

Date: October 22, 2020

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: 85/2020-21	Our Reference: 85/2020-21

Dear Sir/Madam,

Sub: Highlights of Q-2 of FY 2020-21

This is in continuation of our letter dated October 22, 2020 regarding Outcome of Board Meeting held on October 22, 2020 wherein the Company had approved the following:

1. Unaudited Financial Results (Standalone and Consolidated) for the quarter and half-year ended September 30, 2020;
2. Limited Review Report on the Unaudited Financial Results (Standalone and Consolidated) for the quarter and half-year ended September 30, 2020;
3. Declaration of interim dividend of Rs. 3/- (Rupees Three only) per share of Rs. 2/- each for the financial year 2020-21.

In this regard please find attached the highlights of Q-2 of FY 2020-21.

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 – Q2 FY21
(Consolidated)**

October, 2020

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Covid-19 Update

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HR – Winning with People

- Health and safety of our employees continues to remain top most priority for the company and we continue to provide full support to our employees in these challenging times
- Management extensively and periodically communicated with the employees through virtual townhall
- Virtual employee engagement activities being stepped up to ensure social capital is preserved.
- Hard work by employees is celebrated and appreciated through periodic rewards and recognition.
- Dedicated learning platform to help employees in developing their capabilities.
- Company has in these tough times rolled out increments and promotions effective October 20.

Business Agility– The Key Differentiator

- Wide range of consumer centric products, deep connection with channel partners, focus on alternate channels and efficient supply chain network has helped to steer pass these challenging times.
- Sales team has started their field visits with continued restrictions for those covering markets in red zone whereas moderate restrictions have been imposed for orange and green zones.
- Our early focus in making further inroads in rural channels by building capabilities have helped tap the rural revival faster and ensure consistent market share gains.

Covid-19 Update

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- We continue to leverage our strong presence in Modern Trade and E-COM channel. Focused digital campaigns along with promotions helped increase shares in these channels.
- ~1/3rd of our growth in Q2 over LY has been contributed by alternate channels viz. MOR/E-COM, CSD and Rural.
- Healthy growth momentum was witnessed in all business and across product categories.
- Introduction of new products continued in Q2 as well in across all product lines which will further strengthen our product portfolio.
- Resilient cost structure has helped to implement cost optimisation project which has led to strong operational performance during the quarter.
- We have resumed our brand building activity through advertisement campaigns and sales promotion activity in Q2.
- Cash collection continues to be buoyant, aiding further balance sheet strength.
- We remain cautious and vigilant in our approach considering the situation to be grim and volatility in environment is here to stay until overall outlook for the economy improves

Key Highlights – Q2

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▪ ECD Performance

- Fans, Domestic Pumps and Appliances drive growth in ECD segment
 - Strong performance by Fans growing 23%
 - Appliance business resumes exponential growth trajectory with 32% value growth
 - Domestic pumps business grew by 13%.
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▪ Lighting Performance

- Lighting Ex Govt. grew 1% over LY
 - B2C LED business volumes grew 9% with corresponding value growth of 10%
 - B2B (Ex Govt.) business at 100% activity of LY
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▪ Material margins expanded during the quarter over last year by ~100 bps

- Benefits accruing from cost optimization program
 - Lighting EBIT margins back to double digits
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▪ Market Share gains and leveraging alternate channel

- E-commerce and MOR channel witnesses 72% growth in Q2
 - We continued to gain market share in Fans and Appliances
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▪ Cash Conversion

- Cash conversion continues to be strong aided by efficient working capital management

Summary of Q2 Results

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Particulars	Q2 FY21 Rs. Cr	Q2 FY20 Rs. Cr	GoLY	Q1 FY21 Rs. Cr	
Net Sales	1,213	1,076	12.8%	720	
Less: Material Cost	813	733	11.0%	486	
Material Margin as a % of Net Sales	400 33.0%	343 31.9%	16.5%	234 32.5%	• Margins improved v/s LY and sequentially
<u>Less:</u>					
Employee Cost	80	81	-1.7%	72	
Advertisement & Sales Promotion	25	23	8.2%	2	
Other Expenses	104	110	-5.2%	59	• Other expenses down due to cost optimisation
EBIDTA as a % of Net Sales	191 15.8%	130 12.0%	47.8%	101 14.1%	
Less: Depreciation & Amortization	8	6	19.9%	8	
EBIT as a % of Net Sales	184 15.1%	123 11.4%	49.3%	93 13.0%	• Additional interest on NCD's raised in Q1FY21
Less: Finance Cost	11	9	27.8%	11	
Add: Other Income	17	12	36.2%	19	• Downward interest rate trajectory boosted investment gains
Profit Before Tax as a % of Net Sales	189 15.6%	127 11.8%	49.5%	101 14.0%	• LY tax included effect of rate reduction of Q1
Tax Expenses	47	16	205.0%	26	
Net Profit as a % of Net Sales	142 11.7%	111 10.3%	27.7%	75 10.4%	

Segment Details

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Segment Revenue

Particulars	Q2 FY21		Q2 FY20	GoLY	Q1 FY21	
	Rs.	Cr	Rs. Cr		Rs. Cr	Cr
Electrical Consumer Durables	932		788	18%	597	
Lighting Products	282		288	-2%	124	
Total Income from Operation	1,213		1,076	13%	720	

Segment EBIT

Particulars	Q2 FY21		Q2 FY20		Q1 FY21	
	Rs. Cr	EBIT %	Rs. Cr	EBIT %	Rs. Cr	EBIT %
Electrical Consumer Durables	196	21.0%	151	19.2%	122	20.5%
Lighting Products	33	11.7%	15	5.2%	7	6.1%
Total	229	18.9%	167	15.5%	130	18.0%

Lighting margins back to double digits, reversing trend of previous years

Cash Flow Highlights

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Particulars	Q2FY21	Q2FY20
	Rs Cr.	Rs Cr.
Profit before exceptional items and tax	189	127
Adjustments for:		
Depreciation	8	6
Interest and other adjustments	-0	3
(Increase) / Decrease in Working Capital	143	-38
Cash from Operation	339	98
Taxes paid	-49	-47
Net Cash from Operating Activities (A)	290	51
<u>Cash flows from Investing Activities</u>		
Interest income	3	7
(Purchase) / sale of current investments (net)	-123	110
Purchase of Fixed Assets	-6	-9
Net Cash (used in) /from investing activities (B)	-126	107
<u>Cash flows from financing Activities</u>		
Payment of dividend including DDT		
Proceeds from issue of shares	1	0
Payment of dividend including dividend distribution tax	-	-151
Proceeds/(Repayment) of Short term borrowing (Net)	-37	-
Repayment of Lease Liability	-3	-2
Interest paid and cost of debentures paid	-1	0
Net Cash (used in) /from financing activities (C)	-40	-153
Net increase / (decrease) in cash and Bank balances	124	6
Opening balance of Cash/Bank Balances	65	44
Closing Balance of Cash/Bank Balances	189	50

- Improved collection and efficient management of inventory aided WC efficiency

- Cash generated during the period invested

- Short term loans for working capital needs repaid

Net Debt

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Particulars	As on Sep 20 Rs. Crs	As on Sep 19 Rs. Crs	As on Jun 20 Rs. Crs
Total Debt*	479	350	516
Less: Cash and Bank	213	53	90
Less: Current Investment	1,020	364	884
Total Net Debt	-755	-67	-458
Net Debt/Equity	NA	NA	NA
Net Debt/EBIDTA (Annualised)	NA	NA	NA

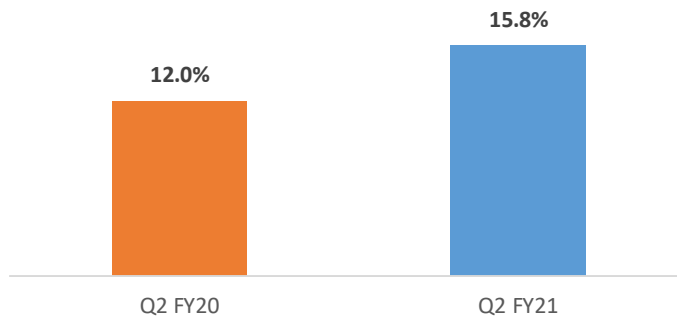
- Company's cash conversion cycle continues to remain strong and is visible in increasing net cash and equivalents over the period

**Excludes Interest Accrued on debt*

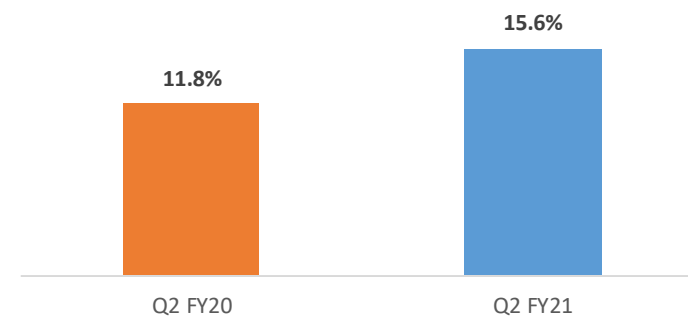
Key Financial Ratios

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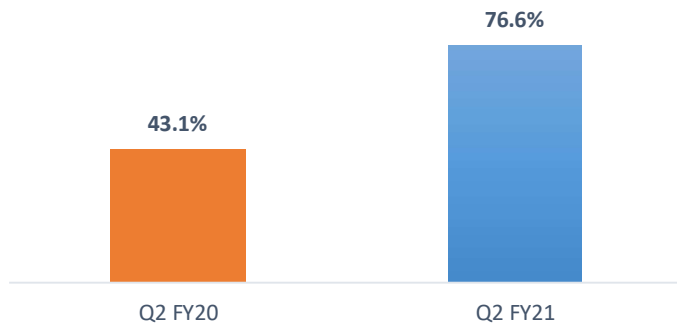
EBIDTA Margins



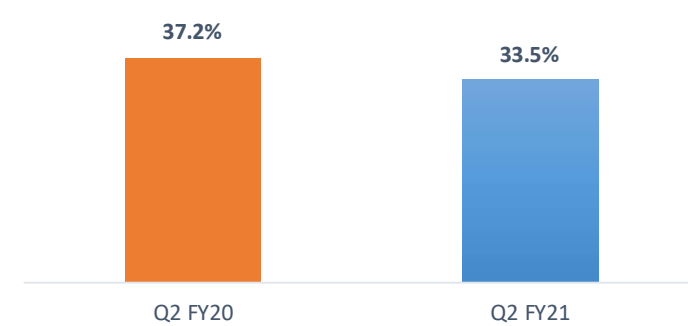
PBT Margins



RoCE



RoE



**RoCE and RoE has been annualised*



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Thank You