)		65.60	89.77
(b) Cash and cash equivalents at end of the year (Refer Note 8)		172.49	65.60
Net increase / (decrease) in cash and cash equivalents (b-a)		**106.89**	**(24.17)**

Notes:

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

2 Additions to property, plant and equipment include movements of capital work-in-progress during the year.

3 Figures for the previous year have been regrouped wherever applicable.

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, 15th May, 2018

H. M. Nerurkar
Chairman
DIN: 000265877

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership. No. A17167

Mumbai, 15th May, 2018

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March, 2018

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance at the beginning of the reporting period	62,67,46,142	125.35	62,67,46,142	125.35	62,67,46,142	125.35
Changes in equity share capital during the year	38,963	0.01	-	-	-	-
Balance at the end of the reporting period	**62,67,85,105**	**125.36**	**62,67,46,142**	**125.35**	**62,67,46,142**	**125.35**

(B) OTHER EQUITY

₹ crore

Particulars	Reserves and Surplus				Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium reserve	Share options outstanding account	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at 1st April, 2016	0.05	-	-	80.97	-	81.02
Profit for the year	-	-	-	283.17	-	283.17
Movement in Other comprehensive income for the year	-	-	-	-	(2.73)	(2.73)
Add: Employee compensation expense for the year (Refer Note 28)	-	-	30.94	-	-	30.94
Balance at 31st March, 2017	**0.05**	**-**	**30.94**	**364.14**	**(2.73)**	**392.40**
Profit for the year	-	-	-	323.79	-	323.79
Dividends paid including dividend distribution tax	-	-	-	(113.15)	-	(113.15)
Securities premium received	-	0.72	-	-	-	0.72
Amount transferred to Securities premium reserve	-	0.24	(0.24)	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	3.35	3.35
Add: Employee compensation expense for the year (Refer Note 28)	-	-	57.03	-	-	57.03
Balance at 31st March, 2018	**0.05**	**0.96**	**87.73**	**574.78**	**0.62**	**664.14**

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, 15th May, 2018

H. M. Nerurkar
Chairman
DIN: 000265877

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership. No. A17167

Mumbai, 15th May, 2018

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Notes
to the financial statements for the year ended 31st March, 2018

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) Basis of preparation

a) The 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.

These financial statements for the year ended 31st March, 2018 are the first that the Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules, 2014 (the 'previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from previous GAAP to Ind AS on the Company's Balance sheet, Statement of profit and loss and Statement of cash flows are provided in Note 45.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current or non-current classification of assets and liabilities.

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 15th May, 2018.

b) 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.

(2) Rounding of amounts

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

Notes
to the financial statements for the year ended 31st March, 2018

(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 2 (i));
- Financial instruments (Refer Note 43);
- Estimates of useful lives and residual value of property, plant and equipment and intangible assets (Refer Note (5) and (6));
- Valuation of inventories (Refer Note (10));
- Measurement of recoverable amounts of cash-generating units (Refer Note 40);
- Measurement of Defined Benefit Obligation, key actuarial assumptions (Refer Note 37);
- Provisions and Contingencies (Refer Note (13) and (32));
- Recognition of revenue from contracts based on stage on completion (Refer Note (14)); and
- Evaluation of recoverability of deferred tax assets (Refer Note 22).

Revisions to accounting estimates are recognised prospectively in the Statement of profit and loss in the period in which the estimates are revised and in any future periods affected.

(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.

Notes
to the financial statements for the year ended 31st March, 2018

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 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.

The Company has elected to continue with the carrying value i.e., cost less accumulated depreciation and accumulated impairment losses, if any, of all its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and used that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

(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 Act, 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, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Profit or loss on disposals are determined by comparing proceeds with carrying amount at the time of sale. These are included in Statement of profit and loss.

Notes
to the financial statements for the year ended 31st March, 2018

(6) Intangible assets

(a) Recognition and measurement

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.

The Company has elected to continue with the carrying value of all its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

(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.

Notes
to the financial statements for the year ended 31st March, 2018

(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.

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 involves, 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) 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 directly attributable to the acquisition, construction or production of an 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 period in which they occur.

(9) Inventories

Inventories are valued after providing for obsolescence, if any, 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 financial statements for the year ended 31st March, 2018

The cost of inventories have 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. 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.

(10) 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.

(11) 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 shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

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

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.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of profit and loss. Debt instruments included within the 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 financial assets) is primarily

Notes
to the financial statements for the year ended 31st March, 2018

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.

Impairment of financial assets

In accordance with Ind AS 109, 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

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 classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Notes
to the financial statements for the year ended 31st March, 2018

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised.

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 EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

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 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.

Notes
to the financial statements for the year ended 31st March, 2018

(12) Provisions, Contingent liabilities and Contingent assets

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, 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.

(13) Revenue recognition

(a) Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, incentives, goods and services tax / value added tax / central sales tax and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

(b) Sale of services

Service income is recognised as per the terms of the contracts / arrangements with the customers on proportionate completion method. When it can be measured reliably and no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax /goods and services tax, as applicable.

(c) Revenue from contracts

Revenue from contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred up to the reporting date to the total estimated cost to complete. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at realisable value thereafter. Claims are accounted as income when accepted by customer.

Notes
to the financial statements for the year ended 31st March, 2018

(d) Dividend income

Dividend is recognised as revenue when the right to receive payment has been established.

(e) 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.

(f) 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.

(14) Employee benefits

(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 above benefits are classified as Defined Contribution Scheme as the company has no further defined obligations beyond the monthly contributions.

Defined benefit plans:

For defined benefit schemes in the form of gratuity fund 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.

Actuarial gains / losses are recognised in other comprehensive income.

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.

(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 financial statements for the year ended 31st March, 2018

(d) Termination benefits:

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

(e) Share-based payments:

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered.

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

(15) Leases- Operating

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of the inception. Assets taken on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Payments made under operating leases are generally recognised in Statement of profit or loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

(16) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted as at the reporting date.

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).

Notes
to the financial statements for the year ended 31st March, 2018

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 are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

(17) Earnings per share (EPS)

Basic EPS is computed 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.

(18) 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.

(19) 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 includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

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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.

(20) 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.

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.

(21) Recent accounting pronouncements

Ind AS 115, *Revenue from Contract with Customers:* In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, *Revenue from Contract with Customers* (New Revenue Standard), which replaces Ind AS 11, *Construction Contracts* and Ind AS 18, *Revenue*. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, adjustments for time value of money etc. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective

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Method. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: Foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The effect on adoption is expected to be insignificant

(22) First-time adoption under Ind AS

The Company has prepared opening Balance sheet as per Ind AS as of 1st April, 2016 (Transition Date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company under Ind AS 101 are as follows:

(i) The Company has adopted the carrying value determined in accordance with previous GAAP for all of its property plant & equipment and intangible assets as deemed cost of such assets at the transition date.

(ii) The estimates as at 1st April, 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with previous GAAP.

Notes
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2. Property, plant and equipment and Intangible assets

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 01-04-2017	Additions	Deductions	As at 31-03-2018	Upto 31-03-2017	For the year	Deductions	Upto 31-03-2018	As at 31-03-2018	As at 01-04-2017
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.17	0.24	-	4.41	-	-	-	-	4.41	4.17
Leasehold land	2.19	0.50	-	2.69	0.03	0.66	-	0.69	2.00	2.16
Buildings	29.37	0.54	-	29.91	1.52	1.58	-	3.10	26.81	27.85
Plant and equipment	40.00	4.58	0.17	44.41	6.30	5.89	0.07	12.12	32.29	33.70
Furniture and fixtures	3.84	0.77	0.05	4.56	0.52	0.65	0.01	1.16	3.40	3.32
Office equipment	3.72	3.17	0.23	6.66	0.97	1.08	0.12	1.93	4.73	2.75
Vehicles	1.97	1.04	0.23	2.78	0.16	0.32	0.06	0.42	2.36	1.81
Sub-total (i)	**85.26**	**10.84**	**0.68**	**95.42**	**9.50**	**10.18**	**0.26**	**19.42**	**76.00**	**75.76**
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Computer software	5.27	2.25	-	7.52	0.28	1.49	-	1.77	5.75	4.99
Technical knowhow	1.90	-	-	1.90	0.94	0.73	-	1.67	0.23	0.96
Research and development	0.68	-	-	0.68	0.29	0.21	-	0.50	0.18	0.39
Sub-total (ii)	**787.26**	**2.25**	**-**	**789.51**	**1.51**	**2.43**	**-**	**3.94**	**785.57**	**785.75**
Total (i) + (ii)	**872.52**	**13.09**	**0.68**	**884.93**	**11.01**	**12.61**	**0.26**	**23.36**	**861.57**	**861.51**

Note: (a) Cost of freehold land included ₹ 0.34 crore (Previous year ₹ 1.76 crore) for which conveyance is yet to be completed consequent to the 'Scheme' (Refer Note 35).

(b) Cost / valuation of buildings includes ownership accommodation in various co-operative societies and apartments: ₹ 0.67 crore; (Previous year ₹ 0.67 crore), which is in the process of transferring in the Company's name (Refer Note 35).

(c) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 785.47 crore (Previous year ₹ 783.97 crore).

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 01-04-2016	Additions	Deductions	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
(i) Property, plant and equipment										
Owned assets:										
Freehold land	3.62	0.55	-	4.17	-	-	-	-	4.17	3.62
Leasehold land	1.55	0.64	-	2.19	-	0.03	-	0.03	2.16	1.55
Buildings	29.02	0.35	-	29.37	-	1.52	-	1.52	27.85	29.02
Plant and equipments	35.91	4.21	0.12	40.00	-	6.31	0.01	6.30	33.70	35.91
Furniture and fixtures	3.14	0.75	0.05	3.84	-	0.52	-	0.52	3.32	3.14
Office equipment	1.77	1.98	0.03	3.72	-	0.97	-	0.97	2.75	1.77
Vehicles	0.76	1.35	0.14	1.97	-	0.18	0.02	0.16	1.81	0.76
Sub-total (i)	**75.77**	**9.83**	**0.34**	**85.26**	**-**	**9.53**	**0.03**	**9.50**	**75.76**	**75.77**
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Computer software	0.25	5.02	-	5.27	-	0.28	-	0.28	4.99	0.25
Technical know-how	1.90	-	-	1.90	-	0.94	-	0.94	0.96	1.90
Research and development	0.68	-	-	0.68	-	0.29	-	0.29	0.39	0.68
Sub-total (ii)	**782.24**	**5.02**	**-**	**787.26**	**-**	**1.51**	**-**	**1.51**	**785.75**	**782.24**
Total (i+ii)	**858.01**	**14.85**	**0.34**	**872.52**	**-**	**11.04**	**0.03**	**11.01**	**861.51**	**858.01**

Notes
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3 Non-current financial assets - others

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Security deposits	5.87	5.36	5.36
Bank deposits with maturity beyond 12 months	0.23	0.23	0.23
Others	6.83	6.84	6.24
	12.93	**12.43**	**11.83**

[Note: Deposits of ₹ 0.23 crore (31-03-2017 : ₹ 0.23 crore, 1-04-2016 : ₹ 0.23 crore) are under lien with banks.]

4 Non-current assets - others

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Capital advances	1.31	1.48	1.34
Less: Allowance for doubtful advances	(1.07)	(1.07)	(1.07)
	0.24	0.41	0.27
Others	14.44	5.95	5.95
	14.68	**6.36**	**6.22**

5 Inventories

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
(At lower of cost and net realisable value)			
Raw materials	52.86	38.53	32.84
Add: Goods-in-transit	0.69	0.23	0.36
	53.55	38.76	33.20
Work-in-progress - manufacturing	29.10	23.74	14.13
Finished goods - manufacturing	68.47	83.01	87.47
Add: Goods-in-transit	8.77	11.55	10.46
	77.24	94.56	97.93
Stock-in-trade	120.79	86.48	72.46
Add: Goods-in-transit	19.42	26.98	24.71
	140.21	113.46	97.17
Stores, spares and packing materials	3.14	2.83	2.71
	303.24	**273.35**	**245.14**

(Note:- Inventories are hypothecated with the bankers against working capital facilities) (Refer Note 17)

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

6 Financial assets - Current investments

	Face Value per unit	Number of Units as at 31-03-2018	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore
Investment in Mutual funds (Unquoted) (Valued at Fair Value Through Profit and Loss) (FVTPL)					
Unquoted					
Aditya Birla Sun Life Cash Plus - Daily Dividend - Direct Plan - Reinvestment	100	8,00,267	8.02	-	-
Aditya Birla Sun Life Cash Plus-Regular -Daily Dividend -Reinvestment		-	-	19.72	-
Aditya Birla Sun Life Floating Rate Long term - Daily Dividend - Direct Plan - Reinvestment	100	7,05,606	7.08	-	-
Aditya Birla Sun Life Short Term Fund - Monthly Dividend - Direct Plan - Reinvestment	10	2,46,06,756	28.61	8.04	-
Aditya Birla Sun Life Short Term Fund - Monthly Dividend - Regular Plan - Reinvestment		-	-	22.13	-
Aditya Birla Sun Life Interval Income Fund - Quarterly Plan - Series 1 Dividend - Direct Reinvestment	10	50,00,000	5.04	-	-
DSP BlackRock Banking and PSU Debt Fund - Direct - Daily Dividend	10	8,18,085	0.83	-	-
DSP Black Rock Banking and PSU Debt Fund - Regular - Daily Dividend -Reinvestment		-	-	9.10	-
DSP Black Rock Liquidity Fund - Institutional Plan - Regular - Daily Dividend -Reinvestment		-	-	10.00	-
DSP Black Rock Ultra Short Term Fund - Direct - Daily Dividend - Reinvestment		-	-	5.07	-
HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvested	1,000	73,165	7.46	-	-
HDFC Short Term Opportunities Fund - Direct Plan - Fortnight Dividend	10	2,54,60,701	26.24	30.81	-
HDFC Short Term Opportunities Fund - Regular - Fortnightly Dividend - Reinvestment		-	-	10.14	-
HDFC FMP 92D February 2018 (1) - Direct - Normal Dividend - Series 39	10	1,00,00,000	10.07	-	-
ICICI Prudential Liquid Direct Plan - Daily Dividend	100	13,92,613	13.94	-	-
ICICI Prudential Banking and PSU Debt Fund - Regular - Daily Dividend - Reinvestment		-	-	20.02	-
ICICI Prudential Fixed Maturity Plan - Series 82 - 103 Days Plan Direct Plan	10	1,00,00,000	10.06	-	-

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to the financial statements for the year ended 31st March, 2018 (Contd.)

	Face Value per unit	Number of Units as at 31-03-2018	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore
IDFC Cash Fund - Daily Dividend - (Direct Plan)	1,000	1,19,871	12.01	-	-
IDFC Ultra Short Term Fund - Daily Dividend - (Direct Plan)	10	4,41,58,820	44.68	-	-
IDFC Corporate Bond Fund Direct Plan - Monthly Dividend - Reinvestment	10	2,40,42,189	24.71	35.13	-
IDFC Corporate Bond Fund-Regular - Monthly Dividend - Reinvestment		-	-	15.13	-
Invesco India Liquid Fund - Regular - Daily Dividend - Reinvestment		-	-	35.27	-
Invesco India Short Term Fund Direct Plan - Daily Dividend	1,000	1,11,431	11.41	-	-
Kotak Floater Short Term - Direct Plan - Daily Dividend - Reinvestment	1,000	1,09,278	11.06	8.51	-
Kotak Liquid - Regular - Daily Dividend - Reinvestment		-	-	19.23	-
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend	10	3,83,62,120	38.67	-	-
Kotak FMP Series 218 Direct Plan - Dividend	10	1,00,00,000	10.07	-	-
Reliance Liquid Fund - Treasury Plan - Direct - Daily Dividend - Reinvestment	1,000	2,03,445	31.13	-	-
Reliance Liquid Fund - Treasury Plan - Regular - Daily Dividend - Reinvestment		-	-	45.43	-
Reliance Fixed Horizon Fund - XXXVI - Series 4 - Direct Dividend Plan	10	1,00,00,000	10.08	-	-
Tata Money Market Fund Direct Plan - Daily Dividend	1,000	94,806	9.49	-	-
Tata Short Term Bond Fund Direct Plan - Monthly Dividend	10	2,97,91,153	46.92	-	-
Tata Short Term Bond - Direct - Fortnightly Dividend - Reinvestment		-	-	25.14	-
			367.58	**318.87**	**-**

Refer: Note 43 A for information about fair value measurement and Note 43(ii) for credit risk of investments

Details of unquoted investments:

Particulars	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore
Aggregate amount of unquoted investments:	367.58	318.87	-

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

7 Financial assets - Trade receivables

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Unsecured			
Considered good	553.64	472.82	356.71
Considered doubtful	14.21	15.35	16.80
Receivables from related parties, considered good	-	-	0.19
	567.85	488.17	373.70
Less: Allowance for doubtful debts	14.21	15.35	16.80
	553.64	**472.82**	**356.90**

8 Financial assets - Cash and cash equivalents

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Balance with banks :			
In current accounts	30.90	43.00	74.25
In deposit accounts	141.57	22.59	15.50
Cash on hand	0.02	0.01	0.02
	172.49	**65.60**	**89.77**

9 Financial assets - Other bank balances

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Bank deposits with maturity more than 3 months but less than 12 months	4.59	4.14	-
Unclaimed dividend account	0.30	-	-
	4.89	**4.14**	**-**

[Note: Deposits of ₹ 4.59 crore (31-03-2017 : ₹ 4.14 crore, 1-04-2016 : Nil) are under lien with banks.]

10 Financial assets - Other current financial assets

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Security deposits	13.73	13.84	10.15
Other receivables	-	-	0.59
	13.73	**13.84**	**10.74**

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to the financial statements for the year ended 31st March, 2018 (Contd.)

11 Other current assets

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Advance to suppliers	11.83	12.96	13.29
Balances with Indirect tax authorities	16.84	13.63	15.70
Prepaid expenses	3.95	1.78	1.75
Reimbursable from suppliers	21.43	19.17	16.29
Others	17.72	7.31	16.57
	71.77	**54.85**	**63.60**

12 Share capital

	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount ₹ crore	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital						
Equity shares of ₹ 2 each	65,00,00,000	130.00	65,00,00,000	130.00	65,00,00,000	130.00
Issued, subscribed and paid up						
Equity shares of ₹ 2 each, fully paid up	62,67,85,105	125.36	62,67,46,142	125.35	62,67,46,142	125.35
	62,67,85,105	**125.36**	**62,67,46,142**	**125.35**	**62,67,46,142**	**125.35**

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount ₹ crore	Number	Amount ₹ crore	Number	Amount ₹ crore
At the beginning of the year	62,67,46,142	125.35	62,67,46,142	125.35	62,67,46,142	125.35
Shares issued on account of exercising ESOP	38,963	0.01	-	-	-	-
Outstanding at the end of the year	**62,67,85,105**	**125.36**	**62,67,46,142**	**125.35**	**62,67,46,142**	**125.35**

b. Rights, preferences and restrictions on shares

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Number	%	Number	%	Number	%
Equity shares of ₹ 2 each fully paid						
Avantha Holdings Ltd.	-	-	-	-	21,54,42,496	34.37
Amalfiaco Ltd.	14,00,37,623	22.34	14,00,37,623	22.34	-	-
Macritchie Investments Pte Ltd.	7,54,04,873	12.03	7,54,04,873	12.03	-	-
HDFC Trustee Company Ltd.	1,57,57,750	2.51	2,17,42,929	3.47	5,78,09,500	9.22
Life insurance Corporation of India Ltd.	2,05,21,388	3.27	3,28,20,195	5.24	3,28,20,195	5.24
Reliance Capital Trustee Company Ltd.	24,24,511	0.39	71,17,422	1.14	3,72,90,017	5.95

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d. Shares reserved for issuance under Stock Option Plans of the Company (Also Refer Note 41)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount ₹ crore	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	31,56,404	0.63	30,00,000	0.60	-	-
Crompton Performance Share Plan 1 2016 (PSP 1)	1,09,68,057	2.19	1,09,68,057	2.19	-	-
Crompton Performance Share Plan 2 2016 (PSP 2)	31,33,731	0.63	31,33,731	0.63	-	-

e. There are no bonus shares issued/ shares bought back.

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

g. The Board of Directors has recommended a dividend of ₹ 1.75 (previous year ₹ 1.50) per fully paid up equity share of ₹ 2 each, aggregating to ₹ 132.23 crore (previous year ₹ 113.15 crore), including dividend distribution tax.

13 Other Equity

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Capital reserve	0.05	0.05	0.05
Securities premium reserve	0.96	-	-
Employee share option outstanding account	87.73	30.94	-
Retained earnings	574.78	364.14	80.97
Other comprehensive income	0.63	(2.73)	-
Total	**664.14**	**392.40**	**81.02**

Note:- For movements in reserves refer statement of changes in equity.

Nature and purpose of reserves

Capital Reserve

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

Employee share option outstanding account

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

Retained earnings

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

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to the financial statements for the year ended 31st March, 2018 (Contd.)

14 Non-current borrowings

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Secured			
Debentures	648.55	647.84	-
Term loan from Banks	-	-	507.21
	648.55	**647.84**	**507.21**

Terms of Debentures:

Particulars	Series A	Series B	Series C
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000
Date of allotment	24th June, 2016	24th June, 2016	24th June, 2016
As at 31st March, 2018 (₹ crore)	300.00	170.00	180.00
As at 31st March, 2017 (₹ crore)	300.00	170.00	180.00
As at 31st March, 2016 (₹ crore)	-	-	-
Interest	8.95% p.a. payable annually	8.95% p.a. payable annually	8.95% p.a. payable annually
Terms of repayment for debentures	Redeemable at face value at the end of 3 years from the date of allotment	Redeemable at face value at the end of 4 years from the date of allotment	Redeemable at face value at the end of 5 years from the date of allotment

Debentures are secured by:

(a) Charge on 'Crompton' Brand and Registered Trade Marks of the Company; and

(b) Charge by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.

Terms of loan from bank:

A term loan of ₹ 700 crore availed by Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) was transferred to the Company pursuant to the 'Scheme of Arrangement' (Refer Note 35). The loan was repayable in 20 quarterly installments commencing from May 2016 and ending in January 2021. However, the loan was repaid in advance on 24th June, 2016. The loan was secured by way of first charge on fixed assets and brand of the Company.

15 Other non-current financial liabilities

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Security deposits	-	-	0.08
	-	**-**	**0.08**

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to the financial statements for the year ended 31st March, 2018 (Contd.)

16 Non-current provisions

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Provision for employee benefits	17.48	17.55	14.47
	17.48	**17.55**	**14.47**

17 Financial liabilities - Borrowings

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Secured			
Working capital demand loan from bank	-	-	10.00
	-	**-**	**10.00**

(Note: Working capital demand loan is secured by way of charge on the Company's inventory and trade receivables).

18 Financial liabilities - Trade payables

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Acceptances	258.86	283.34	223.24
Due to micro and small enterprises	34.23	20.52	27.22
Due to creditors other than micro and small enterprises	475.14	408.92	408.96
Trade payable to related parties	-	-	7.93
	768.23	**712.78**	**667.35**

Note:

(a) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2018. The disclosure pursuant to the said Act is as under:

Particulars	**31-03-2018**	**31-03-2017**	**01-04-2016**
Principal amount due to suppliers under MSMED Act	34.23	20.52	27.22
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	0.77
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-	-

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

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

19 Financial liabilities - Others

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Current maturities of long-term borrowings from banks	-	-	127.24
Interest accrued but not due on borrowings	44.31	44.63	-
Security deposits	19.64	19.13	16.28
	63.95	**63.76**	**143.52**

20 Other current liabilities

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Advances from customers	9.75	22.77	19.28
Statutory dues payables	6.22	41.50	37.55
Others	13.61	2.19	3.33
	29.58	**66.46**	**60.16**

21 Current provisions

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Provision for employee benefits	2.06	3.44	2.38
Other provisions (refer note below)	95.50	74.14	44.48
	97.56	**77.58**	**46.86**

Note:

(1) Movement of provisions

₹ crore

Nature of provisions	Warranty	Sales tax / VAT/ Other taxes	Other litigation claims
Carrying amount at the beginning of the year	59.12	7.10	0.06
Additional provision made during the year	73.37	4.60	-
Amounts used during the year	(59.12)	(2.17)	-
Unused amounts reversed during the year	-	-	-
Carrying amount at the end of the year	**73.37**	**9.53**	**0.06**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

Nature of provisions	Others	Total
Carrying amount at the beginning of the year	7.86	74.14
Additional provision made during the year	12.54	90.51
Amounts used during the year	(7.86)	(69.15)
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	**12.54**	**95.50**

(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 years.

(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

	2017-18	2016-17
Current income tax charge	181.80	153.77
Deferred tax (asset) / liability (net)		
Origination and reversal of temporary differences	(20.15)	(11.90)
Deferred tax	(20.15)	(11.90)
Tax expense for the year	**161.65**	**141.87**

(b) Amounts recognised in other comprehensive income (OCI)

₹ crore

	2017-18			2016-17		
	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	5.13	(1.78)	3.35	(4.17)	1.44	(2.73)
Income tax related to items recognised in OCI during the year	**5.13**	**(1.78)**	**3.35**	**(4.17)**	**1.44**	**(2.73)**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

(c) Reconciliation of effective tax rate

₹ crore

	2017-18	2016-17
Profit before tax	485.44	425.04
Applicable tax rate	34.61%	34.61%
Computed tax expense	168.00	147.10
Exempted dividend income	(5.55)	(1.00)
Tax incentive under Section 80-IC of Income tax Act, 1961	(6.13)	(8.09)
Tax effect on various other items	5.32	3.86
Income tax expense	**161.65**	**141.87**
Effective tax rate	33.30%	33.38%

(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 31-03-2018	As at 31-03-2017	As at 1-04-2016	2017-18	2016-17
(a)	Deferred tax asset on employee share option outstanding	26.78	10.71	-	16.07	10.71
(b)	Items disallowed under Section 43B of the Income Tax Act, 1961 on payment basis	10.69	8.29	4.25	2.40	4.04
(c)	Allowance for doubtful debts and advances	4.97	4.55	5.82	0.42	-1.27
(d)	Difference between book depreciation and tax depreciation	(4.38)	(4.48)	(4.82)	0.10	0.34
(e)	Other temporary differences	9.79	10.41	10.89	1.15	-1.92
	Deferred tax income /(expense)				20.15	**11.90**
	Net deferred tax assets / (liabilities)	**47.85**	**29.48**	**16.14**		

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

₹ crore

Sr. no.	Particulars	2017-18	2016-17
(a)	Opening balance as at 1st April	29.48	16.14
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of profit and loss in profit or loss	20.15	11.90
	(ii) Statement of profit and loss under OCI	(1.78)	1.44
	Closing balance as at 31st March	**47.85**	**29.48**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

23 Revenue from Operations

₹ crore

		2017-18	2016-17
A.	**Sales of products and services**		
	Sale of products (including excise duty and net of GST, as applicable)	**4,095.13**	**4,008.77**
	- Electrical consumer durables	2,821.44	2,879.20
	- Lighting products	1,273.69	1,129.57
	Sale of services	**1.88**	1.90
	- Electrical consumer durables	-	-
	- Lighting products	1.88	1.90
		4,097.01	**4,010.67**
B.	**Other operating revenue**		
	Export benefits and other incentives	1.02	0.95
	Scrap sales	7.09	5.05
		8.11	**6.00**
		4,105.12	**4,016.67**

(Note: Excise duty collected from customers included in sale of products amounted to ₹ 25.46 crore (2016-17: ₹ 115.78 crore).

For the period before GST implementation (upto 30th June, 2017), revenue has been shown as gross of excise duty and after GST implementation (1st July, 2017 onwards) as net of GST.

24 Other income

₹ crore

	2017-18	2016-17
Interest income	12.69	16.01
Income from mutual funds	16.03	2.90
Net gain / (loss) on sale or fair valuation of investments	1.26	-
Other	0.77	0.58
	30.75	**19.49**

25 Cost of materials consumed

₹ crore

	2017-18	2016-17
Opening stock	38.76	33.20
Add: Purchases	824.87	773.20
Less: Closing stock	53.55	38.76
Raw materials consumed	810.08	767.64
Add: Sub-contracting charges	65.71	58.79
	875.79	**826.43**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

26 Purchase of stock-in-trade

₹ crore

	2017-18	2016-17
Lighting products	665.06	612.79
Electrical consumer durables	1,273.49	1,316.80
	1,938.55	**1,929.59**

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

₹ crore

	2017-18	2016-17
Opening Stock :		
Finished goods	94.56	97.93
Stock-in-trade	113.46	97.17
Work-in-process	23.74	14.13
	231.76	**209.23**
Less:		
Closing Stock:		
Finished goods	77.24	94.56
Stock-in-trade	140.21	113.46
Work-in-process	29.10	23.74
	246.55	**231.76**
Changes in inventories:		
Finished goods	17.32	3.37
Stock-in-trade	(26.75)	(16.29)
Work-in-process	(5.36)	(9.61)
	(14.79)	**(22.53)**

28 Employee benefits expense

₹ crore

	2017-18	2016-17
Salaries, wages, bonus and other benefits	200.19	180.27
Contribution to provident and other funds	9.29	7.93
Staff welfare expenses	16.14	13.06
Share-based payments to employees (Refer Note 41)	57.03	30.94
	282.65	**232.20**

29 Finance costs

₹ crore

	2017-18	2016-17
Interest	63.74	65.53
	63.74	**65.53**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

30 Other expenses

₹ crore

	2017-18	2016-17
Consumption of stores and spares	13.74	16.32
Power and fuel	6.81	8.63
Rent	17.79	18.68
Repair to property, plant and equipment	2.54	1.39
Insurance	1.71	1.78
Rates and taxes	18.78	38.71
Freight and forwarding	99.92	89.43
Packing materials	60.46	50.31
After sales service including warranty	37.38	37.65
Sales promotion	66.78	45.01
Corporate social responsibility expenses	1.48	0.10
Advertising	38.79	55.71
Legal and professional charges	55.16	53.60
Loss on fair valuation of investments classified as FVTPL	-	0.23
Miscellaneous expenses	45.08	33.01
	466.42	**450.56**

₹ crore

	2017-18	2016-17
Auditors' remuneration (excluding taxes)		
Audit fees	0.32	0.28
Tax audit fees	0.07	0.07
Other services		
(i) Certification work	0.03	0.06
(ii) Others	0.25	0.20
Reimbursement of expenses	0.04	0.04
	0.71	**0.65**

31 Exceptional items

₹ crore

	2017-18	2016-17
Expenses in relation to the 'Scheme' (Refer Note 35)	-	2.52
	-	**2.52**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

32 Contingent liabilities and commitments

₹ crore

		As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
A	**Contingent Liabilities:**			
	(to the extent not provided for)			
	(a) Claims against the Company not acknowledged as debts	0.69	0.46	0.62
	(b) Income tax liability that may arise in respect of matters in appeal	20.78	20.78	-
	(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	-	0.05	0.07
	(d) Sales tax / VAT liability that may arise in respect of matters in appeal	38.82	25.65	6.22
B	**Commitments:**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.06	0.08	0.63

Notes:

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

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

33 Expenditure on research and development

₹ crore

		2017-18	2016-17
(a)	**Capital expenditure**	0.72	2.30
	Sub-total (a)	**0.72**	**2.30**
(b)	**Revenue expenditure**		
	Raw materials consumed	0.06	0.02
	Employee benefits	5.95	3.20
	Depreciation and amortisation	0.94	0.56
	Other expenses		
	Consumption of stores and spares	0.29	0.01
	Miscellaneous expenses	5.88	1.32
	Sub-total (b)	**13.12**	**5.11**
	Total (a) + (b)	**13.84**	**7.41**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

34 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 ₹ 3.95 crore. (Previous year ₹ 1.59 crore)

(b) Amount spent during the year is ₹ 1.48 crore (Previous year ₹ 0.10 crore)

₹ crore

Sr no.	Particulars	Disclosed under	2017-18			2016-17		
			In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of assets charged to the statement of profit and loss	-	-	-	-	-	-	-
ii)	For purpose other than (i) above	Note 30	1.44	0.04	1.48	0.10	-	0.10
	Total		**1.44**	**0.04**	**1.48**	**0.10**	**-**	**0.10**

35 Scheme of Arrangement

On 20th November, 2015, the Honourable High Court of judicature at Bombay sanctioned a Scheme of Arrangement (the 'Scheme') between the Company and Crompton Greaves Limited (CGL) (now CG Power and Industrial Solutions Limited) and their respective shareholders and creditors. The Consumer Products business of CGL, along with its related assets and liabilities has been transferred to the Company with effect from 1st October, 2015 being the appointed date. The certified copy of the Order sanctioning the Scheme has been filed with the Registrar of the Companies, Maharashtra, on 1st January, 2016. Accordingly, effect of the Scheme was considered in the financial statements of 2015-16.

36 Disclosure pursuant to Indian Accounting Standard (Ind AS) 17, *Leases*

A. Company as lessee

The Company has entered into cancellable and non-cancellable operating lease agreements.

i. Future minimum lease payments

The future minimum lease payments in respect of the non-cancellable lease agreements as on the year end is as below:

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Less than one year	7.02	2.38	2.09
Between one and five years	8.50	2.05	2.68
More than five years	-	-	-
Minimum Lease payments	15.52	4.43	4.77

ii. Amounts recognised in Statement of profit and loss

₹ crore

	2017-18	2016-17
Rent expense	17.79	18.68
Total	**17.79**	**18.68**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

37 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19, *Employee Benefits*

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

Amount of ₹ 7.11 crore (previous year : ₹ 6.47 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans:

₹ crore

Benefits (Contribution to)	2017-18	2016-17
Provident fund	5.43	4.73
Superannuation fund	1.54	1.67
Employee state insurance scheme	0.13	0.06
Labour welfare scheme	0.01	0.01
Total	**7.11**	**6.47**

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

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2017-18 (Funded)	2016-17 (Funded)	2017-18 (Non funded)	2016-17 (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	19.80	16.25	7.26	6.50
	Amount recognised in statement of profit and loss				
	Interest cost	1.41	1.31	0.54	0.54
	Current service cost	1.75	1.36	0.49	0.39
	Past service cost	0.05			-
	Amount recognised in other comprehensive income				
	Actuarial (gains) / losses			(1.27)	0.20
	Financial assumptions	(0.48)	1.10		
	Due to experience	(1.80)	1.84		
	Benefits paid	(1.87)	(2.06)	(0.23)	(0.37)
	Present Value of defined benefit obligation at the end of the year	18.86	19.80	6.79	7.26
II	**Change in fair value of plan assets during the year**				
	Fair value of plan assets at the beginning of the year	18.17	14.99	-	-
	Expected return on plan assets	1.29	1.21	-	-
	Contributions	4.25	3.23	-	-
	Benefits paid from the fund	(1.61)	(0.23)	-	-
	Amount recognised in other comprehensive income				
	Actuarial gain / (loss)	1.58	(1.03)	-	-
	Fair value of plan assets at the end of the year #	23.68	18.17	-	-

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to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2017-18 (Funded)	2016-17 (Funded)	2017-18 (Non funded)	2016-17 (Non funded)
III	**Actual return on plan assets**				
	Expected return on plan assets	1.29	1.21	-	-
	Actuarial gain / (loss)	1.58	(1.03)	-	-
	Actual return on plan assets	2.87	0.18	-	-
IV	**Net asset / (liability) recognised in the balance sheet**				
	Present Value of defined benefit obligation at the end of the year	(18.86)	(19.80)	(6.79)	(7.26)
	Fair value of plan assets at the end of the year	23.69	18.17#	-	-
	Asset / (Liability) recognised in the balance sheet	4.83	(1.63)	(6.79)	(7.26)
V	**Expenses recognised in the statement of profit and loss**				
	Current service cost	1.75	1.36	0.49	0.39
	Interest cost	0.12	0.10	0.54	0.54
	Past Service cost	0.05	-	-	-
		1.92	1.46	1.03	0.93
VI	**Expenses recognised in the other comprehensive income**				
	Remeasurements (gain) / loss on defined benefit plans	(3.86)	3.97	(1.27)	0.20
VII	**The major categories of plan assets as a percentage of total plan**				
	Insurer managed funds	100%	100%	NA	NA
VIII	**Sensitivity analysis for significant assumptions:**				
	Increase/(Decrease) on present value of defined benefits obligation at the end of the year				
	1% increase in discount rate	(1.11)	(1.17)	(0.74)	(0.84)
	1% decrease in discount rate	1.25	1.32	0.92	1.07
	1% increase in salary escalation rate	1.26	1.32		
	1% decrease in salary escalation rate	(1.14)	(1.20)		
	1% increase in employee turnover rate	0.08	0.05		
	1% decrease in employee turnover rate	(0.09)	(0.06)		
	1% increase in Medical inflation rate			0.93	1.09
	1% decrease in Medical inflation rate			(0.75)	(0.87)
IX	**Maturity profile of defined benefit obligations**				
	Within the next 12 months	2.62	2.69		
	Between 1 and 5 years	6.45	8.33		
	Between 5 and 10 years	9.79	8.78		

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

		Gratuity		Post Retirement Medical Benefits	
		2017-18 (Funded)	2016-17 (Funded)	2017-18 (Non funded)	2016-17 (Non funded)
X	**Actuarial assumptions**				
	Discount rate	7.56%	7.12%	7.76%	7.45%
	Expected Return on Plan Assets (p.a.)	7.56%	7.12%	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%

Includes ₹ 14.99 crore pending transfer from CGL pursuant to the Scheme (Refer Note 35) in March 2017. The same was transferred during the year to the Trust.

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

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

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

(f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2018 and 31st March, 2017. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

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

(i) The Company expects to fund ₹ Nil (previous year: ₹ 3.37 crore) towards its gratuity plan during the year 2018-19.

(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 financial statements for the year ended 31st March, 2018 (Contd.)

38 Disclosure pursuant to Indian Accounting Standard (Ind AS) 24, *Related Party Disclosures*

i) There is no Related Party over which the Company exercises its control

ii) Relationships -

Other Related Parties:

1 ASK Wealth Advisors Private Limited
2 Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) (upto 26th July, 2016)
3 Ballarpur Industries Limited (upto 26th July, 2016)
4 BILT Graphic Paper Products Limited (upto 26th July, 2016)
5 Avantha Business Solutions Limited (upto 26th July, 2016)

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. Shweta Jalan, Non-Executive Director
5 Mr. Sahil Dalal, Non-Executive Director
6 Mr. Ravi Narain, Non-Executive Director (upto 5th March, 2018)
7 Mr. Promeet Ghosh, Non-Executive Director
8 Mr. Shantanu Khosla, Managing Director
9 Mr. Mathew Job, Chief Executive Officer
10 Mr. Sandeep Batra, Chief Financial Officer
11 Ms. Pragya Kaul, Company Secretary

iii) The following transactions were carried out with the related parties in the ordinary course of business on terms equivalent to those that prevail in arm's length transactions :

₹ crore

Sr. No.	Nature of transaction	2017-18	2016-17
1	**Purchase of goods**		
	Crompton Greaves Limited	-	11.70
	Total	**-**	**11.70**
2	**Services received**		
	ASK Wealth Advisors Private Limited	0.13	-
	Crompton Greaves Limited - Professional fees	-	5.20
	Crompton Greaves Limited - Rent	-	1.84
	Others	-	0.45
	Total	**0.13**	**7.49**

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to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

Sr. No.	Nature of transaction	2017-18	2016-17
3	**Compensation to Key Management Personnel**		
	Short-term benefits	16.26	11.90
	Share-based payments (refer note b)	50.32	26.80
	Director's sitting fees	0.18	0.23
	Commission	0.35	0.14
	Total	**67.11**	**39.07**

Note:

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.

iv) Amount due to / from related parties

₹ crore

Sr. No.	Nature of transaction	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
1	**Trade payable**			
	Crompton Greaves Limited	-	-	7.93
	Total	**-**	**-**	**7.93**
2	**Other receivable**			
	Crompton Greaves Limited	-	-	14.06
	Total	**-**	**-**	**14.06**
3	**Trade receivable**			
	Crompton Greaves Limited	-	-	0.17
	BILT Graphic Paper Products Limited	-	-	0.00
	Ballarpur Industries Limited	-	-	0.02
	Total	**-**	**-**	**0.19**

39 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.

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

			2017-18	2016-17
(a)	**Basic earnings per share**			
	Numerator for earnings per share			
	Profit after tax	₹ crore	323.79	283.17
	Denominator for earnings per share			
	Weighted number of equity shares outstanding during the year	Nos	62,67,54,920	62,67,46,142
	Earnings per share - Basic (one equity share of ₹ 2 each)	₹	5.17	4.52
(b)	**Diluted earnings per share**			
	Numerator for earnings per share			
	Profit after taxation	₹ crore	323.79	283.17
	Denominator for earnings per share			
	Weighted number of equity shares outstanding for basic EPS during the year	Nos	62,67,54,920	62,67,46,142
	Add: Weighted average number of potential equity shares on account of Employee share option schemes	Nos	25,76,149	4,58,163
	Weighted number of equity shares outstanding for diluted EPS during the year	Nos	62,93,31,069	62,72,04,305
	Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	5.15	4.51

40 Disclosure pursuant to Indian Accounting Standard (Ind AS) 36, *Impairment of Assets*

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

₹ crore

Particulars	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Electric Consumer Durables	590.10	590.10	590.10
Lighting Products	189.31	189.31	189.31
Total	**779.41**	**779.41**	**779.41**

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

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

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

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

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

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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 2018, 31st March, 2017 and 1st April, 2016 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.

41 Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, *Share-based Payment*

Employee share options - equity settled

(a) The Members of the Company have approved on 22nd October 2016 by way of postal ballot grant of Employee share options under various Schemes. The plan envisaged grant of shares to eligible employees at market price/pre-determined value as determined by the Nomination and Remuneration Committee (NRC) of the Board of Directors from time to time.

Details of Share options outstanding account and charge to the statement of profit and loss are set out in the table below:

₹ crore

	31-03-2018	31-03-2017
Charge for the year	57.03	30.94
Share options outstanding account	87.73	30.94

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

Particulars	2017-18			2016-17		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	22-10-2016	22-10-2016	22-10-2016	22-10-2016	22-10-2016	22-10-2016
Total number of options approved under ESOS	40,00,000	1,09,68,057	31,33,731	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-10 Years	1-10 Years	1-5 Years	1-10 Years	1-10 Years
Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the grant.	92.83	185.66	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the grant.	92.83	185.66

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Particulars	2017-18			2016-17		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
Maximum term of Options granted (years)	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant		Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant	
Source of shares (Primary, Secondary or combination)	Primary					
Variation in terms of options	There have been no variations in the terms of the options					

(c) Options movement during the year:-

Particulars	2017-18			2016-17		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	30,00,000	1,09,68,057	31,33,731	-	-	-
No. of options granted during the year	8,00,000	-	-	30,00,000	1,09,68,057	31,33,731
No. of options forfeited / lapsed during the year	6,04,633	-	-	-	-	-
Number of options vested but not exercised during the year	6,25,367	26,32,334	7,52,095	-	-	-
Number of options vested and exercised during the year	38,963	-	-	-	-	-
Total No. of shares arising as a result of exercise of options	38,963	-	-	-	-	-
Money realised by exercise of options (₹)	72,70,496	-	-	-	-	-
No. of options outstanding at the end of the year	31,56,404	1,09,68,057	31,33,731	30,00,000	1,09,68,057	31,33,731
No. of options exercisable at the end of the year	5,86,404	26,32,334	7,52,095	-	-	-
Weighted Average Remaining Contractual Life (in years)	6.29	6.89	6.89	7.07	7.49	7.49

(d) Weighted average information for year:

Particulars	2017-18			2016-17		
	ESOP 2016	PSP 1	PSP 2	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose						
Exercise price equals market price	-	-	-	186.60	-	-
Exercise price is greater than market price	221.15	-	-	-	-	-
Exercise price is less than market price	225.83	-	-	-	92.83	185.66
Weighted average fair value of options granted during the year whose						
Exercise price equals market price	-	-	-	76.85	-	-
Exercise price is greater than market price	80.26	-	-	-	-	-
Exercise price is less than market price	98.10	-	-	-	111.56	54.88

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to the financial statements for the year ended 31st March, 2018 (Contd.)

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

Particulars	2017-18	2016-17		
	ESOP 2016	ESOP 2016	PSP 1	PSP 2
Price of the underlying share in market at the time of the option grant (₹)	221.56	186.60	186.60	186.60
Exercise price (₹)	222.90	186.60	92.83	185.66
Risk free interest rate (based on government securities)	6.87%	6.72%	6.74%	6.74%
Expected life (years)	5.00	5.00	2.92	2.92
Expected volatility	33.28%	33.24%	32.46%	32.46%
Dividend yield	0.55%	0.00%	0.00%	0.00%

(f) Number and Weighted average Exercise price of Options

Particulars	2017-18		2016-17	
	Number of options	Weighted average Exercise Price	Number of options	Weighted average Exercise Price
Outstanding at the beginning of the year	1,71,01,788	126.29	-	-
Granted during the year	8,00,000	222.90	1,71,01,788	126.29
Forfeited during the year	6,04,633	194.13	-	-
Exercised during the year	38,963	186.60	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,72,58,192	128.25	1,71,01,788	126.29
Exercisable at the end of the period	39,70,833	124.26	-	-

(g) Weighted average share price of options exercised during the year is ₹244.43

42 Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, *Operating Segments*

A. General Information

The segment reporting of the Company has been prepared in accordance with the Standard

(i) Basis of identifying operating segments :

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The Company has two reportable segments as described under "Segment Composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

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to the financial statements for the year ended 31st March, 2018 (Contd.)

(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.

(iii) Segment composition :

Electrical Consumer Durables comprises the product categories of Fans, Pumps and Appliances.

Lighting Products comprises of Luminaires and Light Sources.

B. Information about reportable segments

For the year ended 31st March, 2018	Reportable segments		
Particulars	Electrical Consumer Durables	Lighting Products	Total
Revenue			
External Customers	2,828.12	1,277.00	4,105.12
Inter-segment	-	-	-
Total revenue	**2,828.12**	**1,277.00**	**4,105.12**
Segment profit	534.67	147.28	681.95
Segment profit includes:			
Depreciation and amortisation	4.13	5.91	10.04
Segment assets	610.68	424.71	1,035.39
Segment liabilities	485.83	401.72	887.55
Other disclosures			
Capital expenditure	7.60	5.49	13.09

For the year ended 31st March, 2017	Reportable segments		
Particulars	Electrical Consumer Durables	Lighting Products	Total
Income			
External Customers	2,887.10	1,129.57	4,016.67
Inter-segment	-	-	-
Total income	**2,887.10**	**1,129.57**	**4,016.67**
Segment profit / (loss)	494.96	99.13	594.09
Segment profit / (loss) includes:			
Depreciation and amortisation	6.97	4.07	11.04
Segment assets	581.33	326.38	907.71
Segment liabilities	586.68	287.06	873.74
Other disclosures			
Capital expenditure	1.04	13.81	14.85

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B. Reconciliations of information on reportable segments to Ind AS

₹ crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Income		
Total income for reportable segments	4,105.12	4,016.67
Elimination of inter-segment revenue	-	-
Total income as per Note 23	**4,105.12**	**4,016.67**
(b) Profit / loss before tax		
Total profit before tax for reportable segments	681.95	594.09
Unallocated amounts:		
Expense on Employee share option scheme	(57.03)	(30.94)
Finance costs	(63.74)	(65.53)
Other unallocable expenditure net of unallocable Income	(75.74)	(70.06)
Exceptional items	-	(2.52)
Total profit before tax from operations as reported in Statement of profit and loss	**485.44**	**425.04**
(c) Assets		
Total assets for reportable segments	1,035.39	907.71
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	562.34	396.70
Deferred tax assets	47.85	29.48
Total assets as reported in Balance sheet	**2,424.99**	**2,113.30**
(d) Liabilities		
Total liabilities for reportable segments	887.55	873.74
Other unallocated amounts		
Non-current borrowings	648.55	647.84
Other liabilities	99.39	73.97
Total liabilities as reported in Balance sheet	**1,635.49**	**1,595.55**

C. Geographic information

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

D. Information about major customers

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

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

43 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.

31-03-2018	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Security deposits		5.87	5.87				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.23	0.23				
Other non-current financial assets		6.83	6.83				
Cash and cash equivalents		172.49	172.49				
Bank balance other than cash and cash equivalents		4.89	4.89				
Current investments	367.58		367.58		367.58		367.58
Trade receivables		553.64	553.64				
Other current financial assets		13.73	13.73				
	367.58	**757.68**	**1,125.26**	**-**	**367.58**	**-**	**367.58**
Financial liabilities							
Non-current borrowings		648.55	648.55				
Trade payables		768.23	768.23				
Other current financial liabilities		63.95	63.95				
	-	**1,480.73**	**1,480.73**	**-**	**-**	**-**	**-**

31-03-2017	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Security deposits		5.36	5.36				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.23	0.23				
Other non-current financial assets		6.84	6.84				
Cash and cash equivalents		65.60	65.60				
Bank balance other than cash and cash equivalents		4.14	4.14				
Current investments	318.87		318.87		318.87		318.87
Trade receivables		472.82	472.82				
Other current financial assets		13.84	13.84				
	318.87	**568.83**	**887.70**	**-**	**318.87**	**-**	**318.87**
Financial liabilities							
Non-current borrowings		647.84	647.84				
Trade payables		712.78	712.78				
Other current financial liabilities		63.76	63.76				
	-	**1,424.38**	**1,424.38**	**-**	**-**	**-**	**-**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

01-04-2016	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Security deposits		5.36	5.36				
In Deposit accounts- bank deposits with maturity beyond 12 months		0.23	0.23				
Other non-current financial assets		6.24	6.24				
Cash and cash equivalents		89.77	89.77				
Trade receivables		356.90	356.90				
Other current financial assets		10.74	10.74				
	-	**469.24**	**469.24**	-	-	-	-
Financial liabilities							
Non-current borrowings		507.21	507.21				
Other Non-Current financial liabilities		0.08	0.08				
Current borrowings		10.00	10.00				
Trade payables		667.35	667.35				
Other current financial liabilities		143.52	143.52				
	-	**1,328.16**	**1,328.16**	-	-	-	-

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.

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to the financial statements for the year ended 31st March, 2018 (Contd.)

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. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

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 Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit 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.

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to the financial statements for the year ended 31st March, 2018 (Contd.)

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 credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

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

₹ crore

Particulars	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Not past due	404.62	366.82	241.34
Past due 1–360 days	146.23	102.26	112.08
Past due 361- 720 days	2.79	3.27	3.42
more than 720 days	-	0.47	0.06
	553.64	**472.82**	**356.90**

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 1-04-2016	16.80
Impairment loss recognised/ (reversed)	2.07
Write off of bad debts	(3.52)
Balance as at 31-03-2017	15.35
Impairment loss recognised	5.13
Write off of bad debts	(6.27)
Balance as at 31-03-2018	**14.21**

Cash and cash equivalents and bank deposits

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

Derivatives

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

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Investment in mutual funds

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

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

iii. Liquidity risk

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

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

Exposure to liquidity risk

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

₹ crore

As at 31-03-2018	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-current financial liabilities						
Borrowings (including interest)	693.18	769.16	58.18	337.58	373.40	-
Current financial liabilities						
Trade payables	768.23	768.23	768.23	-	-	-
Other financial liabilities	19.64	19.64	19.64	-	-	-
Derivative liability	-	-	-	-	-	-

₹ crore

As at 31-03-2017	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)	692.47	827.33	58.18	58.18	710.98	-
Current financial liabilities						
Trade payables	712.78	712.78	712.78	-	-	-
Other financial liabilities	19.13	19.13	19.13	-	-	-

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₹ crore

As at 31-03-2016	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)	507.21	636.20	127.24	127.24	381.72	-
Other financial liabilities	0.08	0.08	-	0.08	-	-
Current financial liabilities						
Borrowings	10.00	10.00	10.00	-	-	-
Trade payables	667.35	667.35	667.35	-	-	-
Other financial liabilities	143.52	143.52	143.52	-	-	-

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	5.47	Buy	31-03-2018
Hedges of recognised liabilities	Option contract	USD	INR	3.18	Buy	31-03-2017
Hedges of recognised liabilities	Forward contract	USD	INR	7.13	Buy	01-04-2016

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to the financial statements for the year ended 31st March, 2018 (Contd.)

Exposure to currency risk

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

₹ crore

Particulars	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
	USD	USD	USD
Financial assets			
Trade receivables	9.13	2.42	8.47
	9.13	**2.42**	**8.47**
Financial liabilities			
Trade payables	34.70	10.35	52.57
	34.70	**10.35**	**52.57**
Net foreign currency exposure	**(25.57)**	**(7.93)**	**(44.10)**

Sensitivity analysis

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

Effect in ₹ crore	Movement	Profit or loss	
		Strengthening	Weakening
31-03-2018			
USD	5%	(1.28)	1.28
		(1.28)	**1.28**

Effect in ₹ crore	Movement	Profit or loss	
		Strengthening	Weakening
31-03-2017			
USD	5%	(0.40)	0.40
		(0.40)	**0.40**

VI. 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.

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to the financial statements for the year ended 31st March, 2018 (Contd.)

Exposure to interest rate risk

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

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Fixed-rate instruments			
Financial assets			
Bank deposits	146.39	26.96	15.73
Financial liabilities			
Non-current Borrowings	648.55	647.84	
	794.94	**674.80**	**15.73**
Variable-rate instruments			
Financial liabilities	-	-	517.21
	-	-	517.21
Total	**794.94**	**674.80**	**532.94**

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.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ crore

	Profit or loss	
	100 bp increase	100 bp decrease
As at 01-04-2016		
Variable-rate instruments	(5.17)	5.17
Cash flow sensitivity (net)	(5.17)	5.17

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

44 Capital Management

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

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

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

The Company's adjusted net debt-to-equity ratio at 31st March, 2018 was as follows:

₹ crore

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Total borrowings (including current portion of long-term debts)	648.55	647.84	644.45
Less : Cash and cash equivalent	172.49	65.60	89.77
Less : Other bank balances	4.89	4.14	-
Less : Current investments	367.58	318.87	-
Adjusted net debt	103.59	259.23	554.68
Total equity	789.50	517.75	206.37
Adjusted net debt to adjusted equity ratio	0.13	0.50	2.69

45 Disclosure pursuant to Indian Accounting Standard (Ind AS) 101, *First-time Adoption of Indian Accounting Standards*

I. Transition to Ind AS:

The Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("previous GAAP") to Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Transition Date). In preparing opening Ind AS balance sheet, the company have adjusted amounts reported in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the company did not revise estimates previously made under previous GAAP except where required by Ind AS.

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

II. Optional exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a. Deemed cost for property, plant and equipment (PPE) and intangible assets

Ind AS 101 permits a first time adopters to continue with the carrying value for all its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its Property, plant and equipment and intangible asset at their previous GAAP carrying values.

b. Business combinations

Ind AS 101 provide the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. Accordingly, goodwill is carried at previous GAAP amount.

III. Mandatory exemptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

a. Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

IV . Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

A Reconciliation of Balance sheet as at 1st April, 2016

₹ crore

	Foot note ref.	Amount as per previous GAAP *	Effects of transition to Ind AS	Amount as per Ind AS
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment		75.77	-	75.77
(b) Capital work-in-progress		0.07	-	0.07
(c) Goodwill		779.41	-	779.41
(d) Other intangible assets		2.83	-	2.83
(e) Financial assets			-	
(i) Others		11.83	-	11.83

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

		Foot note ref.	Amount as per previous GAAP *	Effects of transition to Ind AS	Amount as per Ind AS
	(f) Deferred tax assets (net)	4	4.32	11.82	16.14
	(g) Other non-current assets		6.23	(0.01)	6.22
	Total non-current assets		**880.46**	**11.81**	**892.27**
(2)	Current assets				
	(a) Inventories	2	209.98	35.16	245.14
	(b) Financial assets				
	(i) Trade receivables	1, 2 (a)	416.51	(59.61)	356.90
	(ii) Cash and cash equivalents		89.77	-	89.77
	(iii) Bank balances other than (ii) above		-	-	-
	(iv) Loans		10.74	-	10.74
	(d) Other current assets	3	45.59	18.01	63.60
	Total current assets		**772.59**	**(6.44)**	**766.15**
	TOTAL ASSETS		**1,653.05**	**5.37**	**1,658.42**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital		125.35	-	125.35
	(b) Other equity	10	103.37	(22.35)	81.02
	Total equity		**228.72**	**(22.35)**	**206.37**
	Liabilities				
	(1) Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		507.21	-	507.21
	(ii) Other financial liabilities		0.08	-	0.08
	(b) Provisions		14.47	-	14.47
	Total non-current liabilities		**521.76**	**-**	**521.76**
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		10.00	-	10.00
	(ii) Trade payables		664.11	3.24	667.35
	(iii) Other financial liabilities		143.52	-	143.52
	(b) Other current liabilities	2	56.91	3.25	60.16
	(c) Provisions	2 (b), 3	25.63	21.23	46.86
	(d) Current tax liabilities (net)		2.40	-	2.40
Total current liabilities			**902.57**	**27.72**	**930.29**
Total liabilities			**1,424.33**	**27.72**	**1,452.05**
TOTAL EQUITY AND LIABILITIES			**1,653.05**	**5.37**	**1,658.42**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

B Reconciliation of Balance sheet as at 31st March, 2017

₹ crore

		Foot note ref.	Amount as per previous GAAP *	Effects of transition to Ind AS	Amount as per Ind AS
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, plant and equipment		75.76	-	75.76
	(b) Capital work-in-progress		0.05	-	0.05
	(c) Goodwill		779.41	-	779.41
	(d) Other intangible assets		6.34	-	6.34
	(e) Financial assets				-
	(i) Others		12.45	(0.02)	12.43
	(f) Deferred tax assets (net)	4	18.16	11.32	29.48
	(g) Other non-current assets		6.36	-	6.36
	Total non-current assets		**898.53**	**11.30**	**909.83**
	(2) Current assets				
	(a) Inventories	2	234.82	38.53	273.35
	(b) Financial assets				
	(i) Investment	5	318.55	0.32	318.87
	(ii) Trade receivables	1, 2 (a)	543.43	(70.61)	472.82
	(iii) Cash and cash equivalents		65.60	-	65.60
	(iv) Bank balances other than (ii) above		4.14	-	4.14
	(v) Loans		13.84	-	13.84
	(d) Other current assets	3	33.94	20.91	54.85
	Total current assets		**1,214.32**	**(10.85)**	**1,203.47**
	TOTAL ASSETS		**2,112.85**	**0.45**	**2,113.30**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital		125.35	-	125.35
	(b) Other equity	10	413.81	(21.41)	392.40
	Total equity		**539.16**	**(21.41)**	**517.75**
	Liabilities				
	(1) Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		647.84	-	647.84
	(ii) Other financial liabilities		17.55	-	17.55
	Total non-current liabilities		**665.39**	**-**	**665.39**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

	Foot note ref.	Amount as per previous GAAP *	Effects of transition to Ind AS	Amount as per Ind AS
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		714.54	(1.76)	712.78
(iii) Other financial liabilities		63.76	-	63.76
(b) Other current liabilities	2	66.46	-	66.46
(c) Provisions	2 (b), 3	53.96	23.62	77.58
(d) Current tax liabilities (net)		9.58	-	9.58
Total current liabilities		**908.30**	**21.86**	**930.16**
Total liabilities		**1,573.68**	**21.86**	**1,595.55**
TOTAL EQUITY AND LIABILITIES		**2,112.85**	**0.45**	**2,113.30**

C Reconciliation of Statement of profit and loss for the year ended 31st March, 2017

₹ crore

	Foot note ref.	Amount as per previous GAAP *	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
I. Revenue from operations (Gross)	2, 6	4,034.97	(18.30)	4,016.67
II. Other income	1	19.49	-	19.49
III. Total Income (I+II)		**4,054.46**	**(18.30)**	**4,036.16**
IV. Expenses				
Cost of materials consumed	7	815.28	11.15	826.43
Purchase of traded goods	6	1,934.87	(5.28)	1,929.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2	(19.16)	(3.37)	(22.53)
Excise duty	6	115.78	-	115.78
Employee benefits expense	8, 9	225.18	7.02	232.20
Finance costs		65.53	-	65.53
Depreciation and amortisation expense		11.04	-	11.04
Other expenses	5, 6, 7	472.80	(22.24)	450.56
Total expenses (IV)		**3,621.32**	**(12.72)**	**3,608.60**
V. Profit/(loss) before exceptional items and tax		433.14	(5.58)	427.56
VI. Exceptional items		(2.52)	-	(2.52)
VII. Profit/(loss) before tax		430.62	(5.58)	425.04

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

₹ crore

	Foot note ref.	Amount as per previous GAAP *	Effects of transition to Ind AS	Amount as per Ind AS
VIII. Tax expense:				
1. Current tax		153.77	-	153.77
2. Deferred tax	4	(13.84)	1.95	(11.90)
IX. Profit/(Loss) for the year		290.69	(7.53)	283.17
X. Other comprehensive income				
(i) Items that will not be reclassified to profit or loss Remeasurements gain / (loss) on defined benefit plans	8	-	(4.17)	(4.17)
(ii) Income tax related to items that will not be reclassified to profit or loss		-	1.44	1.44
Other comprehensive income for the year, net of tax		-	(2.73)	(2.73)
XI. Total comprehensive income for the year		290.69	(10.25)	280.44

(* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.)

D Reconciliation of Statement of Cash Flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and under previous GAAP.

E Reconciliation between Equity previously reported (referred to as the 'Indian GAAP') and under Ind AS is as under:

₹ crore

Particulars	As at 31-03-2017	As at 31-03-2016
Equity as per Indian GAAP	539.16	228.72
Deferral of Revenue (net)	(18.05)	(14.72)
Provision for doubtful trade receivables as per Expected Credit Loss model	(9.20)	(15.92)
Remeasurements gain / (loss) on defined benefit plans now reclassified to Other Comprehensive Income	1.44	-
Others	(5.48)	(3.53)
Deferred tax on adjustments mentioned above	9.88	11.82
Equity as per Ind AS	**517.75**	**206.37**

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

F Notes to the reconciliation:

1 Trade receivables

Under previous GAAP, the Company had recognised provision on trade receivables based on a provisioning policy basis actual losses estimated by the management. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

2 Revenue - recognition and measurement

Under Ind AS, Revenue from sale of goods has been recognised only when the risks and rewards in the goods passes to the buyer and the seller has no continuing managerial involvement and effective control of the goods. Accordingly, certain revenue and cost corresponding to such sales has been deferred. Under Ind AS, revenue is required to be recognised at the fair value of the consideration receivable net of sales expected returns, rebate including cash discount.

3 Provision - receivable from vendor against back to back warranty

In the previous GAAP, for products covered by back to back warranty from vendor, the company had recognised net warranty i.e., after netting reimbursement from vendor. Under Ind AS, provision for warranty is grossed up and a separate asset is recognised for receivable from vendor.

4 Deferred tax

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

5 Fair valuation of investments in mutual funds

Under previous GAAP, investment in Mutual funds are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, these investments are measured at Fair Value through Profit or Loss.

6 Reclassification of excise duty and customers' incentives

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses. Cash discount and other incentives directly attributable to sales have been reclassified from purchase of stock in trade and other expenses to revenue. This has resulted in decrease of revenue, purchase of stock in trade and other expenses.

7 Reclassification of sales promotion expense

Under Ind AS, free goods given to customer are directly attributable to sales and the same has been reclassified from other expenses to cost of material consumed. This has resulted in decrease of other expenses and increase of cost of materials consumed.

Notes
to the financial statements for the year ended 31st March, 2018 (Contd.)

8 Actuarial gains / losses on post-employment defined benefit plan

Under previous GAAP, the Company recognised actuarial gains / losses on post-employment defined benefit plan i.e., gratuity and post retirement medical benefits under Statement of profit and loss.

Under Ind AS, actuarial gains / losses on post-employment defined benefit plans are recognised in Other Comprehensive Income.

9 Employee share option scheme

Under previous GAAP, expenses in relation to Employee share option scheme (ESOP) were measured with reference to intrinsic value and the corresponding sum was reflected as part of the reserves. Under Ind AS, the expense in relation to the ESOP are required to be measured at fair value and to be presented as a liability.

10 Retained earnings

Retained earnings has been adjusted to reflect the above Ind AS transition adjustments.

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

47 Figures for the previous year have been regrouped whenever necessary.

Signatures to notes 1 to 47

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Mumbai, 15th May, 2018

H. M. Nerurkar
Chairman
DIN: 000265877

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership. No. A17167

Mumbai, 15th May, 2018

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

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