

Crompton Greaves Consumer Electricals

In-line performance amid demand softness

CROMPTON's consolidated sales grew 5% YoY to Rs17.8bn, in-line with our estimate. ECD sales grew 17% YoY to Rs12.4bn driven by fans (+18%), appliances and pumps. Lighting sales fell 12% YoY to Rs2.4bn due to industry-wide challenges in B2C demand and LED price erosion. Consolidated gross margin fell 80bps YoY to 31.3%. EBITDA fell 10% YoY to Rs1.7bn, leading to margin decline of 160bps YoY to 9.8%, in-line with our estimate. Margin was affected due to continued investments towards brand building, capability building, A&P spends (up 31% YoY) and GTM. Lower other income (down 19% YoY to Rs149mn) and higher tax rate at 25.7% (vs. 14.7% YoY) led to 23% YoY fall in PAT at Rs972mn, 10% below our estimate. Consumer demand continues to remain moderate while some seasonal uptick is seen for festive sales. CROMPTON is focusing on premiumization and better product mix, yet continuous investments towards brand building will limit margin recovery. We trim our FY24E/25E earnings estimates by 15%/12% and roll over valuations to Sept'25. Retain ADD rating with a revised target price of Rs295 (Rs300 earlier) based on unchanged P/E of 25x H1FY26E EPS.

ECD: Healthy sales in fans & Appliances; cost actions and pricing key for margins

ECD segment sales grew by 17% YoY to Rs12.4bn with EBIT margin at 14.2%, down 290bps YoY. EBIT margin was impacted mainly due to under-absorption of cost increase in fans post BEE transition. Out of 15% cost increase, CROMPTON has mitigated 8-9% through value engineering, while the rest has to be addressed through price hikes. It took 1-1.5% hike in Q2FY24. Fans sales grew 18% YoY, largely driven by ceiling and TPW fans. Premium fans saw healthy growth (up 30% YoY), forming 28% of total fans sales (up 250bps YoY). Pumps growth was 10% YoY driven by strong uptick in agri and residential pumps and pricing actions. Appliances growth was also healthy at 17% YoY largely driven by strong volume growth (highest ever sales of >0.1mn units in Q2) in water heaters and coolers leading to 10% market share. Built-in kitchen appliances sales were at Rs140mn with EBITDA loss of Rs65mn. Crompton Signature Store count increased to 75.

Lighting: Revenue declines amid weak demand; margin improve with cost measures

Lighting sales fell 12% YoY to Rs2.4bn due to weak B2C demand and LED price reduction in battens and lamps. B2B sales were flattish. However, cost optimization initiatives and favorable product mix led to 250bps YoY expansion in EBIT margin to 10.5%. Crompton is focusing on creating a robust product portfolio and enhancing distribution reach.

Butterfly: Shift of festive season affects sales; cost measures aided margins expansion

Butterfly sales fell 17% YoY to Rs3.1bn while EBIT margin fell 440bps YoY to 6.6%, mainly due to shift in Diwali festive sales to Q3FY24. Gross margin grew 170bps YoY to 37% led by value engineering, and cost control initiatives. Retail and modern trade continues to grow. 8-10% cost synergies are planned in warehousing, logistics and after-sales service.

Maintain ADD, with a revised target price of Rs295

We expect CROMPTON to report revenue CAGR of 14.2% and EPS CAGR of 21% (on low base) over FY23-26E. Growth will be led by premium fans and scale up in B2C lighting, appliances and Butterfly. Sustainable level of ECD margin is a key variable/risk.

Financial and valuation summary

YE Mar (Rs mn)	2QFY24A	2QFY23A	YoY (%)	1QFY24A	QoQ (%)	FY24E	FY25E	FY26E
Revenues	17,823	16,995	4.9	18,769	(5.0)	76,198	89,058	1,02,311
EBITDA	1,745	1,931	(9.6)	1,858	(6.1)	7,787	10,021	12,048
EBITDA margin (%)	9.8	11.4	(160bps)	9.9	(10bps)	10.2	11.3	11.8
Adj. Net profit	972	1,258	(22.7)	1,184	(17.9)	4,814	6,719	8,285
Adj. EPS (Rs)	1.5	2.0	(23.2)	1.9	(17.9)	7.6	10.6	13.0
EPS growth (%)						3.9	39.6	23.3
PE (x)						37.4	26.8	21.7
EV/EBITDA (x)						23.7	17.9	14.4
PBV (x)						6.1	5.3	4.6
RoE (%)						17.2	21.3	22.9
RoCE (%)						14.2	18.5	20.9

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

Result Update
India I Consumer Electricals
06 November, 2023

Institutional Research

ADD

Price: Rs283
Target Price: Rs295
Forecast return: 4%

Market Data

Bloomberg:	CROMPTON IN
52 week H/L:	377/251
Market cap:	Rs181.3bn
Shares Outstanding:	640.2mn
Free float:	98.4%
Avg. daily vol. 3mth:	27,54,574

Source: Bloomberg

Changes in the report

Rating:	ADD; Unchanged
Target price:	Rs295; down 1.7%
EPS:	FY24E: Rs7.6; down 14.8%
	FY25E: Rs10.6; down 11.8%

Source: Centrum Broking

Shareholding pattern

	Sep-23	Jun-23	Mar-23	Dec-22
Promoter	0.0	0.0	0.0	0.0
FIIs	35.6	35.0	39.6	39.5
DIIIs	45.8	46.7	44.4	44.8
Public/other	18.6	18.3	16.0	15.7

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q2FY24	Actual Q2FY24	Variance (%)
Revenue	17,816	17,823	0.0
EBITDA	1,723	1,745	1.3
EBITDA margin (%)	9.7	9.8	10bps
PAT	1,080	972	(10.0)
EPS	1.7	1.5	(10.0)

Source: Bloomberg, Centrum Broking



Chirag Muchhala

Research Analyst, Consumer Electricals
+91-22-4215 9203
chirag.muchhala@centrum.co.in



Rahul Kumar Mishra

Research Associate, Consumer Electricals
+91-22-4215 9265
rahulkumar.mishra@centrum.co.in

Consumer Electricals

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY24E New	FY24E Old	% chg	FY25E New	FY25E Old	% chg
Revenue	76,198	77,573	(1.8)	89,058	90,412	(1.5)
EBITDA	7,787	8,760	(11.1)	10,021	11,244	(10.9)
EBITDA margin %	10.2	11.3	(110bps)	11.3	12.4	(120bps)
Adj. PAT	4,814	5,648	(14.8)	6,719	7,620	(11.8)
Diluted EPS (Rs)	7.6	8.9	(14.8)	10.6	12.0	(11.8)

Source: Centrum Broking

Crompton Greaves versus NIFTY Midcap 100

	1m	6m	1 year
CROMPTON IN	(5.9)	10.7	(21.8)
NIFTY Midcap 100	(0.9)	24.2	26.0

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY24E	FY25E	FY26E
Electrical Consumer Durables			
Revenue growth (%)	14.0	17.0	15.0
EBIT margin (%)	13.8	14.5	15.0
Lighting Products			
Revenue growth (%)	(1.0)	15.0	13.0
EBIT margin (%)	11.2	12.0	12.4
Butterfly Gandhimathi			
Revenue growth (%)	9.0	18.0	16.0
EBIT margin (%)	8.4	9.5	10.5

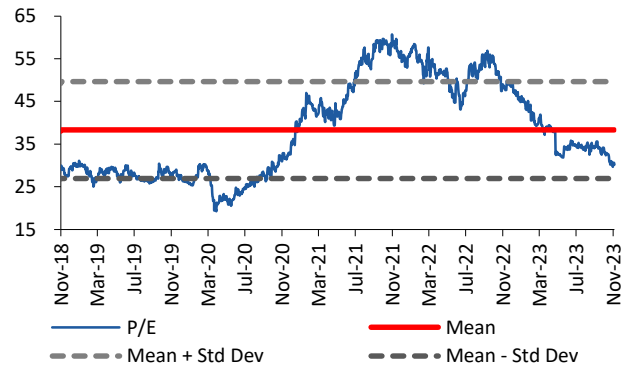
Source: Centrum Broking

Valuations

We value Crompton at 25x H1FY26E EPS and arrive at the target price of Rs295.

Valuations	Rs/share
H1FY26E EPS	11.8
PE (x)	25
Target price per share	295

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	Mkt Cap (Rs mn)	CAGR (FY23-25E)			P/E (x)			ROE (%)			ROCE (%)		
		Sales	EBITDA	EPS	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
BJE	1,21,477	13.3	22.3	30.2	56.4	47.6	33.3	11.6	12.4	15.9	13.2	13.8	17.3
CROMPTON	1,80,016	13.9	14.0	20.4	38.9	37.4	26.8	18.1	17.2	21.3	12.7	14.2	18.5
HAVL	7,91,334	14.3	20.0	23.0	73.6	60.5	48.7	17.1	18.8	21.1	16.9	19.3	21.5
ORIENTEL	46,767	16.4	34.0	40.5	61.5	46.1	31.2	13.5	16.4	21.2	16.0	16.7	23.5
POLYCAB	7,71,051	21.1	23.7	25.0	60.6	43.6	38.9	20.9	24.2	22.7	21.4	24.8	23.4
VGRD	1,26,908	18.2	33.9	38.6	67.2	46.7	34.9	12.5	15.9	18.7	11.6	14.5	17.5

Source: Company, Centrum Broking

Key concall takeaways

Financials and Overview

- Consumer demand continues to be moderate, seeing some seasonal uptick for festive season but not a structural shift
- Efforts of premiumization, mix improvement and cost optimization has partially offset inflation
- Continue to make consistent investment in brand building, Ad spend was up 31% YoY in Q2 and 50% in H1
- Exclusive brand outlet sales' run rate increased to Rs50mn per month vs Rs30mn per month. Opened 75th Signature store
- Growing 2x in alternate channel vs. General trade. While traditional GTM general trade is growing, e-commerce business doubled in Q2
- Commodity is moving towards stabilization mode. But BEE related cost increase in Fans is yet to be fully priced in. Took one price increase in Sept for Fans of 1-1.5%
- In the process of creating a strategic footprint of which categories they will manufacture in-house and what will be outsourced

ECD

- Premium Fans saliency at 28%, up by 1%. Have largest BLDC fans range in the industry
- Premium segment grew 30%. TPW is the fastest growing category led by high speed variants. In premium fans and TPW fans, Crompton has lower market share and hence they are scaling it up.
- Started to manufacture sub-economy products in-house
- Lower ECD margin is due to structural shift in fans margin post BEE rating change related cost increase
- BEE cost increase was 15%. Of that, 8-9% was offset through value engineering. 5-6% price hike was required but since summer was weak industry could not take it.
- Crompton took 1-1.5% price hike in Sept 2023, one or two more such price hikes are needed to restore margins
- Appliances grew 17% (both large and small domestic appliances grew by 17%).
- Enhancing fleet on street for small domestic appliances
- Water heater and coolers (large domestic appliances) – in Q2 sold in excess of 10 lacs units, largest ever for Crompton, translating to 10% plus market share
- New brand architecture deployed in pumps
- Pumps grew 10% led by Agri pumps (up 17%) and submersible pumps (up 20%). Crompton has 30% market share in Residential pumps.
- H1 built-in Kitchen appliances loss is Rs 14 cr. Crompton is incubating this business due to its high growth opportunity and are currently in investment phase. Product portfolio expansion will continue.
- In Fans they are on a journey to do more in-house manufacturing. Currently its 50-50. Small domestic appliances are largely outsourced.

Lighting

- Lighting premium saliency also improved by 1%
- Lighting margin rose due to cost optimization measure and product mix
- In battens and lamps, price erosion happening. There are early signs of recovery in B2B.
- Both B2C and B2B lighting is largely insourced.

Butterfly Gandhimathi

- Retail and modern trade continues to grow, shift in festive season impacted demand in Q2
- Butterfly + Crompton cost savings can be 8-10% in the form of warehousing, logistics and after sales services

Quarterly performance trend

Exhibit 1: Quarterly Financial Snapshot

Y/E March (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Revenue	14,106	15,479	18,629	16,995	15,162	17,910	18,769	17,823	4.9	(5.0)
Direct Costs	9,638	10,857	12,780	11,534	10,230	12,260	12,983	12,240	6.1	(5.7)
Gross Profit	4,468	4,622	5,849	5,461	4,932	5,650	5,786	5,582	2.2	(3.5)
Staff Cost	941	835	1,434	1,332	1,341	1,301	1,434	1,501	12.7	4.7
Other Expenses	1,511	1,499	2,216	2,198	2,067	2,235	2,494	2,336	6.3	(6.3)
Total Expenditure	12,091	13,192	16,430	15,064	13,638	15,795	16,911	16,078	6.7	(4.9)
EBITDA	2,015	2,288	2,199	1,931	1,524	2,114	1,858	1,745	(9.6)	(6.1)
Depreciation	102	145	276	283	297	304	292	321	13.6	10.1
EBIT	1,914	2,143	1,924	1,648	1,227	1,810	1,566	1,424	(13.6)	(9.1)
Interest	67	106	225	299	294	274	206	215	(27.9)	4.7
Other Income	140	222	104	183	213	168	198	149	(18.7)	(24.8)
Exceptional items	-	(130)	(64)	-	-	-	-	-	NA	NA
PBT	1,987	2,129	1,739	1,533	1,146	1,704	1,558	1,358	(11.4)	(12.9)
Tax	505	364	479	226	264	389	338	349	54.7	3.2
Less : Minority interest	-	-	49	49	29	4	37	37	(25.8)	(0.8)
PAT after minority interest	1,483	1,766	1,210	1,258	853	1,312	1,184	972	(22.7)	(17.9)
EPS (Rs/share)	2.4	2.8	1.9	2.0	1.3	2.1	1.9	1.5	(23.2)	(17.9)

As a % of revenue

Direct Costs	68.3	70.1	68.6	67.9	67.5	68.5	69.2	68.7
Gross Margin	31.7	29.9	31.4	32.1	32.5	31.5	30.8	31.3
Staff Cost	6.7	5.4	7.7	7.8	8.8	7.3	7.6	8.4
Other expenses	10.7	9.7	11.9	12.9	13.6	12.5	13.3	13.1
EBITDA Margin	14.3	14.8	11.8	11.4	10.1	11.8	9.9	9.8
PAT Margin	10.5	11.4	6.8	7.7	5.8	7.3	6.5	5.7
Tax rate	25.4	17.1	27.6	14.7	23.0	22.8	21.7	25.7

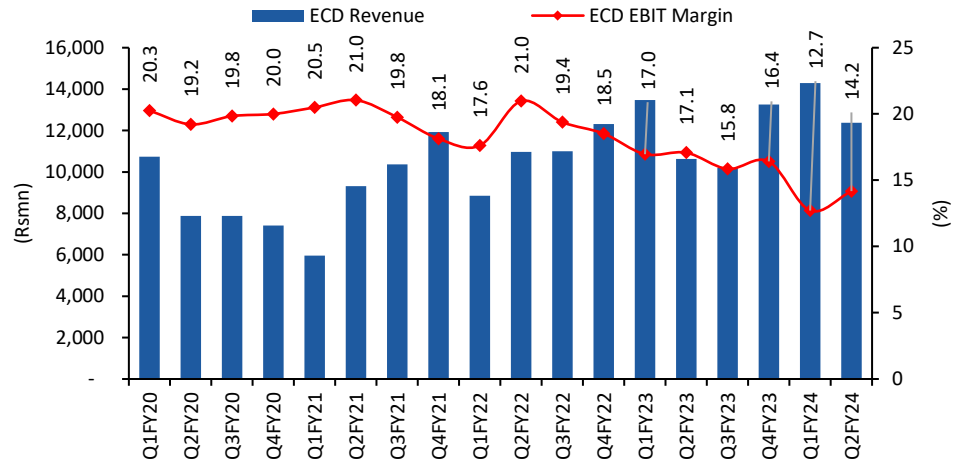
Source: Company Data, Centrum Broking

Exhibit 2: Quarterly Segmental Snapshot

Y/E March	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Revenue (Rs mn)										
Electrical Consumer Durables	10,993	12,309	13,472	10,622	10,203	13,257	14,290	12,380	16.5	(13.4)
Lighting	3,113	3,170	2,623	2,696	2,477	2,786	2,290	2,387	(11.5)	4.2
Butterfly	-	-	2,535	3,677	2,483	1,867	2,189	3,056	(16.9)	39.6
Total	14,106	15,479	18,629	16,995	15,162	17,910	18,769	17,823	4.9	(5.0)
Revenue mix (%)										
Electrical Consumer Durables	77.9	79.5	72.3	62.5	67.3	74.0	76.1	69.5		
Lighting	22.1	20.5	14.1	15.9	16.3	15.6	12.2	13.4		
Butterfly			13.6	21.6	16.4	10.4	11.7	17.1		
EBIT (Rs mn)										
Electrical Consumer Durables	2,130	2,279	2,285	1,814	1,617	2,177	1,816	1,755	(3.2)	(3.4)
Lighting	324	448	232	215	255	303	273	250	16.1	(8.5)
Butterfly	-	-	219	403	181	37	160	202	(49.9)	26.6
Total	2,454	2,727	2,736	2,432	2,052	2,518	2,249	2,207	(9.3)	(1.9)
EBIT margin (%)										
Electrical Consumer Durables	19.4	18.5	17.0	17.1	15.8	16.4	12.7	14.2		
Lighting	10.4	14.1	8.8	8.0	10.3	10.9	11.9	10.5		
Butterfly	-	-	8.6	11.0	7.3	2.0	7.3	6.6		

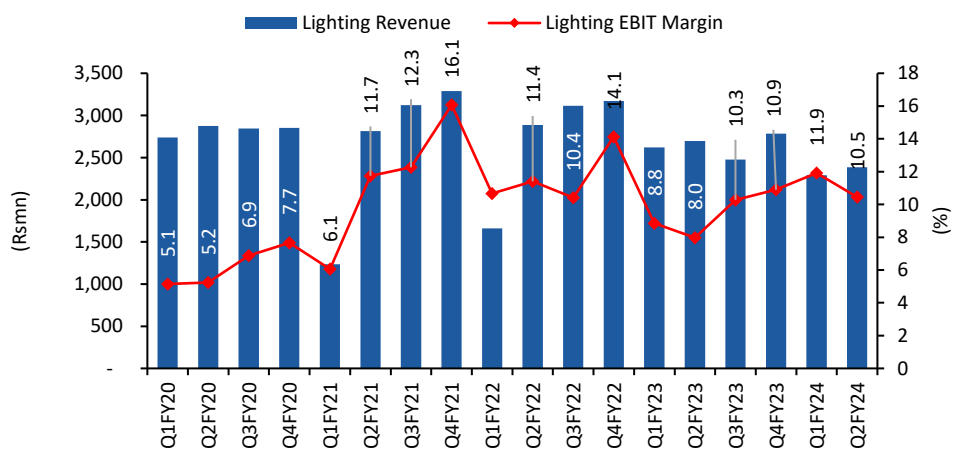
Source: Company Data, Centrum Broking

Exhibit 3: ECD revenue and EBIT margin trend



Source: Company Data, Centrum Broking

Exhibit 4: Lighting revenue and EBIT margin trend



Source: Company Data, Centrum Broking

P&L					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenues	53,941	68,696	76,198	89,058	1,02,311
Operating Expense	37,018	46,804	52,196	60,648	69,265
Employee cost	3,624	5,408	6,096	6,679	7,366
Others	5,605	8,780	10,119	11,709	13,632
EBITDA	7,695	7,705	7,787	10,021	12,048
Depreciation & Amortisation	423	1,159	1,197	1,287	1,377
EBIT	7,272	6,546	6,591	8,734	10,671
Interest expenses	353	1,092	850	490	360
Other income	727	668	745	795	850
PBT	7,515	6,122	6,486	9,039	11,161
Taxes	1,732	1,358	1,492	2,079	2,567
Effective tax rate (%)	23.0	22.2	23.0	23.0	23.0
PAT	5,784	4,764	4,994	6,960	8,594
Minority/Associates	0	(132)	(180)	(240)	(309)
Recurring PAT	5,784	4,632	4,814	6,719	8,285
Extraordinary items	0	0	0	0	0
Reported PAT	5,784	4,632	4,814	6,719	8,285
Ratios					
YE Mar	FY22A	FY23A	FY24E	FY25E	FY26E
Growth (%)					
Revenue	12.3	27.4	10.9	16.9	14.9
EBITDA	6.8	0.1	1.1	28.7	20.2
Adj. EPS	(7.1)	(20.3)	3.9	39.6	23.3
Margins (%)					
Gross	31.4	31.9	31.5	31.9	32.3
EBITDA	14.3	11.2	10.2	11.3	11.8
EBIT	13.5	9.5	8.6	9.8	10.4
Adjusted PAT	10.7	6.7	6.3	7.5	8.1
Returns (%)					
ROE	26.4	18.1	17.2	21.3	22.9
ROCE	17.0	12.7	14.2	18.5	20.9
ROIC	33.5	15.3	15.2	20.5	25.3
Turnover (days)					
Gross block turnover ratio (x)	9.3	10.7	11.0	12.0	13.0
Debtors	36	35	35	35	36
Inventory	61	57	56	55	57
Creditors	91	81	78	78	81
Net working capital	66	12	9	13	33
Solvency (x)					
Net debt-equity	0.2	0.3	0.1	0.0	(0.1)
Interest coverage ratio	21.8	7.1	9.2	20.5	33.5
Net debt/EBITDA	0.9	1.1	0.6	0.0	(0.5)
Per share (Rs)					
Adjusted EPS	9.1	7.3	7.6	10.6	13.0
BVPS	38.7	41.8	46.4	52.9	61.0
CEPS	9.8	9.1	9.4	12.6	15.2
DPS	2.5	3.0	3.0	4.0	5.0
Dividend payout (%)	27.4	41.2	39.6	37.9	38.4
Valuation (x)					
P/E	31.0	38.9	37.4	26.8	21.7
P/BV	7.3	6.8	6.1	5.3	4.6
EV/EBITDA	24.3	24.4	23.7	17.9	14.4
Dividend yield (%)	0.9	1.1	1.1	1.4	1.8

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity share capital	1,267	1,272	1,272	1,272	1,272
Reserves & surplus	23,263	25,328	28,233	32,408	37,513
Shareholders fund	24,530	26,600	29,506	33,681	38,785
Minority Interest	7,825	4,477	4,657	4,897	5,207
Total debt	16,075	9,222	5,222	1,250	1,000
Non Current Liabilities	0	0	0	0	0
Def tax liab. (net)	0	0	0	0	0
Total liabilities	48,429	40,299	39,384	39,828	44,992
Gross block	5,805	6,395	6,900	7,400	7,900
Less: acc. Depreciation	(1,049)	(1,556)	(2,752)	(4,039)	(5,416)
Net block	4,756	4,840	4,148	3,361	2,484
Capital WIP	130	55	50	50	50
Intangible Assets	27,978	27,870	27,870	27,870	27,870
Net fixed assets	32,865	32,765	32,068	31,281	30,404
Non Current Assets	0	0	0	0	0
Investments	6,245	5,482	5,482	5,482	5,482
Inventories	7,210	7,439	8,437	9,970	11,576
Sundry debtors	6,154	6,861	7,724	9,272	10,652
Cash & Cash Equivalents	9,152	1,095	863	1,660	7,357
Other current assets	2,863	2,904	3,048	3,562	4,092
Trade payables	10,178	10,486	11,869	14,124	16,510
Other current liab.	2,570	2,640	3,048	3,740	4,297
Provisions	2,918	2,997	3,197	3,412	3,642
Net current assets	9,714	2,175	1,957	3,188	9,229
Total assets	48,429	40,299	39,384	39,828	44,992
Cashflow					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Profit Before Tax	7,515	6,122	6,486	9,039	11,161
Depreciation & Amortisation	423	1,159	1,197	1,287	1,377
Net Interest	353	1,092	850	490	360
Net Change – WC	(41)	(519)	(14)	(433)	(344)
Direct taxes	(752)	(1,629)	(1,492)	(2,079)	(2,567)
Net cash from operations	7,629	6,225	7,026	8,304	9,987
Capital expenditure	(3,873)	(1,167)	(500)	(500)	(500)
Acquisitions, net	0	0	0	0	0
Investments	1,452	763	0	0	0
Others	0	0	0	0	0
Net cash from investing	(2,421)	(404)	(500)	(500)	(500)
FCF	5,208	5,821	6,526	7,804	9,487
Issue of share capital	11	5	0	0	0
Increase/(decrease) in debt	11,287	(6,853)	(4,000)	(3,972)	(250)
Dividend paid	(1,584)	(1,908)	(1,908)	(2,544)	(3,181)
Interest paid	(353)	(1,092)	(850)	(490)	(360)
Others	(11,458)	(4,030)	0	0	0
Net cash from financing	(2,096)	(13,878)	(6,758)	(7,006)	(3,791)
Net change in Cash	3,112	(8,057)	(232)	798	5,697

Source: Company, Centrum Broking

Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by them, Mr. Chirag Muchhala & Mr. Rahul Kumar Mishra, research analyst and and/or any of their family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they are not received any compensation from the above companies in the preceding twelve months. They do not hold any shares by them or through their relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

Ratings definitions

Our ratings denote the following 12-month forecast returns:

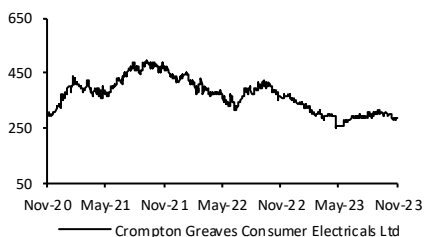
Buy – The stock is expected to return above 15%.

Add – The stock is expected to return 5-15%.

Reduce – The stock is expected to deliver -5--5% returns.

Sell – The stock is expected to deliver <-5% returns.

Crompton Greaves Consumer Electricals



Source: Bloomberg

Disclosure of Interest Statement

1 Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.	
2 Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.	
3 Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)	
		Crompton Greaves Consumer Electricals
4 Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest		No
5 Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.		No
6 Whether the research analyst or his relatives has any other material conflict of interest		No
7 Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received		No
8 Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report		No
9 Whether Research Analysts has served as an officer, director or employee of the subject company		No
10 Whether the Research Analyst has been engaged in market making activity of the subject company.		No
11 Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;		No
12 Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No
13 Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No

Member (NSE and BSE). Member MSEI (Inactive)**Single SEBI Regn. No.: INZ000205331****Depository Participant (DP)**

CDSL DP ID: 120 – 12200

Single SEBI Regn. No.: IN-DP-537-2020

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Research Analyst

SEBI Registration No. INH000001469

Mutual Fund Distributor

AMFI REGN No. ARN- 147569

Website: www.centrumbroking.com**Investor Grievance Email ID:** investor.grievances@centrum.co.in**Compliance Officer Details:**

Ajay S Bendkhale

(022) 4215 9000/9023; Email ID: compliance@centrum.co.in

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)**Registered and Corporate Office:**

Level -9, Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (East) Mumbai – 400098

Tel.: - +91 22 4215 9000