Crompton

Crompton Greaves Consumer Electricals Limited
Registered & Corporate Office: Tower 3, 1st Floor,
East Wing, Equinox Business Park, LBS Marg,
Kurla (West), Mumbai - 400 070.India
T: +91 22 6167 8499 F: +91 22 6167 8383
W: www.crompton.co.in CIN: L31900MH2015PLC262254

Date: June 02, 2020

To, **BSE Limited ("BSE")**, Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, **National Stock Exchange of India Limited ("NSE")**, "Exchange Plaza", 5th 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: 34/2020-21	**Our Reference: 34/2020-21**

Dear Sir/Madam,

Sub: Disclosure of Material impact of COVID-19 pandemic

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith disclosure on material impact of COVID-19 pandemic on the Company.

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

Thanking you,

For Crompton Greaves Consumer Electricals Limited

PRAGYA KAUL

Digitally signed by PRAGYA KAUL
DN: c=IN, o=Personal, postalCode=400074, st=MAHARASHTRA, serialNumber=84c3cda8c48ae17c551bd8b9ee5a8312ce8ac0972726393186cb59193af2751f, cn=PRAGYA KAUL
Date: 2020.06.02 12:37:55 +05'30'

Pragya Kaul
Company Secretary & Compliance Officer

Crompton

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of CoVID-19 pandemic the details are as follows:

S. No.	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business	The lockdown and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to all the businesses of Crompton Greaves Consumer Electricals Limited (the "Company") and its subsidiaries. The Company has through various communications from 26th March 2020 to 30th April 2020 updated the exchanges on events like suspension & restarting, as applicable, of operations at its plants & offices. From the second fortnight of March 2020, the Company's business has been severely impacted due to sales loss on account of country wide lockdown and restriction on movement of goods. This period also coincides with the peak season for products like fans, pumps & coolers. While activity has slowly started to pick up in May, it is still significantly below normal & the Company expects the current quarter to be significantly lower in terms of activity versus corresponding period last year. It is still uncertain as to how & when activity will return to normalcy & hence it is not possible to predict impact for the future period.
2.	Ability to maintain operations including the factories/units/office spaces functioning and closed down;	As stated earlier, manufacturing locations, offices, and warehouses were shut down during the lockdown phase and re-opening was initiated only after obtaining prior and requisite approval. The Company had, as a precautionary measure, initiated work from home across our offices well before formal intimation by the government.
3.	Schedule, if any, for restarting the operations	The Company resumed operations, after due approvals, at all its factories and warehouses. (More than 70% of vendor partners have resumed operations. All operations are in full compliance of the regulatory norms. The Company has begun sales & distribution operations in green zones and other places in line with government guidelines and with all requisite approvals from government bodies.

PRAGYA KAUL

Digitally signed by PRAGYA KAUL
DN: c=IN, o=Personal, postalCode=400074, st=MAHARASHTRA, serialNumber=84c3cda8c48ae17c551bd8b9ee5a8312ce8ac0972726393186cb59193af2751f, cn=PRAGYA KAUL
Date: 2020.06.02 12:38:55 +05'30'

Crompton

4.	Steps taken to ensure smooth functioning of operations	As a preventive measure, a robust Business Continuity Plan (BCP) was prepared and implemented in late February / early March. All critical business activities were tested for their smooth functioning and were successfully working during company initiated work from home. Critical operations like treasury, statutory compliance and payments, collections etc continue to work smoothly during extended lockdown.
5.	Estimation of the future impact of COVID-19 on its operations	The Company believes social distancing norms are here to stay over the foreseeable future and has identified changes required in operations to comply with the same and to ensure safety of its employees at all locations. The Company has made changes in production lines to ensure social distancing and has worked out plans to work with reduced manpower in office and continue work from home. The Company is working on plans to change layouts in some of its plants to improve productivity keeping in mind the new social distancing norms. Sales activity continues to be below pre-Covid level. These are early days and the Company is not in a position to gauge with certainty the future impact on operations but expects normalcy to be achieved only once the lockdown is fully lifted and normal economic activity is resumed. Consumers are expected to reduce spends on discretionary items and hence there could be some short-term impact on demand for some of the Company's products.
6.	**Details of impact of COVID-19 on listed entity's: -**	
6.1	Capital and financial resources	The disruption caused by Covid-19 and the resultant lockdown has impacted performance, profitability and cash flows. The Company has drawn up plans to cut non-essential costs and conserve cash in the disruption. Simultaneously it has drawn up plans for an accelerated ramp up as the lock down restrictions are eased. The Company has a healthy cash position with cash and cash equivalents of Rs 585 crores as on 31st March 2020. This liquidity was used to make timely statutory & regulatory payments, employee payments & dues to MSMEs. The Company has in May 2020, raised a further Rs 300 crores by issuance of NCD's to be used for redemption of existing NCD's (Rs 170 Cr due in end June) and for working capital needs. The Company does not see any incremental risk to recoverability of assets (Inventories,
6.2	Profitability	
6.3	Liquidity position	
6.4	Ability to service debt and other financing arrangements	
6.5	Assets	
6.6	Internal financial reporting and control	

PRAGYA KAUL

		investments, Receivables, etc.) given the measures being taken to mitigate the risks. The Company's investment in digitization and strengthening internal controls over the year and a strong BCP enabled it to function well during lockdown even with all employees working from home. Internal controls continue to function without any challenge and financial reporting / auditing has been conducted with all statutory compliances within deadlines. There is also no impact on internal financial controls due to the COVID-19 situation. The results for the quarter and year ended 31st March 2020 were duly audited and approved by the Board on 15th May 2020, as per the normal timelines.
6.7	Supply Chain	The Company has resumed operations, after due approvals, at all its factories and warehouses (except one). More than 70% of vendor partners have resumed operations. All operations are in full compliance of the regulatory norms.
7	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:	The Company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party
8	Other relevant material updates about the listed entity's business	None

For Crompton Greaves Consumer Electricals Limited

PRAGYA KAUL

Digitally signed by PRAGYA KAUL
DN: c=IN, o=Personal, postalCode=400074, st=MAHARASHTRA, serialNumber=84c3cda8c48ae17c551bd8b9ee5a8312ce8ac0972726393186cb59193af2751f, cn=PRAGYA KAUL
Date: 2020.06.02 12:40:15 +05'30'

Pragya Kaul
Company Secretary & Compliance Officer