

Crompton

Crompton Greaves Consumer Electricals Limited

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

Date: July 23, 2021

To, BSE Limited ("BSE"), Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, National Stock Exchange of India Limited ("NSE") Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051
BSE Scrip Code: 539876	NSE Symbol: CROMPTON
ISIN: INE299U01018	ISIN: INE299U01018
Our Reference: 55 /2021-22	Our Reference: 55 / 2021-22

Dear Sir/Madam,

Sub: Highlights of Q-1 of FY 2020-21

This is in continuation of our letter dated July 23, 2021 regarding Outcome of Board Meeting held on July 23, 2021 wherein the Company had approved the following:

1. Unaudited financial results (Standalone & Consolidated) for the quarter ended June 30, 2021
2. Limited Review Report on the unaudited Financial results (Standalone and Consolidated) for the quarter ended June 30, 2021
3. Press release on the Unaudited Financial Results for the quarter ended June 30, 2021

In this regard please find attached the highlights of Q-1 of FY 2021-22.

You are requested to kindly take the above information on your record.

Thanking you,

For Crompton Greaves Consumer Electricals Limited



Pragya Kaul

Company Secretary & Compliance Officer

Encl: A/a

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**Information Update – Q1 FY22
(Consolidated)**

July 2021

- Quarterly Update
- Key Highlights – Q1 FY 22
- Summary of Q1 Results
- Segment Details
- Cash Flow highlights
- Cash / (Debt)
- Key Financial Ratios

- Health and safety of our employees continues to be of utmost importance to the company.
- Sales operations (dealers, distributors and retailers including e-commerce and modern trade), manufacturing and logistics operations witnessed disruption in the second fortnight of April , severely impacted in May. Recovery process began in late May and continued throughout June.
- We have witnessed growth across geographies and product categories.
- Alternate channels such as Rural & E-Com continue to demonstrate strong growth.
- Commodity prices continued to increase in Q1.
- Pricing actions, mix improvement & aggressive cost reductions have mitigated the rise in commodity costs.
- Currently there is only one active Covid case amongst our employee as compared to 210 at the peak of the second wave.
- To counter the surge, we restored WFH policy across all offices, collaborated with hospitals & 1mg for vaccination of all employees and their family members at company expense. We successfully conducted vaccination drive in our Mumbai office for our employees and their families. We are also collectively assisting infected members with covid-19 related emergencies.
- Until now, 89% of our employees have received their first vaccine dose.

▪ ECD Performance

- Broad based growth across all product lines.
- Strong performance with a growth of 63 % in Fans driven by premium & deco fans.
- Appliance business continues exponential growth of 99% driven by core categories - Air Cooler, Mixer Grinder & Geysers
- Pump business grew by 17% driven by domestic pumps

▪ Lighting Performance

- B2C Lighting LED continue to witness healthy value growth of 48%
- Lighting B2B & B2G business continue to face slow order pick up by institutions- Govt.

▪ Material margins expanded by 150 bps sequentially

- Commodity headwinds continue to impact ECD margins.
- Lighting EBIT margins stood at 10.7%, expanded YoY by 450 bps.

▪ Market Share gains and leveraging alternate channel

- We continued to gain market share in Fans (+1%)
- E-commerce and MT channel delivered 149% growth YoY.
- Rural channel continued its superior growth of 195% YoY.

▪ Cash Conversion

- We continue to maintain a healthy Balance sheet to support business requirements and invest in long term growth of the company.



Summary of Q1 Results

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Particulars	Q1 FY22 Rs. Cr	Q1 FY21 Rs. Cr	GoLY	Q4 FY21 Rs. Cr
Net Sales	1,050	720	45.9%	1,522
Less: Material Cost	711	486	46.3%	1,053
Material Margin	340	234	45.1%	470
as a % of Net Sales	32.4%	32.5%		30.8%
Employee Cost	89	72	23.0%	92
Advertisement & Sales Promotion	25	2	1293.0%	30
Other Expenses	101	59	69.8%	120
EBIDTA	126	101	24.6%	228
as a % of Net Sales	12.0%	14.1%		15.0%
Less: Depreciation & Amortization	8	8	-5.3%	7
EBIT	119	93	27.1%	221
as a % of Net Sales	11.3%	13.0%		14.5%
Less: Finance Cost	10	11	-6.6%	10
Add: Other Income	19	19	-0.2%	21
Profit Before Tax	127	101	25.7%	231
as a % of Net Sales	12.1%	14.0%		15.2%
Tax Expenses	32	26	22.7%	-18
Net Profit	95	75	26.7%	249
as a % of Net Sales	9.0%	10.4%		16.4%

- Corrective actions largely negated YoY commodity cost headwinds.

- A&P activity stepped up
- Other expenses higher due to continued investments in key initiatives and increased activity

- Q4 FY 21 includes impact of tax refund of previous assessment years.

Segment Revenue

Particulars	Q1 FY22		GoLY	Q4 FY21	
	Rs. Cr	Rs. Cr		Rs. Cr	Rs. Cr
Electrical Consumer Durables	884	597	48%	1,193	
Lighting Products	166	124	34%	329	
Total Income from Operation	1,050	720	46%	1,522	

Segment EBIT

Particulars	Q1 FY22		Q1 FY21		Q4 FY21	
	Rs. Cr	EBIT %	Rs. Cr	EBIT %	Rs. Cr	EBIT %
Electrical Consumer Durables	156	17.6%	122	20.5%	216	18.1%
Lighting Products	18	10.7%	7	6.1%	53	16.1%
Total	173	16.5%	130	18.0%	269	17.7%

- Commodity cost pressure has resulted in margin contraction in ECD.
- Strong improvement in Lighting margins YoY attributable to sustained volume and value growth and cost saving initiatives.

Cash Flow Highlights

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Particulars	Q1 FY 22	Q1 FY 21
	Rs Cr.	Rs Cr.
Profit before exceptional items and tax	127	101
Adjustments for:		
Depreciation	8	8
Interest and other adjustments	3	-6
(Increase) / Decrease in Working Capital	-241	93
Cash from Operation	-103	196
Taxes paid	-29	34
Net Cash from Operating Activities (A)	-132	229
<u>Cash flows from Investing Activities</u>		
Interest income	11	10
Sale of Fixed Assets	-	1
(Purchase) / sale of current investments (net)	123	-329
Purchase of Fixed Assets	-6	-2
Net Cash (used in) /from investing activities (B)	128	-320
<u>Cash flows from financing Activities</u>		
Proceeds from issue of shares	3	-
Proceeds from Short Term Borrowings (Net)	6	37
Payment of dividend including dividend distribution tax	1	1
Proceeds from debentures issued	-	300
Repayment of Lease Liability	-3	-3
Interest paid and Cost of debentures repaid	-218	-203
Net Cash (used in) /from financing activities (C)	-212	132
Net increase / (decrease) in cash and Bank balances	-216	42
Opening balance of Cash/Bank Balances	262	24
Closing Balance of Cash/Bank Balances	47	66

- Increase in working capital is due to higher inventory & advances for securing commodity.

- Q1 FY 21 includes impact of tax refund.

- NCDs repaid along with interest thereon.

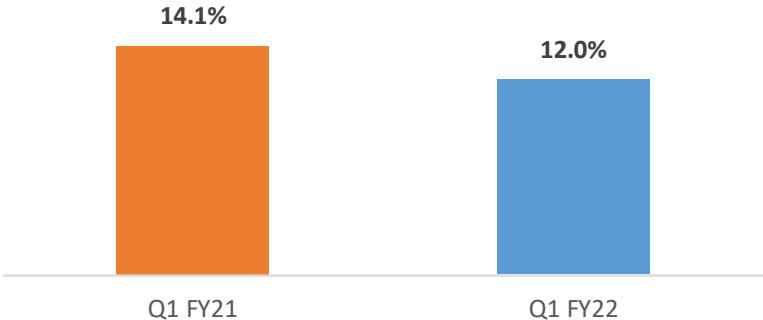
- Cash / Bank includes FD's with maturity less than 3 months

Particulars	As on June 21 Rs. Crs	As on June 20 Rs. Crs	As on Mar 21 Rs. Crs
Cash and Cash Equivalent	47	66	579
Other Bank Balances	342	24	25
Current Investment	656	884	770
Less: Total Debt*	305	516	479
Net Cash / (Debt)	739	458	895
Net Debt/Equity	NA	NA	NA
Net Debt/EBIDTA (Annualised)	NA	NA	NA

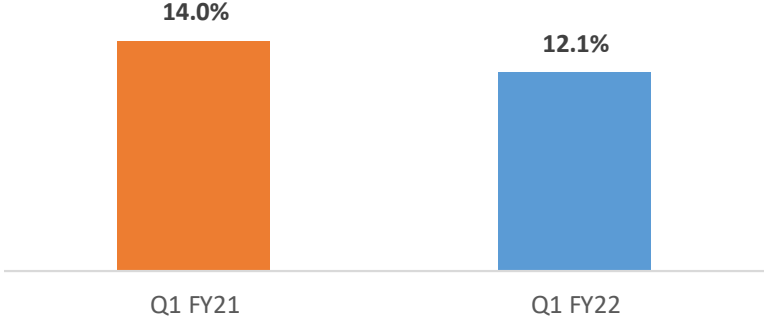
**Excludes Interest Accrued on debt*

Key Financial Ratios

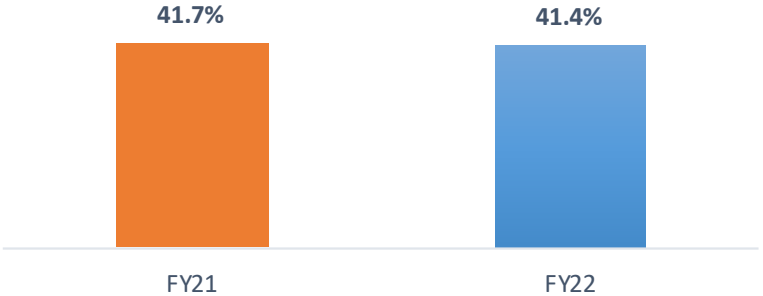
EBIDTA Margins



PBT Margins



RoCE



RoE



Thank You