

Crompton Greaves Consumer Electricals Limited

Registered & Corporate Office: Tower 3, 1st Floor,

East Wing, Equinox Business Park, LBS Marg,

Kurla (West), Mumbai - 400 070.India

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

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

Date: August 12, 2023

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: 82/2023-24	Our Reference: 82/2023-24

Dear Sir/Madam,

Sub: Disclosure under Regulation 54(3) of SEBI LODR for the quarter ended June 30, 2023

Pursuant to Regulation 54(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_CRADT/ CIR/P/2022/67 dated May 19, 2022 please find enclosed herewith Statement of Security Cover for the quarter ended June 30, 2023 with respect to Non-Convertible Debentures ("NCDs") issued by the Company.

We confirm that the security cover as on June 30, 2023 exceeds hundred percent of the principal amount.

We request you to kindly take the same on record.

Thanking you,

For Crompton Greaves Consumer Electricals Limited

Rashmi Khandelwal
Company Secretary & Compliance Officer
ACS - 28839

Encl: a/a

AUDITOR'S CERTIFICATE

Private and Confidential

To
The Board of Directors
Crompton Greaves Consumer Electricals Limited
Tower 3, 1st Floor, Equinox Business Park,
LBS Marg, Kurla (West),
Mumbai - 400 070, Maharashtra, India

Independent Auditors' Certificate on Statement of Security Cover and Statement of Compliance with Financial Covenants in respect of its 9,250 Listed, Secured, Non-convertible debentures of the face value of Rs. 10 Lakhs each, aggregating to Rs. 925 Crores of Crompton Greaves Consumer Electricals Limited as at June 30, 2023 pursuant to Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended);

1. This report is being issued with the terms of mandate letter to the Board of Directors of Crompton Greaves Consumer Electricals Limited dated August 09, 2023.
2. We, M S K A & Associates, Chartered Accountants, are the Statutory Auditors of Crompton Greaves Consumer Electricals Limited ("the Company") and have been requested by the Management of the Company to examine the accompanying Annexures i.e. Statement of Security Cover and Statement of Compliance with Financial Covenants as per the terms of Debenture Trust Deed in respect of its Listed, Secured, Non-convertible debentures of the face value of Rs. 10 Lakhs each, aggregating to Rs. 925 Crores as at June 30, 2023 (collectively referred as "the Statements"). The Statements have been prepared by the Company on the basis of the unaudited financial results and other relevant records and documents maintained by the Company as at June 30, 2023, in respect of its Listed, Secured, Non-convertible debentures stated above, in compliance with the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended), Regulation 15 (1)(t)(ii)(a) of the SEBI (Debenture Trustee) Regulations, 1993 (as amended) and the SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter together referred to as "the Regulations"). The Statements have been initialed by us for identification purposes only.
3. The Statements have been prepared for the purpose of onward submission to the Company's Debenture Trustee to ensure compliance with the Regulations in respect of its 9,250 Listed, Secured, Non-convertible debentures of the face value of Rs. 10 Lakhs each, aggregating to Rs. 925 Crores.

Management's Responsibility for the Statements

4. The preparation of the Statements is the responsibility of management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



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5. The management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the Regulations and for providing all relevant information to the Company's Debenture Trustee as prescribed in the respective Debenture Trust Deed entered into between the Company and its Debenture Trustee in respect of its 9,250 Listed, Secured, Non-convertible debentures of the face value of Rs. 10 Lakhs each, aggregating to Rs. 925 Crores.

Auditor's Responsibility

6. Pursuant to the requirements of the Regulations, it is our responsibility to obtain limited assurance and form a conclusion as to whether the book values of the assets of the Company contained in Columns A to J of the Statement of Security Cover, and Statement of Compliance with Financial Covenants have been accurately extracted and ascertained from the unaudited books of account of the Company and other relevant records and documents maintained by the Company, and whether the Company maintained the asset cover and complied with the financial covenants as per the Debenture Trust Deed. Our responsibility does not include the evaluation of adherence by the Company with all the applicable Regulations.
7. For the purposes of this report, we have relied on the unaudited books of account of the Company for the period ended June 30, 2023 and information and documents as made available to us by the Company.
8. A limited assurance engagement involves making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. Accordingly, we have performed the following procedures in relation to the Statements:

For Security Cover:

- a) Obtained and read the Debenture Trust Deed entered into between the Company and its Debenture Trustee and noted that as per Clause 6 of this deed, the Company is required to maintain a security cover percentage of at least 1.5 times (including the valuation of the Brand) in respect of such debentures as indicated in the Statement of Security Cover (based on book values);
- b) Traced and agreed the principal amount and the interest on borrowings outstanding in respect of debt securities and assets available for debt securities as at June 30, 2023 to the unaudited books of account maintained by the Company as at June 30, 2023;
- c) Obtained and read the list of security cover in respect of debentures outstanding as per the Statement of Security Cover and traced the value of assets from the Statement to the unaudited books of account of the Company and correlated to the books of account and other records of the Company as at June 30, 2023;



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- d) Understood the nature of charge (viz pari-passu charge) on the asset of the Company by obtaining the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured Listed, Secured, Non-convertible debt security;
- e) Examined and verified the arithmetical accuracy of the computation of security cover ratio (based on book values) mentioned in the accompanying Statement;
- f) Compared the Asset Cover with requirement as per Debenture Trust Deed;
- g) Obtained the workings of assets and liabilities presented in the respective columns in the Statements and verified the same from the unaudited books of account and relevant records and documents underlying the unaudited financial results as at June 30, 2023; and
- h) Performed necessary inquiries with the management and obtained necessary representations.

For Financial Covenants:

- a) Obtained and read the Debenture Trust Deed entered into between the Company and its Debenture Trustee and noted that as per Clause 6 of this deed, the Gross Debt/ EBITDA of the Company shall not exceed 2.50 and the Interest Coverage Ratio shall not fall below 4;
 - b) Obtained the certified Statement of Compliance with Financial Covenants as at June 30, 2023 from management;
 - c) Traced the numbers used in computation of 'Gross Debt / EBIDTA' and 'Interest Coverage Ratio' from the unaudited financial statements as at June 30, 2023;
 - d) Reviewed the mathematical accuracy of the ratios; and
 - e) Obtained written representations from the Management in this regard.
10. We conducted our examination of the Statements in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



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Conclusion

12. Based on the procedures performed as referred to in paragraph 9 above and according to the information, explanations and representations provided to us by the Management of the Company, nothing has come to our attention that causes us to believe that the book values of the assets of the Company contained in Columns A to J of the Statement of Security Cover, and the Statement of Compliance with Financial Covenants are not in agreement with the unaudited books of account of the Company for the period ended and as at June 30, 2023 and other relevant records and documents maintained by the Company and that the Company has not complied with financial covenants of the debentures.

Restriction on Use

13. The Report is addressed to the Board of Directors of the Company solely for the purpose of onward submission to the Company's Debenture Trustee pursuant to the requirements of the Regulations. It should not be used by any other person or for any other purpose. This report relates only to the Statements specified above and does not extend to any financial or other information of the Company. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
14. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 23207132BGQSAF4416
Place: Mumbai
Date: August 12, 2023



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Statement of Security Cover

Amount in Rs. Crores

Column A	Column B	Column C ⁱ	Column D ⁱⁱ	Column E ⁱⁱⁱ	Column F ^{iv}	Column G ^v	Column H ^{vi}	Column I ^{vii}	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (Includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)	debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets ^{viii}	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)		
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment							224.02		224.02					
Capital Work-in-Progress							1.51		1.51					
Right of Use Assets							72.46		72.46					
Goodwill							779.41		779.41					
Intangible Assets	Crompton-and Crompton greaves Brand	-	-	-	-	-	-	-	-	-	-	6093.10	-	6093.10



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Intangible Assets	Other Intangible Assets						50.24		50.24				
Intangible Assets under Development							32.38		32.38				
Investments (current+non current)							2,547.60		2,547.60				
Loans													
Inventories			643.17						643.17				
Trade Receivables			483.05						483.05				
Cash and Cash Equivalents							78.93		78.93				
Bank Balances other than Cash and Cash Equivalents							3.72		3.72				
Others – OFA-NC ONCA OFA-C OCA Tax Assets – NC & C							12.46 75.91 23.69 76.28 9.55		12.46 75.91 23.69 76.28 9.55				
Total			1126.22				3988.16		5114.38			6093.10	6093.10
LIABILITIES													
Debt securities to which this certificate Pertains	NCD			Yes			922.66 (Refer Note 1)		922.66				
Other debt sharing pari-passu charge with above debt													
Other Debt													



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Statement of Compliance with Financial Covenants

To,
Catalyst Trusteeship Limited,
GDA House, Plot No. 85,
Bhusari Colony (Right),
Kothrud, Pune – 411038

Dear Sir/Madam,

Sub: Statement of Compliance with Financial Covenants for the period ended June 30, 2023

With reference to the captioned subject we hereby confirm and certify compliance of Financial Covenants as mentioned below:

Sr. No.	Ratio	Covenant	For the period ended June 30, 2023	Compliance status
1.	Gross Debt / EBIDTA	For FY 2023-24 - shall not exceed 2.5	1.39	Complied
2.	Security Cover	At least 1.5 times	6.24	Complied
3.	Interest Coverage Ratio (ISCR)	For FY 2023-24 - shall not fall below 4.00	9.90	Complied

For Crompton Greaves Consumer Electricals Limited


Kaleeswaran Arunachalam
Chief Financial Officer



For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Srividya Vaidison
Partner
Membership No. 207132

UDIN: 23207132BGQSA
- F4416



Date: August 12, 2023
Place: Mumbai