Omni Customer.
Omni Havells.

HAVELLS

4TH INTEGRATED REPORT 2021-22
39TH ANNUAL REPORT

Inside this report

Online version of the report can be accessed here

Highlights, FY 2021-22

₹13,889 Cr
Net Revenue

₹1,758 Cr
EBITDA

₹1,195 Cr
PAT

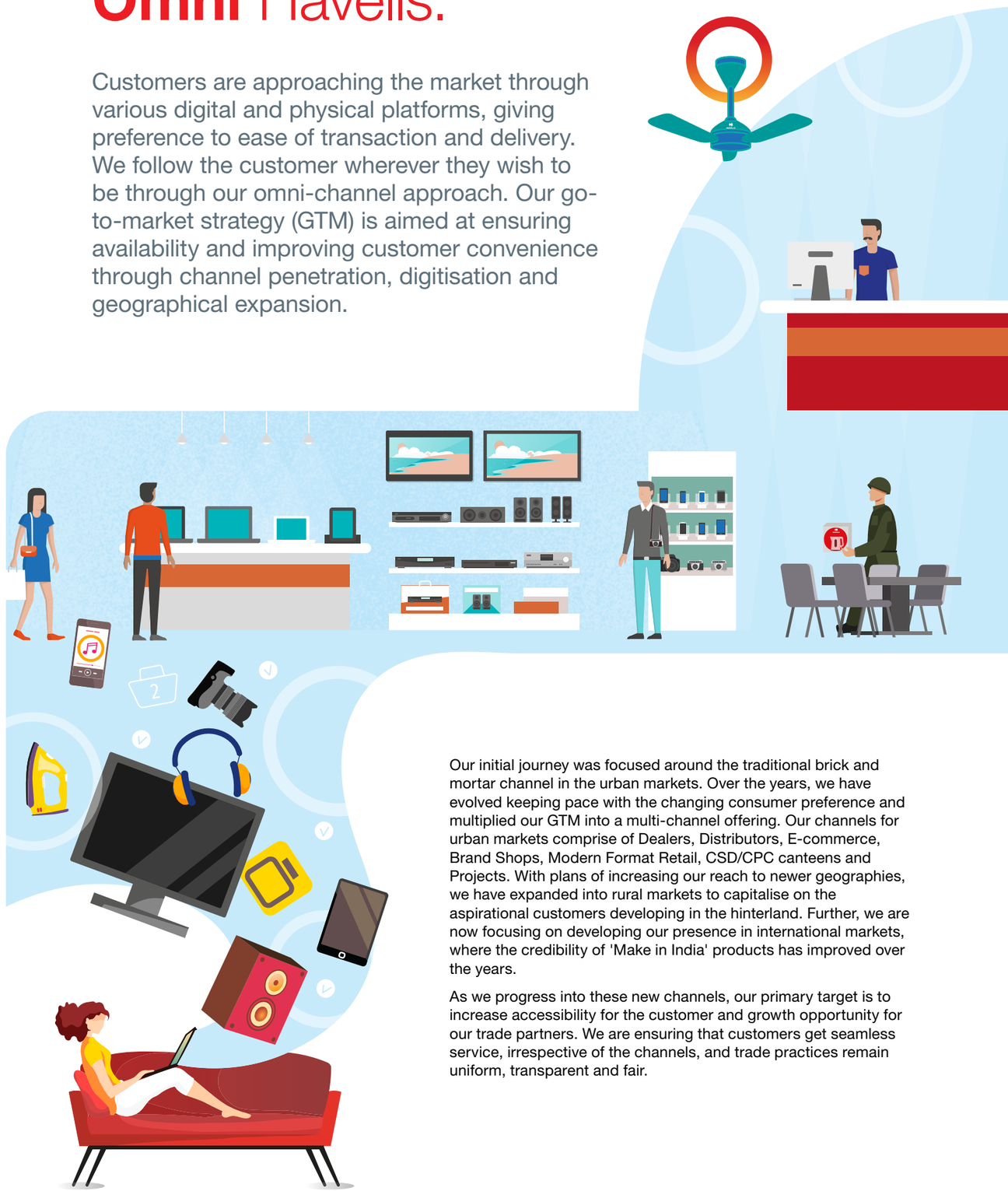
56%
Reduction in specific GHG intensity since FY 2015-16

47%
Water recycled

60%
Increase in installed solar capacity over FY 2020-21

Omni Customer. **Omni** Havells.

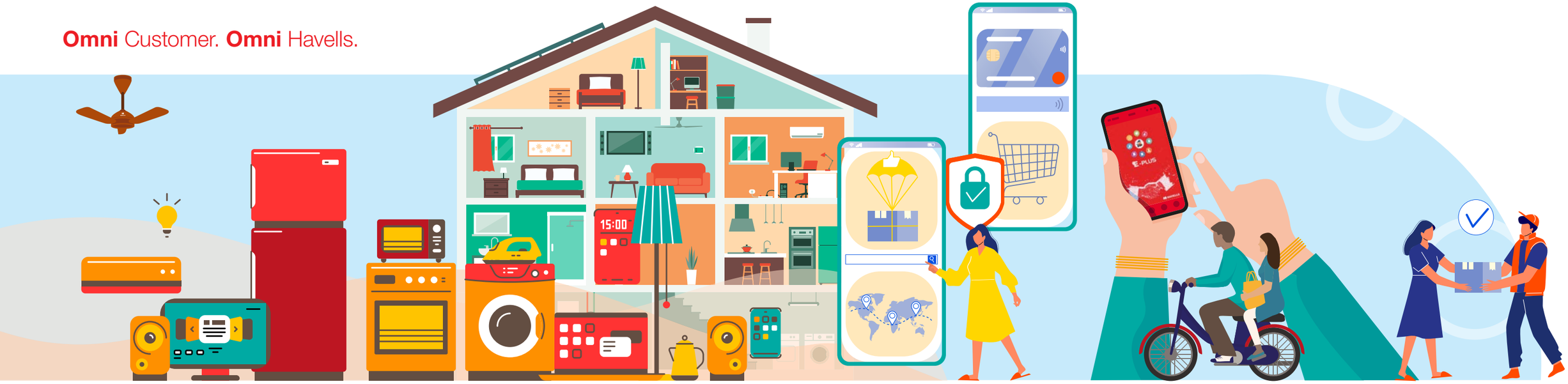
Customers are approaching the market through various digital and physical platforms, giving preference to ease of transaction and delivery. We follow the customer wherever they wish to be through our omni-channel approach. Our go-to-market strategy (GTM) is aimed at ensuring availability and improving customer convenience through channel penetration, digitisation and geographical expansion.



Our initial journey was focused around the traditional brick and mortar channel in the urban markets. Over the years, we have evolved keeping pace with the changing consumer preference and multiplied our GTM into a multi-channel offering. Our channels for urban markets comprise of Dealers, Distributors, E-commerce, Brand Shops, Modern Format Retail, CSD/CPC canteens and Projects. With plans of increasing our reach to newer geographies, we have expanded into rural markets to capitalise on the aspirational customers developing in the hinterland. Further, we are now focusing on developing our presence in international markets, where the credibility of 'Make in India' products has improved over the years.

As we progress into these new channels, our primary target is to increase accessibility for the customer and growth opportunity for our trade partners. We are ensuring that customers get seamless service, irrespective of the channels, and trade practices remain uniform, transparent and fair.

Omni Customer. **Omni** Havells.



We're reaching out to the customers and making our brand available wherever they are:

Dealers/Distributors

Often referred to as the 'traditional' channel, it is the strongest pillar of our distribution network, and has been growing steadily both vertically and horizontally. This network serves thousands of Multi Brand Outlets (MBOs) and has been able to evolve and acclimatise with the new age channels. It has been a journey of mutual growth. While these MBOs bring Havells closer to the customers, we have also worked towards their wealth creation and peace of mind.

E-Commerce

Vast product assortment and convenience is driving the exponential growth in the e-commerce channel. We are engaging with customers through enriched content, digital marketing and an exciting bouquet of products. Evolved channel fulfillment, with efficient supply chain and data base interventions, are unique to this channel. Online market shares are now mirroring the offline standings.

Project

We have exclusive teams for enterprise business and projects, who approach the customer with vast offerings suitable for residential, commercial and industrial projects. B2B is a recent initiative and has evolved from material supply to prescription approach. Leveraging the brand strength and infrastructure, we have been able to win several prestigious projects.

Modern Format Retail (MFR):

This channel, often referred to as modern trade or MFR, is focused on improving the shopping experience through superior ambience and premium display. We are seizing the opportunity by partnering with retailers, that possess a significant regional and national presence in this channel. Over the years, both Havells and Lloyd, have been able to get good shelf space at the MFR counters with the right store coverage, product offerings, price points and merchandising. Our focus is to improve extraction of air conditioners, small domestic appliances, refrigerators, fans and lightings.

Brand shops/Exclusive stores

Havells pioneered the concept of brand shops in the electrical industry. This channel serves to increase direct consumer engagement, brand visibility and premiumisation. Currently, we have nearly 700 Brand Shops contributing significantly to the business volumes of the relevant product categories. The footprint expansion continues with addition of more than 100 Brand Shops in FY22. Format of Brand shops has now advanced from being 'Galaxies', which are displaying electrical goods to 'World of Experience' (WOE), displaying the full range of electrical as well as large consumer durables. WOE is a unique proposition for the customers, offering both Havells and Lloyd range of products under one roof.

We have also introduced the concept of specialised brand shops known as 'Home Art Light', which offers a wide and premium range of lighting solutions. This again, is an industry first initiative.

After the successful launch of Brand shops in urban markets, we are now undertaking similar initiative in the rural markets with 'Utsav' stores.

CPC/CSD Canteens

We are proud to serve the armed forces and police by associating with their canteens to provide a variety of consumer products.

Rural Vistaar Programme

Havells traditionally focused on Metros and larger towns, and there was no direct presence in rural markets. Electrification across the country created new opportunities to participate in the infrastructure development and demand emanating from rural markets.

Our Havells Rural Vistaar program was launched four years back, with the objective to reach out to identified 3K towns in the population strata of 10,000 to 50,000. The idea behind taping the rural market was to reach out to each of these towns and establish our presence in terms of a direct distributor, who would cater to the retailers of that town.

Havells is now the most penetrated FMEG company in rural markets, with direct presence in 3K Rural towns covering 40K retail outlets.

Under the new initiative of Rural retail, we plan to create a large network of UTSAV stores, which correspond to the Havells Galaxies (Brand stores) and provide the opportunity to further penetrate the hinterland.

We have been gradually increasing our product offerings under the REO and Havells brand. Consumer lighting, switchgear and wires being the spearhead products, which are now supported by recent introduction of fans and domestic appliances.

Export

Havells has established its credentials as a credible, quality and ethical manufacturer in key markets. Manufacturing and technical capabilities, brand name and wide product portfolio are the biggest strengths of Havells.

Exports is one of the important pillars of our growth strategy and we are strengthening the channel by investing in people, new product development and strategic partnerships with global players.

Switchgear has been the spearhead product for the export markets. Gradually, we are proliferating into other categories such as fans, cables and air conditioners.

Africa, SAARC and Middle-East are strong markets for us. We are currently serving >60 countries through our sales offices or representative placed in select markets. Our approach is to go beyond a goods supplier and establish our brand in key markets through investments in outdoor and in-shop branding and participation in digital events.

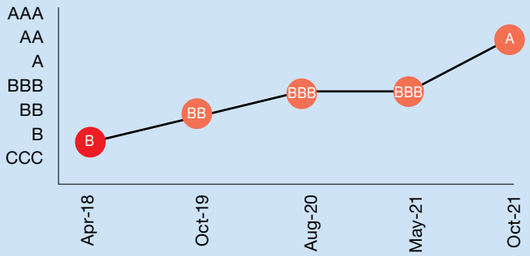
We expect that Indian engineering exports are in a sweet spot with global customers, as they are looking beyond China. This places Havells attractively to capitalise on emerging opportunities.

ESG Ratings

DJSI
7th Rank Globally
Sustainability Yearbook
Member 2022
S&P Global

CRISIL Rating
Strong
CRISIL
An S&P Global Company

MSCI
ESG Rating A
ESG Rating history



FTSE4GOOD Index
Member

Sustainalytics
ESG Risk Rating Comprehensive*

21.7 Medium Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

*Sustainalytics classifies a company as a part of its comprehensive universe or core universe primarily by its market capitalisation as well as its inclusion in major global and regional indexes. Sustainalytics' Core Framework covers 20-30 management indicators, whereas its Comprehensive Framework covers over 70 management indicators

About this Report

This Integrated Report presents our financial and non-financial performance. It also covers discussions on our material issues and how we are contributing to the United Nations Sustainable Development Goals (UN SDGs). This Report adheres to the Integrated Reporting framework and GRI Standards.

Reporting period

This Report is for the period between April 1, 2021 and March 31, 2022, and is released annually. The last Integrated Report was released for FY 2020-21.

Reporting boundary

The reporting boundary for our non-financial information, unless otherwise stated, covers all the operations of Havells India Limited, which include seven manufacturing locations - Alwar (Rajasthan), Neemrana (Rajasthan), Ghiloth (Rajasthan), Baddi (Himachal Pradesh), Faridabad (Haryana), Haridwar (Uttarakhand) and Sahibabad (Uttar Pradesh) and one corporate office (Noida, Uttar Pradesh).

Frameworks, guidelines, and standards

This Report is prepared in accordance with the International Framework published by the Value Reporting Foundation (erstwhile International Integrated Reporting Council). It also adheres to the GRI Standards: Comprehensive option. The GRI Content Index is available as part of this Report and on the website.

This Report also aligns with:

- The Companies Act, 2013 (and the rules made thereunder)
- National Guidelines on Responsible Business Conduct
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

Data integrity

We collected and analysed relevant data captured through our integrated data management system applying stringent internal controls to support our disclosures for this Report. Our aim is to provide information that is accurate and reliable, and at the same time unbiased, comparable, and comprehensible. Wherever applicable, we have taken care to cite any significant limitations in the information provided.

Materiality

We conducted a materiality assessment study in FY 2021-22. The identification of material topics helped us frame our strategies and guided us towards making the relevant disclosures.

Precautionary approach

We follow a precautionary approach towards minimising our business risks and the impact of our business operations on the environment. We have implemented environment, health, and safety (EHS) management systems in our plants to address issues related to these subjects. We get our EHS management system audited on a regular basis by independent auditors.

External assurance

M/S KPMG has been appointed for assuring the non-financial information [included in the Integrated Report in accordance with the 'limited assurance' criteria of the International Standards on Assurance Engagements ISAE 3000 (Revised)].

Feedback

We welcome feedback on our report to ensure that we continue to disclose information that is pertinent and conducive to stakeholder decision-making. Please refer queries or suggestions to investors@havells.com

Performance highlights

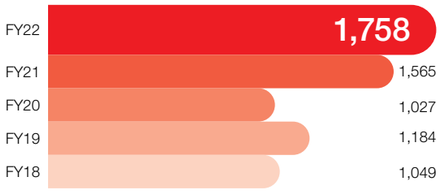
Resilience amid challenges

We delivered significant revenue growth, despite facing multiple headwinds such as rising raw material costs and subdued demand. Our margins however were impacted, as we could not fully pass on the increased input cost to the consumer.

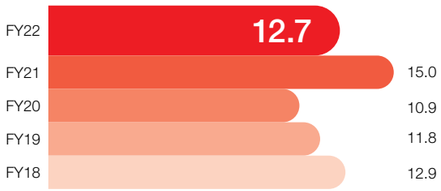
Financial

Revenue
(in ₹ crores)

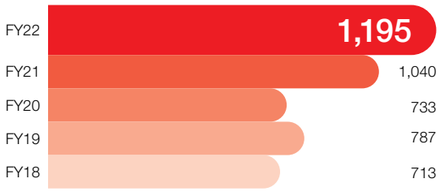
EBITDA
(in ₹ crores)



EBITDA margin
(%)



PAT
(in ₹ crores)



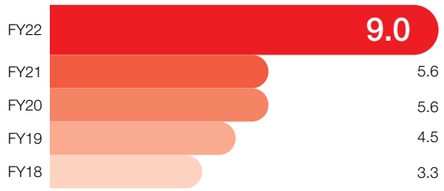
Earnings per share
(in ₹)

Dividend payout
(%)

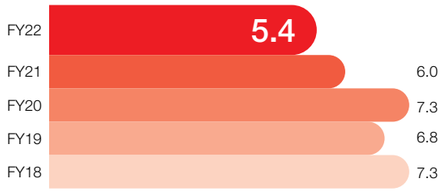
Sustainability

CO_2 emissions intensity (Scope 1)
(mt CO_2e/ ₹ crores)

Renewable energy capacity
(MW)



CO_2 emissions intensity (Scope 2)
(mt CO_2e/ ₹ crores)



CSR spend
(in ₹ crores)

Corporate identity

Building world-class products

At Havells, we offer innovative FMEG products manufactured at our 14 state-of the art facilities across India, backed by our robust R&D capabilities, well-penetrated distribution network and strong brand recall. Over the years, we have established a strong presence in the domestic electrical appliances and equipment market, which is being bolstered by increasing penetration in the rural markets.

Vision

To be a globally recognised corporation for excellence, governance, consumer delight and fairness to each stakeholder including the society and environment we operate

Mission

To achieve our vision through business ethics, global reach, technological expertise, building long-term relationships with all our associates, customers, partners, and employees

Values

Customer delight
A commitment to surpass our customer expectations

Leadership by example
A commitment to set standards for our business and transactions based on mutual trust

Integrity and transparency
A commitment to be ethical, sincere, and open in our dealings

Pursuit of excellence
A commitment to strive relentlessly, to constantly improve ourselves, our teams, our services, and products so as to become the best-in-class

Key facts

21
Product verticals

14
Manufacturing units

3
Research centres

35
Branch offices

~14,000
Strong dealer network

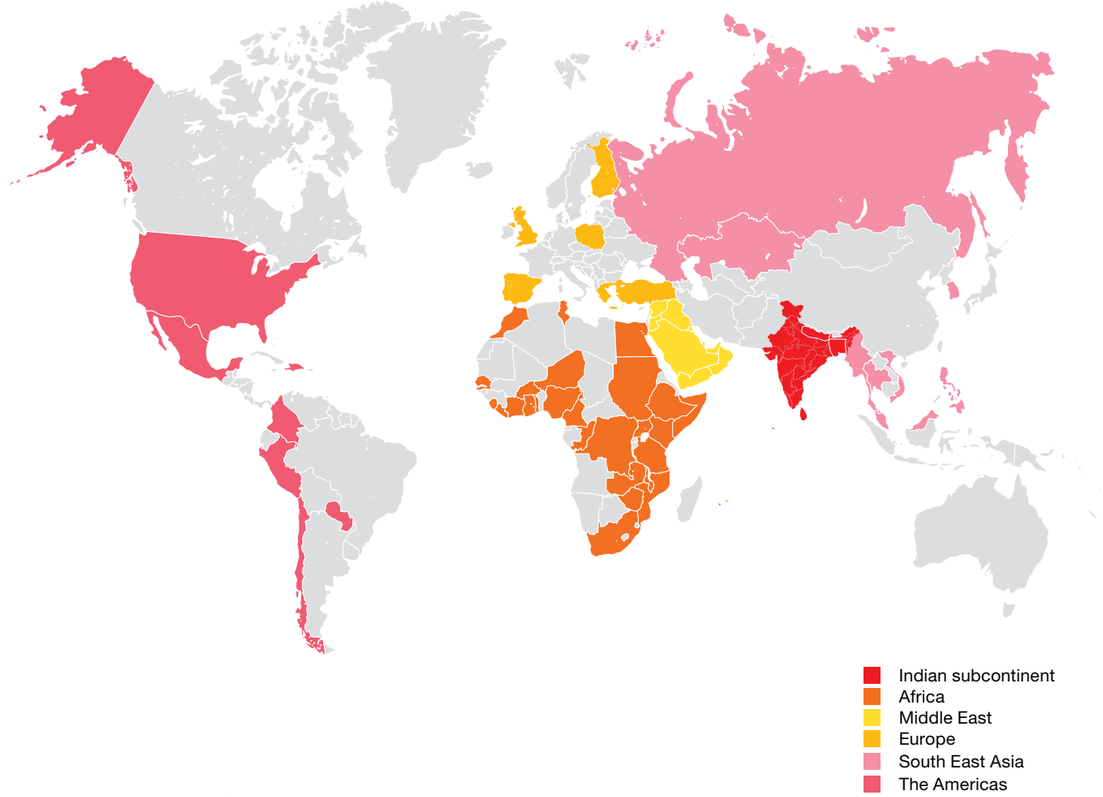
60+ Countries
Global presence

5,970
People strength

5
Brands

Market presence

In line with our endeavour of 'Making it in India and taking it global', we are expanding our footprint steadily. Today, we are present in more than 60 countries spanning Asia, Europe, Africa and the Americas.



Map not to scale, only for illustration purpose

Chairman and Managing Director's message

Delivering delightful experiences

Our Valued Shareholders,

I am pleased to present the Integrated Report of your Company for FY 2021-22.

Despite the challenging macro context, business stayed firm, riding on focused execution and market share gains.

Another challenging year was well-managed, owing to the strategic choices and perseverance of team Havells India Limited. While navigating the short-term challenges of the pandemic and cost inflation, we continued with investments towards branding, expanding the distribution network, and innovation.

Our organic growth was strong, with broad-based market share gains. We limited the impact of unprecedented commodity inflation through efficiency and calibrated price increases.

Highlights of the year

COVID-19 continued to impact the business across sectors. With the onset of the second wave in Q1 FY 2021-22, demand for summer products was severely impacted. At Havells, we relied on agility and a pragmatic approach to manage the situation. We worked closely with our channel partners, ensuring their business continuity and well-being. We also pitched in with emotional, psychological and medical support for our stakeholders. Work-from-home and an accelerated use of technology were encouraged.

The latter half of the year was reassuring with revival in housing as well as infrastructure. Commodity costs remained volatile and inflationary, impacting our margins as we went for calibrated price increases.

We fuelled our growth agenda through disciplined cost management, and improving operational efficiency at all levels of the business. In combination with sales growth, this enabled reinvestment in product innovation, brand building, digitalisation and sustainability initiatives, while creating value for our shareholders.

We introduced the 'Employee Ownership Plan' (EOP) to recognise the exemplary contribution of our employees towards profitable growth of the organisation. The EOP is in addition to the existing 'Employee Stock Schemes', and aims at creating long-term wealth for our employees in line with the Company's performance.

Emerging trends

The FMEG industry has enormous growth potential, given the improvement in electricity availability and demand for comfort, convenience, and hygiene. This will exhilarate the overall portfolio. Additionally, the Internet of Things (IoT) is driving a digital wave in home automation, making it imperative for brands to offer innovative solutions that will help customers in realising their smart home aspirations. Today, the consumer is far more aware and aspirational. Rising internet penetration has further accelerated the adoption of smart solutions. We, at Havells, are cognisant of this opportunity, and are investing in R&D directed towards this.

Recently, there has been a lot of attention on self-reliance in manufacturing, as part of the central government's 'Aatmanirbhar Bharat' project. Various government initiatives such as Production Linked Incentive (PLI) scheme, national infrastructure pipeline, and targeted investment towards manufacturing of electronics, among others, are charting a positive, long-term prospect for the economy, and consequently, the Company.

At Havells, self-reliance has always been at the core, as we strongly believe in maximising in-house manufacturing to have a better control over quality, supply chain and margins.

Omni Customer, Omni Havells

Customers seek borderless shopping, and our endeavour is to offer them a seamless experience. We are available to the customers, both at the traditional retail shops as well as at modern formats. In recent years, we have increased our presence on new-age digital platforms, such as e-commerce marketplaces as well as the Company-managed portal, O2O. As digitisation increases, e-commerce is expected to grow and mature as a channel, and our portfolio and go-to-market strategy will evolve alongside.

Havells has strong brand salience in urban markets, and is expanding its footprint deeper into India. As electrification and income levels improve in rural markets, we are ready with an organised rural distribution network, with a unique product portfolio suitable for these markets.

Different channels have their own strengths. Modern retail shops offer larger displays and good ambience, e-commerce is synonymous with ease of shopping and delivery, and the good old local shops offer personal touch and comfort.

In addition to expanding its retail base, Havells is also increasing its participation in B2B projects to capitalise on large industrial and infra opportunities.

The two most important aspects of a multichannel approach are transparent and fair-trade policies across channels, and aftersales services that are channel agnostic. In this rapidly changing environment, we are partnering with our customers – large and small, digital, and physical. We are ensuring a unified experience for end-consumers and trade partners.

> "Havells has strong brand salience in urban markets, and is expanding its footprint deeper into India. As electrification and income levels improve in rural markets, we are ready with an organised rural distribution network, with a unique product portfolio, suitable for these markets."

Sustainability

Sustainability has always been at the core. We remain committed to inclusive growth with due consideration towards social impact. The thrust in our value proposition has been to create opportunities for our stakeholders, where we can be partners in sustainable growth.

As a part of our commitment to combat climate change, we have almost doubled our solar-installed capacity since FY 2020-21, and are aggressively pursuing means and technologies of switching to cleaner fuels. Product stewardship would be a key approach in our climate action. In line with this, we are ramping up investments in R&D on aspects of energy efficiency, circularity, long-term durability and performance of our products, to provide our consumers sustainable and eco-conscious product offerings.

We track and respond to external and relative indices for ESG performance assessment as we believe in benchmarking ourselves to the emerging dynamic ESG challenges. We have consistently ranked in the top 10 global companies on the DJSI for our sector and have also been part of the RobecoSAM Yearbook for the third year in a row. Morgan Stanley Capital International (MSCI) has upgraded the ESG Risk Rating to 'A', and we are now part of FTSE4Good Indices family. In addition, CRISIL rated us 'Strong' in their recently published ESG ratings in 2022.

Empowered, agile and accountable organisation

Our Strategic Business Units (SBUs) are driving performance by responding quickly and directly to consumer and channel dynamics that are unique to their business units. This way, each SBU has an equal opportunity to grow with access to capital and resources. This has resulted in a simpler, faster, and agile way of operating, with focused and expert categories, and greater empowerment and accountability, flowing through the business.

Our value creation model is based on the balanced pursuit of top- and bottom-line growth as well as improved capital efficiency. Our priorities are to invest in long-term growth and development of our business. Investing for the long term takes the form of R&D investments, brand support and capital expenditure to support organic, profitable growth.

Outlook

The raw material and supply chain costs have risen substantially across the industry, and there is no respite as of now. This could create pressure on the customer's wallet. We are of the view that these are short-term challenges, and the underlying demand remains strong, which could lead the way to recovery in margins.

Regards,

Anil Rai Gupta
Chairman and Managing Director

Portfolio

Emerging as one-stop FMEG destination

We have a diversified product basket that caters to the ever-evolving needs and preferences of our consumers. Our products are a reflection of our relentless focus on innovation and quality, enabling us to enjoy superior brand recall and expand our consumer wallet share.

Brands

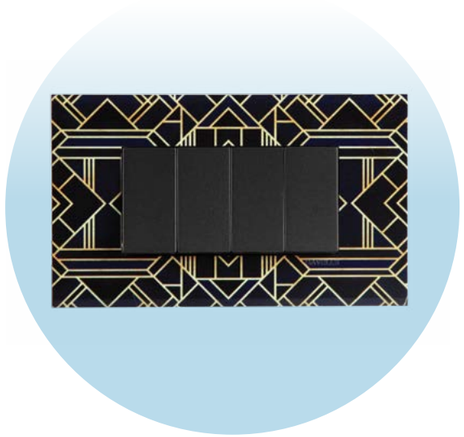
HAVELLS | Crabtree | LLOYD | STANDARD | REO

Some of our new product launches

Product range

Switchgears

- Domestic switchgears
- Capacitors
- Switches
- Industrial switchgears
- Automation and control



Cables

- Power cables
- Flexible cables

Lighting and Fixtures

- Professional Luminaires
- Consumer Luminaires

Electrical Consumer Durables (ECD)

- Fans
- Appliances
- Water Heaters

Lloyd Consumers

- Air conditioners
- Televisions
- Washing machines
- Refrigerators
- Other

Others

- Motors
- Solar
- Pump and Water Purifiers
- Personal Grooming Products (PGPs)

Board of Directors

Guiding on the path of sustainable value creation

Anil Rai Gupta
Chairman and Managing Director

Surjit Kumar Gupta
Non-Executive
Non-Independent Director

Ameet Kumar Gupta
Whole-Time Director

Rajesh Kumar Gupta
Whole-Time Director
(Finance) and Group CFO

Jalaj Ashwin Dani
Independent Director

Upendra Kumar Sinha
Independent Director

Subhash S. Mundra
Independent Director

B. Prasada Rao
Independent Director

Siddhartha Pandit
Whole-time Director

T.V. Mohandas Pai
Non-Executive
Non-Independent Director

Puneet Bhatia
Non-Executive
Non-Independent Director

Vivek Mehra
Independent Director

Namrata Kaul
Independent Director

Ashish Bharat Ram
Independent Director

Board summary

Average tenure of Board members: ~11 years

All statutory committees headed by Independent Directors

Attendance in all five Board meetings, held during the year: 100%

Board members* with relevant Electrical Equipment sector experience (according to GICS Level 1 sector classification): 4

*Excluding executive directors

Strategic levers

Making Havells omnipresent

At Havells, we have outlined eight strategic levers to ensure our presence across the entire value chain and penetrate more markets.

1 Brand reinforcement

What we intend to do

- Reinforcing the essence of brand 'Havells'
- Continuing investments in the brand to strengthen connect with stakeholders
- Improving our brand reach across multiple channels

2 Product extension and expansion

- Continuing investments in R&D for developing innovative and quality products
- Extending our product line and diversifying our portfolio

3 Proximity to consumer

- Strengthening the relationship with our dealer network
- Penetrating newer markets, especially in the semi-urban and rural regions
- Tie-ups with multi-brand outlets, regional retailers, and modern formats

4 In-house manufacturing

What we intend to do

- Leveraging technology to optimise resources and increase efficiencies
- Capital expenditure towards expanding manufacturing capacities
- Better control over our entire supply chain

5 Financial management

- Maintaining a lean Balance Sheet, accommodating growth
- Cost efficiency
- Being net cash positive

6 Digitisation

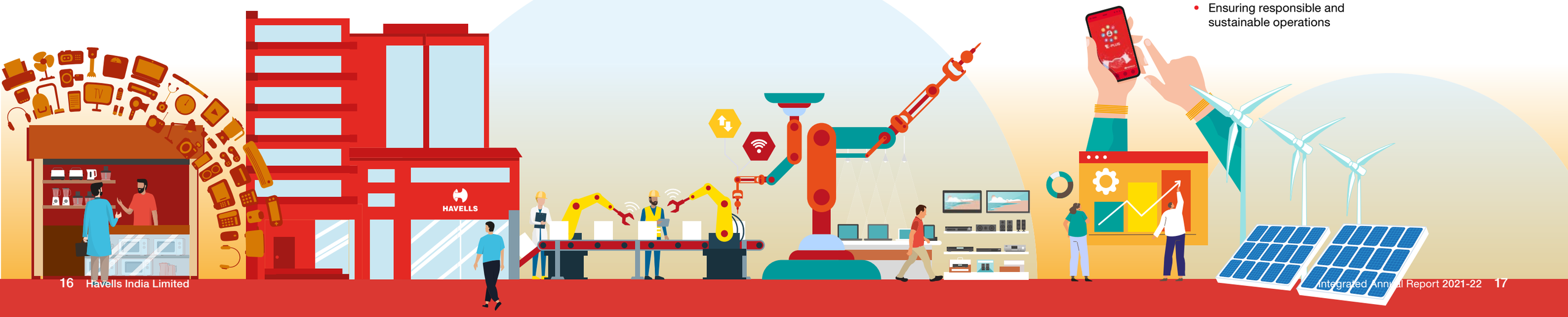
- Leveraging IT infrastructure for digital transformation and improving overall product experience
- Incorporating digital technologies in all aspects of the business to create enhanced value for all stakeholders

7 Strengthening the Lloyd Business

- Establish Lloyd as a 'mass premium brand'
- Leverage production capacities to improve offerings
- Expanding our product portfolio

8 Sustainable business

- Invest and nurture in building business for tomorrow
- Ensuring responsible and sustainable operations



Risk management

Mitigating external challenges

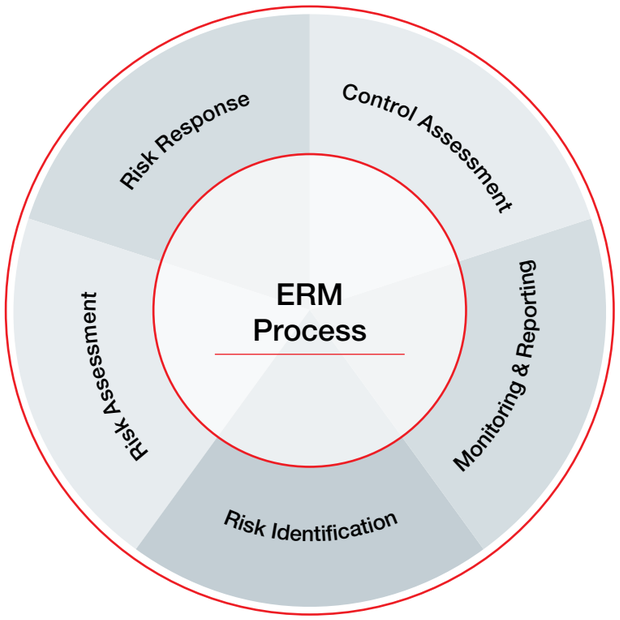
We have put in place a robust risk Intregated Risk Management Framework, aligned with the internationally accepted framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Our Enterprise Risk Management (ERM) process is centred around stakeholder interests and enables us to strengthen our risk mitigation while capitalising on opportunities efficiently.

COSO Framework

Governance

- Board of Directors
- ERM Committee
- Leadership Council
- ERM Council

Integrated Risk Management Framework



Risk type	Key identified risks	Likelihood (A)	Impact (B)	Velocity (C)	Overall rating (A*B) + C
Strategic	Business disruption due to 'Black Swan' events or geopolitical relations and conflicts	Less Likely	High	Very Rapid	High
	Geographic and channel concentration	Likely	Medium	Rapid	Medium
	Dependence on a single manufacturing location	Less Likely	High	Very Rapid	High
	Over-dependence on seasonal and single product category (Lloyd)	Likely	Medium	Slow	Medium
	Technological obsolescence	Likely	Medium	Slow	Medium
	Information and cyber security	Likely	High	Very Rapid	High
Reputational	Brand positioning	Likely	High	Slow	High
	Digitalisation and social media	Likely	High	Very Rapid	High
Financial	Commodity and currency fluctuation	Likely	Medium	Very Rapid	High
	Working capital management	Less Likely	Medium	Rapid	Medium
Compliance	Intellectual property infringement and counterfeit products	Likely	High	Very Rapid	High
	Non-compliance with regulations	Likely	Medium	Rapid	High
	Environment, Social and Governance (ESG)	Likely	High	Rapid	High
Operational	Supply chain management	Less Likely	Medium	Rapid	Medium
	Import dependency	Likely	Medium	Rapid	Medium
	Succession planning in critical roles	Likely	Medium	Rapid	Medium
	Employee attrition	Likely	Medium	Rapid	Medium
	After-sale service	Likely	Medium	Slow	Medium
	Dependency on third parties for critical technologies	Likely	Medium	Slow	Medium
	Product quality assurance – Product Performance vs brand perception	Likely	Medium	Slow	Medium

Less Likely · Likely · Slow · Rapid · Very Rapid · Medium · High

Risk management

Summary of key risks and our response

We have mapped our risk and response to respective capitals.

Geographical and Channel Concentration

Risk of having Geographical and channel concentration w.r.t key product categories, customers and geography

Capitals impacted

Related material topics

- Capacity Utilisation & Market Presence
- Distribution Network & Channels
- Customer and other stakeholders' delight

Risk response

- Under Rural Vistaar initiative, Havells India is now the most penetrated FMEG brand in rural markets through the presence of rural distributors in 3,000 towns under POP strata of 10k-50K, covering 40k+ retail points
- In our endeavour to reach <10k population towns, a new Rural Retail initiative was started called Havells UTSAV exclusive store, wherein a pilot of 50+ stores was completed in FY 2021-22, with a target of 1,000 stores by FY 2022-23
- Separate team has been created to focus on MFR/RR, CPC/CSD and E-Commerce
- Adopted DMDC (different models for different channels) to avoid conflict with existing channel

Technological Obsolescence

Risk of timely leveraging technology to meet customer expectation and technological obsolescence

Capitals impacted

Related material topics

- Responsible Digitalisation & Technology Use
- Innovation & R&D

Risk response

- Leveraging our strategic investments to drive consumer centric innovations in new products development with quick time to market and sizable revenue contribution

Key product innovations and technology upgrades:

- Magnatron induction water heater
- Stealth Puro Fan with integrated air purifier
- Stealth Air BLDC Fan
- Hexo heavy duty 1000W juicer-mixer-grinder
- EURO certified Arc Fault Detection Device (AFDD)

Brand Positioning and Impact of Digitalisation and Social Media

Risk to Brand positioning and Impact of digitalisation and social media

Capitals impacted

Related material topics

- Responsible Digitalisation & Technology Use
- Brand Integrity & Salience

Risk response

- Digital command centre for engaging with both online and offline customers w.r.t grievances, feedback and marketing
- Established system for online reputation management
- The Company keeps a track of brand perception and continuously conduct brand audit and monitor brand health parameters

Financial capital | Manufactured capital | Intellectual capital | Human capital | Social and relationship capital | Natural capital

Compliance

Risk of Non-compliance – Governance, Risk & Compliance

Capitals impacted

Related material topics

- Governance & Ethical Business Conduct
- Human Rights & CSR
- Occupational health & safety
- Product stewardship

Risk response

- Company follows 'Zero Tolerance' Policies w.r.t non-compliance
- Consequence Management Grid has been established
- Periodical nosiness process review by Internal Audit team (Both In-house as well as outsourced) across locations
- Compliance status along with exception (if any) reported to Senior Management, Audit Committee and Board of Directors
- Compliance refresh is done as and when applicable or half yearly basis, whichever is earlier

Protection of Intellectual Property Rights and Counterfeit Products

Intellectual property infringement and counterfeit products

Capitals impacted

Related material topics

- Governance & Ethical Business Conduct
- Innovation & R&D

Risk response

- There is a defined mechanism to protect our intellectual property such as trademarks, logos, patents, and design of our products by registering under relevant acts
- To protect our intellectual property, we are taking appropriate civil and criminal actions, both Domestically and Internationally

Material Management

Risk factors - Fluctuation in Currency, Commodity prices and Import dependency

Capitals impacted

Related material topics

- Sustainable Sourcing & Vendor Management
- Capacity Utilisation & Market Presence

Risk response

- Major Commodities - Copper, Aluminum, Steel, Engineering Plastics etc. and their buying is based on average price model, linked to LME, or related indexes
- Average price is further benchmarked against Current market prices (Domestic/International) periodically
- Alternate sourcing avenues identified regularly for critical parts and raw materials for de-risking
- Import dependency has been reduced to less than ~20% of total sourcing

Financial capital | Manufactured capital | Intellectual capital | Human capital | Social and relationship capital | Natural capital

Risk management

After Sales Service

Risk factor associated with After sale service

Capitals impacted

Related material topics

- Customer and other stakeholders' delight
- Brand Integrity & Salience

Risk response

- There is established mechanism to address customer complaints on priority
- Monitoring customer loyalty cum satisfaction index through NPS methodology, current score:68
- Use of Automation and enhanced technology for better customer experience
- Service personnel are given online and offline trainings on technical aspects and soft skills to improve service quality
- 91% customer given 5 rated rating to our service technician

Supply Chain Management

Risk Factor - Supply Disruption and inventory obsolescence

Capitals impacted

Related material topics

- Sustainable Sourcing & Vendor Management
- Customer and other stakeholders' delight
- Responsible Digitalisation & Technology Use
- Distribution Network & Channels

Risk response

To manage supply disruption and avoid inventory obsolescence, No. of steps have taken e.g.:

- Calendarised recurring and planned events with proactive actions
- Integrated and Flexible Network to meet business requirements
- SKU rationalisation to optimised inventory level
- Focus on adoption of new age technology to ensure sustainable systematic efficiency

Quality Assurance

Risk factors in Product Quality Assurance – Product Performance Vs Brand perception

Capitals impacted

Related material topics

- Product stewardship
- Governance & Ethical Business Conduct
- Brand Integrity & Salience
- Sustainable Sourcing & Vendor Management

Risk response

- There is established mechanism to address customer complaints on priority
- Monitoring customer loyalty cum satisfaction index through NPS methodology, current score:68
- Use of Automation and enhanced technology for better customer experience
- Service personnel are given online and offline trainings on technical aspects and soft skills to improve service quality
- 91% customer given 5 rated rating to our service technician

Financial capital | Manufactured capital | Intellectual capital | Human capital | Social and relationship capital | Natural capital

Information and Cyber Security

Data Protection, Endpoint Security, Network and application security, Perimeter and Cloud Security, business continuity, disaster management and Governance

Capitals impacted

Related material topics

- Governance & Ethical Business Conduct
- Customer and other stakeholders' delight
- Innovation & R&D
- Responsible Digitalisation & Technology Use
- Sustainable Sourcing & Vendor Management

Risk response

- Company has well defined Information Security Governance Structure
- IT function has been accredited with ISO 27001: 2013 certification (The International Information Security Framework)
- Refreshed existing IT Policies in line with ISO 27001:2013 standards
- In line to protect from emerging threats, further enhanced security posture by adopting ZERO Trust architecture
- Adopted next Gen Firewall, EDR/XDR, SASE and DLP
- AIML Based security solutions are used to protect from cyber threats.
- Identity Protection
  - Privilege Identity and Access Management
  - Implementation of Multi Factor Authentication (MFA) for critical apps (Email, Teams, OneDrive)
- Business continuity plan (BCP) and DC/DR (Data Centre/ Disaster Recovery) into different seismic zone

Environmental, Social and Governance (ESG)

ESG risk considerations are a key aspect as the volatility of the business dynamics has increased and business value proposition is holistic rather than purely financial

Capitals impacted

Related material topics

- Governance & Ethical Business Conduct
- Climate Strategy & Action
- Human Capital Development
- Water & Air Quality
- Circular Economy & Waste Management
- Human Rights & CSR

Risk response

- Our manufacturing plants are ISO, 14001 45001, 50001 certified
- Global Benchmarking is done w.r.t. Environment, Health and Safety
- Creating positive impact through our CSR programs. Through our initiative for green cover, we have planted more than 15 lakhs trees so far
- 3rd Party Impact Assessment of our CSR initiatives are carried out.
- Morgan Stanley 's MSCI ESG rating improved to 'A'
- Included in Financial Times Stock Exchange-Russell Group's FTSE4Good ESG Indices and DJSI Yearbook

Financial capital | Manufactured capital | Intellectual capital | Human capital | Social and relationship capital | Natural capital

Stakeholder engagement

Aligning interests and expectations

Our engagement initiatives are guided by the principles of inclusivity, materiality and responsiveness, resulting in actionable insights that feed into our strategies.

	Relevance to Havells India	Engagement topics	Communication channels
Shareholders/ investors	• Provide financial capital for the business	• Credit rating • Sustainable business model • Transparency • Governance • Earnings Per Share (EPS) • Communication with investors • Exponential growth • Cost rationalisation • Complaints and grievances	• Financial results declaration (quarterly) • Annual General Shareholders Meetings • Disclosure tools, including Annual Reports, Sustainability Reports, website, and others
People	• Core of operations, innovation and design, and productivity depend on their collective knowledge and experience	• Scope of learning and growth • Remuneration and benefits • Equal opportunities • Promotion of occupational health and safety	• Intranet/emails, etc. • In-house newsletters • Training programme • Employee surveys • Rewards and recognitions
Customers	• Biggest advocates	• Create better products and services • Respond to complaints and grievances • Meet quality requirements • Provide information on technical and pricing queries on time	• Customer servicing and feedback collation • Marketing activities • Online engagement through the website and social media
Dealers	• Partners in progress and provide direct market feedback on various aspects of a product	• Building long-term business relations • Effective information dissemination • Technical knowledge exchange and other collaborations • Contract terms and conditions	• Dealer meets • Dealer surveys • Welfare schemes • Training and education • Dealer feedbacks
Vendors	• On-time delivery of quality raw materials depends on them	• Building long-term business relations • Effective information dissemination • Technical knowledge exchange and other collaborations	• Contract negotiations • Supplier Code of Conduct policies and standards • Supplier meetings
Communities	• Essential for social licence to operate	• Help in enhancing standard of living with better education and health, hygiene, and sanitation facilities • Improved opportunities to gain employable skills and scope for income generation	• Social contribution/ CSR activities • Public hearings • Community impact assessment surveys • Complaints and grievance mechanisms
Bankers and other financial institutions	• Offer credit	• Credit rating • Sustainable business model • Governance	• Credit rating • Sustainable business model • Governance
Regulators and statutory bodies	• Rules and regulations set by them are to be followed	• Compliance • Disclosures on aspects defined by the government	• Regular compliance report • Statutory audit
Media	• Provides regular, credible progress information to stakeholders	• Important announcements meant for mass stakeholders	• Media meets • Press conferences • Press releases • Management interviews

* Centre of Research & Innovation (CRI); ^Not applicable

Material topics

Mapping our priorities

We conducted a materiality assessment exercise to identify the topics most critical to value creation while better understanding our obligations towards our stakeholders.

ESG materiality assessment process FY 2021-22

A universe of material topics was shortlisted, each of which were assigned a framework score, industry score, survey score, risk score and management score. The frameworks considered included Business Responsibility and Sustainability Report (BRSR), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Dow Jones Sustainability Indices (DJSI), Morgan Stanley Capital International (MSCI) & Sustainalytics. To arrive at the industry score, international and Indian companies in the electrical equipment and appliances space were considered. An ESG materiality survey was rolled out to 100+ participants, including the management and senior leadership team.

Identify

- Used ESG frameworks and standards, ESG ratings, and peer benchmarking to recognise potentially relevant issues

Rank

- Issues were ranked according to importance based on management and employee surveys
- 100+ responses received from participants

Score

- Fresh ranking of issues based on the weighted average score achieved by each issue
- Separate score assigned to each material issue based on the response

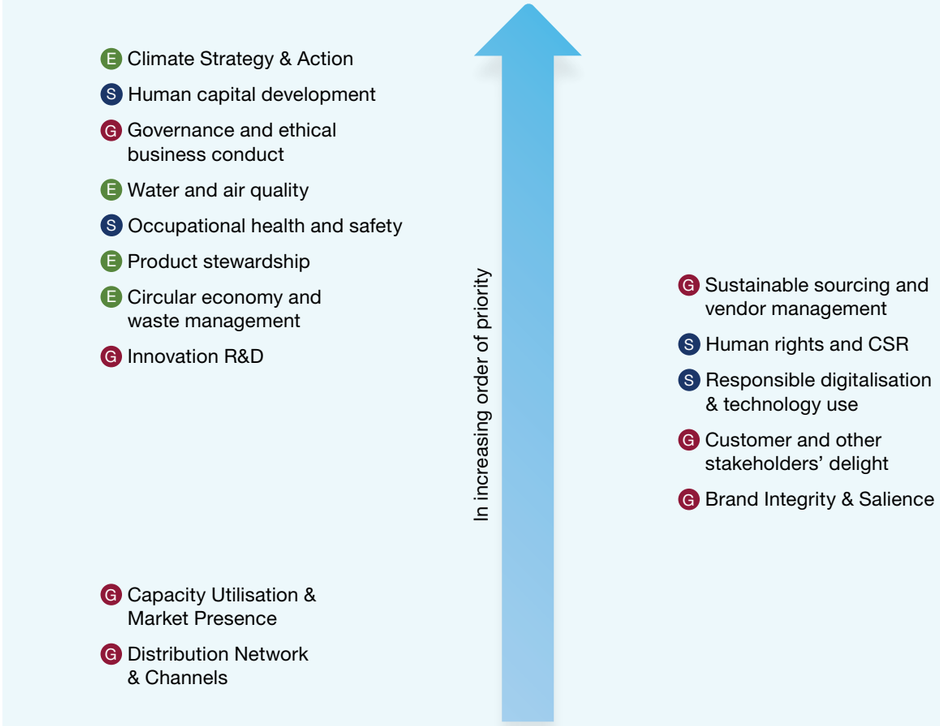
Strategise

- Incorporate these factors on the broader business strategy
- Communicate the new strategy to all relevant stakeholders

Manage

- Recognise significant environmental, social and governance risks and opportunities for Havells
- Determine areas for target setting to improve business and sustainability performance

Material topics



E Environment S Social G Governance

Environment

Climate strategy and action

Low carbon footprint and carbon intensity of our products in manufacturing and usage. Resilience for Climate Change impacts on our business activities and supply chain

Water and air quality

Water is a key resource for the society and judicious use of water is a key priority to us. Maintaining Air quality in and around our premises is a top commitment for us

Product stewardship

Ensure high quality, product safety, durability, repairability and serviceability as well as responsible use of resources throughout the life cycle of the product

Circular economy and waste management

Responsible end of life disposal of our product and services by following '5Rs' – reduce, reuse, recycle, recover and residual management; strive for zero waste to landfill

Material topics

Social

Human capital development
Focus on Employee Engagement, Learning & Development, Diversity & Inclusion, Fair treatment, leadership & succession planning etc.

Occupational health and safety
Ensuring safe, sound and healthy working environment for all employees.

Responsible digitalisation and technology use
Managing IT risks and including contingency plans are crucial to ensuring business continuity, along with protecting personal data integrity

Human rights and CSR
Contributing to the upliftment of the society and upholding human rights as per the UN Declaration of Human Rights

Governance

Governance and ethical business conduct
The balance of pursuing economic interests while maintaining accountability and ethical integrity

Brand integrity and salience
How consumers and markets perceive our Company and its products, image, and reputation including degree of recall of our brand across different product lines

Innovation and R&D
Innovation is the key to stay current and relevant to our customers and for delivering sustained responsible growth

Customer and other stakeholders' delight
Our Stakeholders form the core of our value creation. We believe in creating value and equitable wealth for our stakeholders through our business process

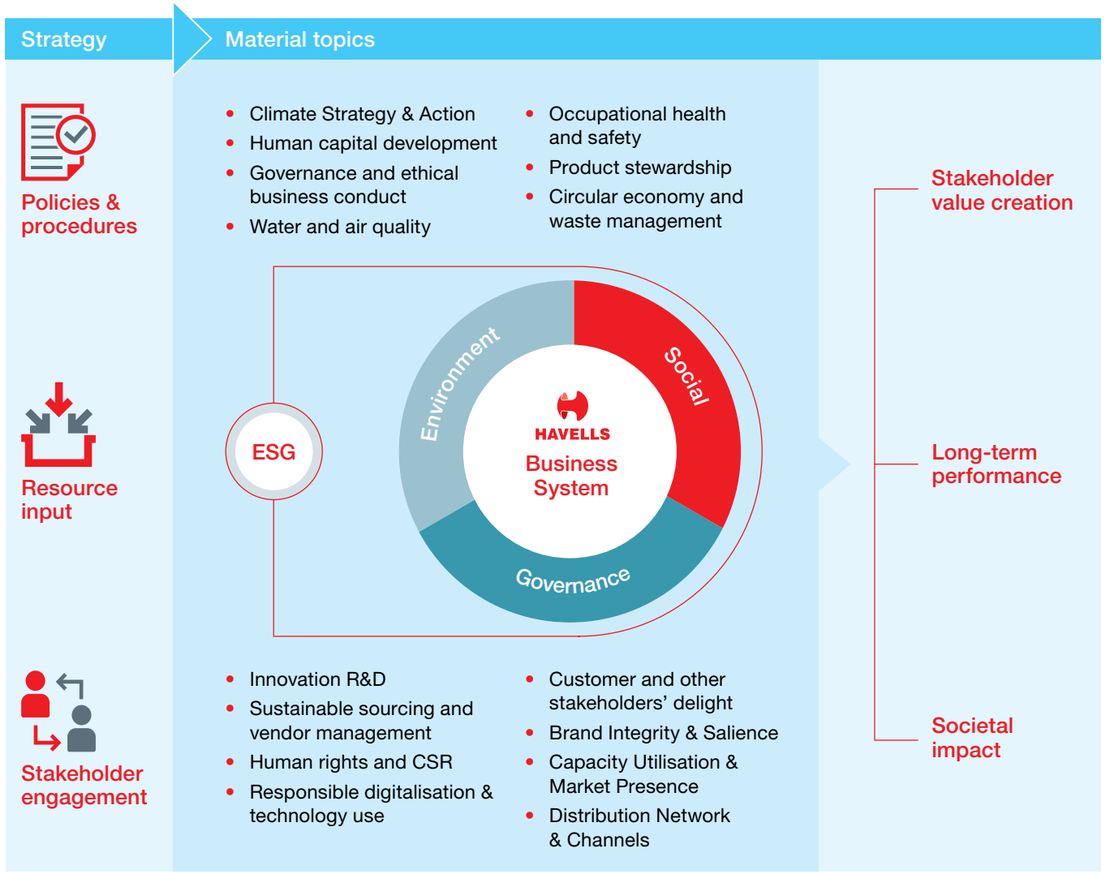
Distribution network and channels
Diversifying distribution channels to reach all our customers and consumers

Capacity utilisation and market presence
Capacity utilisation is associated with the amount that a plant can generate to the plant's actual output. It has a direct correlation to demand and market presence

Sustainable sourcing and vendor management
Sustainable procurement, supply chain resilience, local vendor management

Sustainability model

Our sustainability model focuses on stakeholder value creation through identification of the Havells' material topics, developed in consultation with the stakeholders. The strong foundation of governance with ethics, integrity, transparency help us steer our way forward.



Sustainability model

Our sustainability model factors in stakeholder expectations and strategic business objectives. We have arrived at the model through detailed consultation on our material topics with our diverse stakeholder base. The model rests on the strong foundation of corporate governance that is based on ethics, integrity and transparency.

Focus on compliance

We have strong compliance systems in place to ensure that we comply with relevant statutory regulations. We keep a constant check against discrimination, child labour or forced labour.

During the year, no material fines or non-monetary sanctions were levied on the Company for non-compliance with environmental laws and regulations. There were no incidents of non-compliance or fines levied with respect to the regulations or voluntary codes relating to the health and safety impacts of Havells' products and services, products-related communication and product information disclosure and labelling.

Business model

Driving sustainable value creation

We have designed our business model to realise our vision to provide superior electrical and consumer durable products, while staying anchored to our core values. Keeping customers at the heart, we strive to deploy our financial and non-financial capitals optimally to maximise value creation for all our stakeholders.

Inputs

Financial capital

Equity:	₹62.63 crores
Cash (net of debt):	₹2,588 crores
Capital expenditure over the last five years:	₹1,470 crores

Manufactured capital

Manufacturing units:	14
Warehousing space:	~28 lakhs sq ft
Regional offices:	35
Gross block value:	₹3,076 crores

Intellectual capital

R&D spend over the last five years:	₹445 crores
Members constituting the R&D team:	450
Total R&D centres:	3

Human capital

Total employees:	5,970
New hires:	1,356

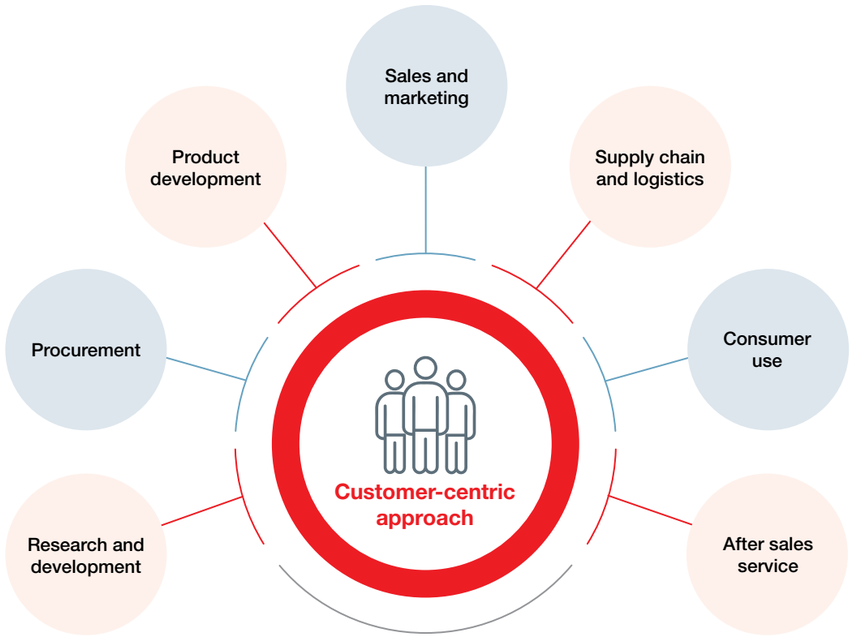
Social and relationship capital

Dealers:	~14,000
Retailers:	2.05 lakhs
Electricians:	2.03 lakhs
Suppliers base:	1302 (BOM-1064, FG-238)
Total CSR spend:	₹23.66 crores

Natural capital

Energy consumed:	1,38,219 MwH
Solar plant capacity:	9 MWp
Tree plantation:	15 lakhs cumulative
Water consumption:	217 mega litres
E-waste reclaimed & processed:	868 MT

Business activities



Our brands

HAVELLS, Crabtree, LLOYD, STANDARD, REO

Outputs

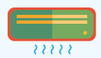
Our products


Switchgears


Cables


Lighting and fixtures


Electrical consumer durables


Lloyd


Others

Outcomes

Financial capital

Revenue:	₹13,889 crores
PBT:	₹1,604 crores
PAT:	₹1,195 crores
EPS:	₹19.1
Contribution to exchequer:	₹3,276 crores

Manufactured capital

Total number of product categories:	21
New factory set up:	1

Intellectual capital

Brands owned by the Company:	5
New designs approved:	233
Patents applied this year:	9

Human capital

Employees associated with the Company for >5 years:	47.2%
Attrition rate:	16.65%

Social and relationship capital

Sanitary pads distributed:	>4 crores
Net promoter score:	68

Natural capital

CO_2 emission intensity reduction: (baseline FY 2015-16)	56%
Total renewable energy generated:	8,375 MWh
Total waste recycled:	97% of hazardous waste
Total water recycled:	69.2 million cubic metres
Fresh water recycled:	47%

Operating context

The operating context is discussed in detail in MDA. Read more on page 114.

Recent consumer trends — Performance — Simplification and convenience — Premiumisation — Borderless Shopping — Digitisation

Financial capital

Enhancing balance sheet strength

We have developed a strong financial capital framework with adequate foresight and agility to drive effective growth. Our strong balance sheet enables us to direct our growth capital swiftly and efficiently towards emerging opportunities for long-term value creation. Armed with this prudent approach, we navigated through exceptional circumstances brought on by the pandemic, transforming into a future-ready organisation with confidence and purpose.

Economic value creation

Particulars	FY 21-22	FY 20-21
Revenue generated (includes other income)	14,048.95	10,615.74
Economic value distributed (i+ii+iii+iv+v)	13,266.06	9,643.40
Operating costs (i)	11,353.44	8,205.22
Employee benefits (ii)	1,014.65	885.33
Payments to providers of capital (iii)	460.51	260.44
Direct taxes paid (iv)	413.80	271.44
CSR expenditure (v)	23.66	20.97
Economic value generated	782.89	972.34

Capex

We continued investing in capacity expansion to fuel our next phase of growth. Our total capital expenditure during the year was ₹256 crores, which was primarily directed towards enhancing our infrastructure and capabilities.

Credit ratings	
Particulars	Rating assigned
Long-term Bank facilities (CC)	CARE AAA
Long-term Bank facilities (TL)	CARE AAA
Short-term Bank facilities	CARE A1+

Continued focus on liquidity

We have consistently maintained a strong focus on ensuring liquidity. During the year, we repaid loans amounting to ₹97.35 crores. Further, our total cash and bank balance & current investment as on 31 March, 2022 stood at ₹2,982 crores, with an increase of ₹1,051 crores.

₹2,982 crores

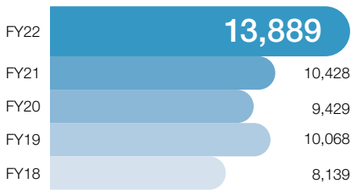
Cash and Bank Balance & Current Investments

₹256 crores

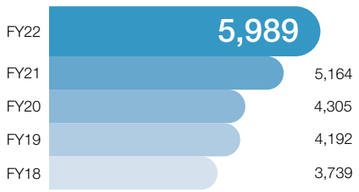
Net Capital Expenditure

Our performance

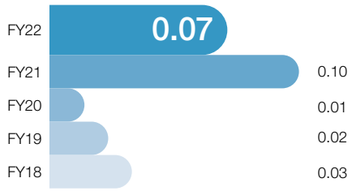
Net revenue
(in ₹ crores)



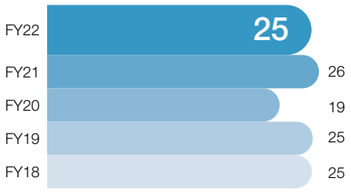
Net worth
(in ₹ crores)



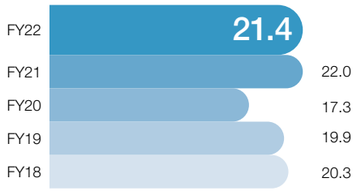
Debt-equity ratio
(times)



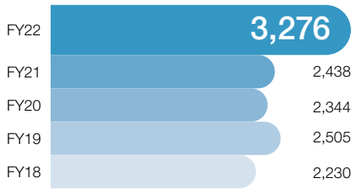
Return on average capital employed
(in %)



Return on equity
(in %)



Contribution to exchequer
(in ₹ crores)

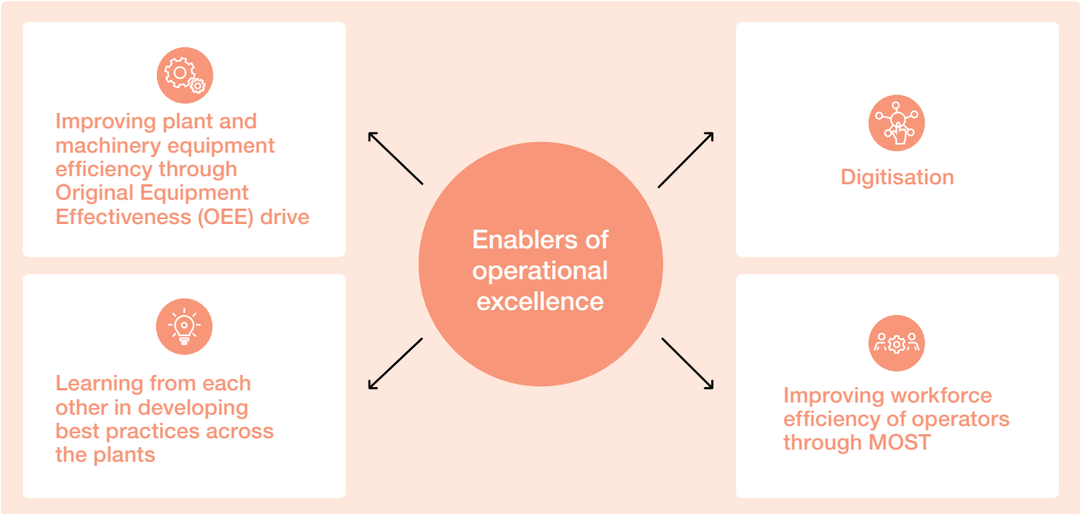


Manufactured capital

Driving innovation with efficiency

Over 90% of all our products are manufactured in-house. We have always been at the forefront of adopting and integrating new and innovative systems of manufacturing, to create globally benchmarked products that cater to the diverse demands of our customers across geographies. We continuously invest to upgrade our plant machineries and equipment, and also drive efficiency.

Operational excellence



Manufacturing excellence

We have taken several initiatives towards building a culture of excellence across the organisation. Using the Maynard Operation Sequence Technique (MOST), all plants have improved workforce productivity. Our cost optimisation drive focused on materials, value engineering ideas and decreasing manufacturing cost.

Through OEE measurement, plants are focusing on minimising losses and improving line capacity with the available resources. Many plants touched the 74%+ OEE in FY 2021-22. Leveraging a structured programme on 'Just In Time', various teams have optimised parts inventories by consolidating supplies and working with suppliers in close proximity to our manufacturing plants. Going forward, this will be extended to the entire supply chain.

Cost optimisation

We undertook rigorous cost-optimisation measures at all our manufacturing facilities. Various cross-functional teams (CFTs) were formed, with set objectives related to several key areas, ensuring wider participation and quick decision-making. The CFTs also came up with various 'new ways of working' to drive efficiency.

Key elements of cost optimisation

- Improving plant efficiency and productivity
- Implementing value engineering in products and processes
- Reducing cost of procurement through alternate sourcing, localisation and negotiation

40

New SKUs Launched in Domestic Appliances in FY 2021-22

3.0 sec.

Takt Time (Appliances)

Industry 4.0 – setting up of robotic manufacturing plant

We commissioned the most advanced robotic manufacturing plant in Ghiloth, Rajasthan, in line with the 'Make in India' vision. This is a washing machine manufacturing plant with the capacity to produce 3 lakhs units/annum. Manufacturing Execution System (MES) has been installed to monitor the production cycle in real time, improving operations and saving time.

The greenfield plant will significantly strengthen our production capacity. We aim to bring 20 new models of washing machines and 50 new models of ACs in the market in 2022. As part of Industry 4.0, the embedded systems, factories and operators are connected over the IoT to work together in a synchronised manner, within an integrated digital and physical environment. Use of robots, backed with AI, are driving precision and quality, helping us make quality Indian products for the global market.

The industry 4.0 capability and the MES facility reduces reliance on manual monitoring and supervision, making all information about production data and loss-time, among others, available remotely in a paperless environment.

Human capital

Investing in people experience

We differentiate ourselves through our people-centric approach and inculcate a culture of transparency, inclusion, collaboration and excellence, making Havells a 'Great Place to Work'. Our policies and practices are aimed at providing a conducive work environment to meet the aspirations of our people, while ensuring their safety and well-being.

Talent development, engagement and retention

We carry out continuous employee training to upgrade skills and equip our people with the latest technologies in the market. We regularly engage with our employees, with a special focus on ensuring their well-being and retention. This year, we conducted ~65,000 hours of training sessions for the skill development of our employees. These sessions included trainings on functional/behavioural and technical topics, in close coordination with our in-house experts. Knowledge-sharing sessions on innovative technologies like IoT, were also conducted.

In the beginning of 2022, we announced the Employee Ownership Plan (EOP) – a new Wealth Creation Plan for all employees, wherein a percentage of an employee's fixed pay would be given to them based on the Company's annual business performance. We feel such initiatives will strengthen our employees' engagement and ownership within the organisation, syncing their career and life goals, with that of the organisation's.

On-boarding new joiners in hybrid mode

On boarding new joiners in a hybrid work environment with long stretches of Work from Home (WFH) poses certain challenges in connecting and engaging with the rest of the organisation. We moved our new employee orientation 'QRG Connect' to the online platform MS Teams.

We conducted regular sessions every month, wherein senior leaders took the new joiners through the Company's journey, evolution and culture. All orientation and on boarding interactions were planned and rolled out and with the interactions being coordinated on Teams.

Diversity and inclusion

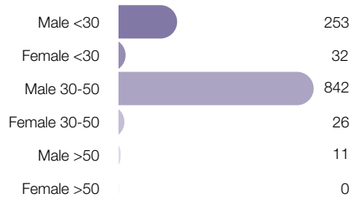
Havells is an equal opportunity employer. We have gender neutral remuneration policies. The ratio of basic salary and remuneration of women to men is 1:1. 100% of our employees are evaluated based on their qualification and performance. We are able to attract and retain young talent through a combination of youth-friendly policies and constant engagement with the leadership team. The average age of our 5,797 permanent workforce is 38 years. The average age of the 1,164 new joinees in the organisation is 33 years. We maintain a keen focus on talent deployment at our Centre of Research & Innovation (CRI) division, recruiting 68 new engineers with an average age of 27 years.

To ensure better gender diversity, we focus on hiring more women and creating a supportive work culture. Our women employee strength currently stands at 4%.

We are also committed towards developing the skills of our freshers. We hired 192 apprentices during the year, which is 14.15% of the total hiring.

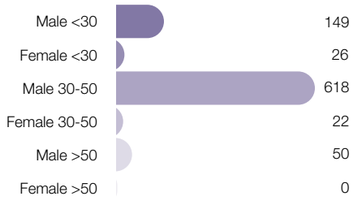
New employee hires

(in nos.)



Employee turnover

(in nos.)



Health and safety

We have always strived to maintain the health and safety of our employees and contractual workers, making it an utmost priority for the organisation. We have undertaken several initiatives to prevent and reduce injuries at our plants, and ensuring safety for all.

Safety Steering Committee

We have set up a management safety review team, comprising plant heads, head of department for safety, factory workers and engineering team members. The team provides strategic direction, approves business level strategies, policies and safety standards, and monitors and reviews performance within its area of control and influence. The responsibilities also include ensuring resource availability, reviewing safety performances and the effectiveness of safety procedures. The responsible director reviews the progress of safety management system and the KPIs of all locations on a regular basis. 100% of our workers are covered by our occupational health and safety management system.

Raising safety awareness

Targeted safety placards, posters and signboards are placed at strategic locations, to raise awareness and to reinforce that safety is everyone's responsibility. All our plant sites are ISO 45001 certified. Annual National Safety Week is observed across plants, wherein safety quizzes, awareness sessions, discussions over tea, prize distribution and safety pledges are rolled out.

We have established a safety command centre at each plant to track and raise awareness on our safety culture.

We have also introduced a 'One Point Lesson' accident investigation format. Additionally, the PPE Matrix has been revised and plant-wise PPE training modules have also been deployed. A system of safety challans and surprise checks are put in place to strengthen the safety controls.

Safety training categories

- Behaviour-based safety training
- PPE training programme
- Near miss identification training
- High risk equipment/area training
- Safety induction

26,000+

Safety training hours conducted in FY 2021-22

Zero

Fatalities recorded in FY 2021-22

Social and relationship capital

Co-creating a shared future

We engage with our customers, suppliers, business partners and communities around our operations to understand their needs and use our resources to address these needs and create sustained value for all these stakeholders.

Community

Corporate social responsibility has always been one of the focal points of our operating principles. Since our inception, we have been working closely with communities around our operations and have been undertaking initiatives to create opportunities so that these people, especially the marginalised among them, have a chance to improve their lives. We have a robust project selection process, which is reviewed by the CSR Internal Committee, which places the shortlisted projects alongside the budget before the Board for its approval. These initiatives are aimed at improving healthcare, education, water supply and sanitation as well as restoration of traditional art and protection of heritage.

Environment protection

We entered into an MoU with Madhya Pradesh's Van Vikas Vigam Limited till 2027, under which we will be planting 4 lakhs trees on an annual basis. Regular monitoring together with the availability of water and the active involvement of the local administration and the panchayat will ensure a close to 80% survival rate of the trees.

15 lakhs +

Trees planted in the past 5 years in Bhopal, Alwar and Neemrana

Robust review mechanism

CSR monitoring

- Appointment of third party for impact assessment
- Periodic visits (including surprise visits) by the Corporate and local CSR Teams
- Milestone-based monitoring of projects
- Adherence to terms and conditions of MoUs/agreements

Development of ICU ward

In association with the Government of Rajasthan, we have developed an eight-bed state-of-the-art modern ICU ward in Alwar, Rajasthan. The ward was inaugurated in December 2021. This was widely appreciated by the local administration and received extensive coverage in the local newspapers.

Mid-day meal / Dry ration distribution

The QRG Foundation provides transport and related services for the distribution of dry food rations (wheat and rice) to over 400 government schools, directly benefiting ~7 lakhs students in Alwar, supported by the Rajasthan government and school authorities. Following the break caused by the pandemic, the initiative was restarted on March 9, 2022, with the consent of the local administration. Providing mid-day meals is a flapship project of the Company, which is conducted by the QRG Foundation at Alwar. The project addresses both nutrition and education needs of children.

On April 1, 2022, a surprise inspection was conducted by the Additional Chief Secretary (ACS), wherein he took feedback from the students about the quality of the food being served. The response was overwhelmingly positive. We plan on increasing our daily meals served to students from 60,000 to 73,000 in FY 2022-23.

Heritage conservation

We aim to contribute to preserving the country's rich heritage and pass it on to future generations in the best possible condition. We partnered with Aga Khan Trust for Culture (AKTC) to support the building of Humayun's Tomb Interpretation Centre and the restoration of Sabz Burj monument.

Subz Burj: shining a light on the past

A 15th century monument situated at Nizamuddin, New Delhi, Subz Burj is one of the oldest Mughal-era monuments in the country. We have been donating funds for its conservation and restoration for the last four years using traditional materials and building-craft techniques favoured by craftsmen of that period.

Due to the extensive restoration process, sandstone lattice screens (Jaalis) have been restored at the arched doorways where unsightly iron frames had been installed. Rare gold and lapis lazuli paintings and incised plaster patterns on the ceiling are also now visible after a rigorous cleaning process, conducted under the supervision of experts.

Post the inauguration, the monument has emerged as one of the major night attractions due to the specialised lighting, which illuminates the monument, while protecting the monument from heat or moisture from the installed lights. We are currently one of the few players in the market who are specialising in museum lights.

Social and Relationship capital

Supply chain

At Havells, we strive to maintain a responsible and robust supply chain, engaging, supporting and handholding our suppliers and vendors on their sustainability journey. At the same time, we ensure that they conform to regulatory compliances and uphold best practices when it comes to financial and man management. ~78% of our spending is on local suppliers covering pan-India.

Relationship with channel partners

We have opened new and unconventional servicing lanes, reducing planning cycles (dynamic planning cycles rather than fixed monthly cycle). Manufacturing units have adapted quickly to the changes, leading to increased inventory of critical products. We have also focused on SKU rationalisation and reduced ageing inventories in the network.

Even during these difficult times, we have made continuous efforts to upgrade our warehousing infrastructure by leasing additional 3 lakhs square feet of space and commissioning a state-of-the-art shuttle racking storage solution.

Key focus areas for FY 2022-23

- Accelerating the digitisation journey and implementation of best practices
- Reduced count of locations and moving closer to customer
- Planning to introduce 50+ electric vehicles in the next one year with the goal to phase out combustion fuel vehicles for short haul by 2025
- Improving forecast accuracies
- Focusing on automation of plan generation for factories.

Customer service

Customer experience is a top priority for us,and we have rolled out several initiatives to further improve customer experience. We are reaching out to customers and making our brand available wherever they are. We have Care360, an unmatched post-sales support with over 1,700 delivery points and over 5,000 highly trained field engineers.

Customer Health, safety and data privacy

We assess health and safety implications of our products at product design stage. We also enhance usage of sustainable materials while we develop products. We ensure our products adhere to highest standards of safety, following all relevant national and international standards for product safety such as Bureau of Indian Standards (BIS), Japanese Industrial Standards (JIS) and others applicable. During the year, we have not received any complaints/incidents concerning breach of customer privacy and loss of customer data.

HAVELLS

Core of Havells Service

Omni channel	Speed	Training & skill building	Customer delight

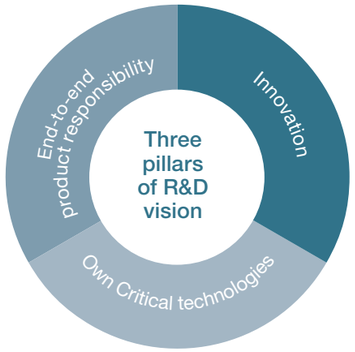
Intellectual capital

Seamless journey from discovery to delivery

Our Intellectual Capital is manifested in the vast and diverse knowledge base we have built over the years, encompassing industry insight, competitive intelligence, understanding of markets and customers, and logistics management. This enhances our capacity for innovation, enabling us to deliver sustainable solutions to our customers, by constantly improving our wide range of products.

Research and Development

As a leading FMEG company, we manage a large product portfolio across both B2B and B2C domains. Strengthening our R&D capabilities is key to maintaining our competitive edge.



The R&D product vertical teams work in close collaborations with business marketing teams, on near- to medium-term product innovations. The Centres of Excellence (COEs), as horizontals, work with a long-term view to procure ideas and competencies with the potential to be possible game changers.

Havells Customer experience and Design (CXD) studio, Noida, and Bangalore Innovation Centre continue to power our product innovation capacities.

SMART connected products

We are at the cusp innovation when it comes to our consumer products. We are transcending traditional product boundaries to offer our customers new functionalities, improved reliability, better utilisation and enhanced capabilities.

We achieved a significant milestone with the Havells in-house IoT and AI Platform. It is equipped with Connectivity and Control hardware, Product Cloud, Havells Sync unified app, and Voice Control with AI/ML capabilities.

Specific technology absorption to create differentiated products

Distribution products and industrial switchgears

We have expanded our existing range of circuit breakers by augmenting it with Arc Fault protection, equipped with options of both integrated and add-on feature.

For industrial switchgears, our immediate focus has been on enhancing our product capabilities, in line with the Government's upcoming Quality Change Order (QCO) for FY 2022-23, related to circuit breakers, control and switchgears. These innovations will enable us to expand our product portfolio in the growing Indian infrastructure, industrial, commercial and renewables markets.

IoT enabled switch range

This year, we introduced a retrofit modules range, enabling our customers to convert conventional switches into smart ones, by connecting over Wi-Fi. We are creating new range of switches, built with a smart communication features and soft touch operations, marking a new benchmark of increased connectivity and ease of operations in the functioning of switches.

Innovative fan range

We built India's first ceiling fan with an integrated air purifier, upgraded with the 5-star BEE rated BLDC motor technology.

Benefits derived from R&D efforts

Our customer-centric innovations have consolidated our share of new products to ~17% of total revenue, over the last 21 months. With new innovations in the pipeline, this share is slated to further increase in the near future. During FY 2021-22, we have completed 256 innovation projects.

32%

Share of R&D spend directed towards environmental and social benefit products and technologies

Read more on page 57.

Natural capital

Environmental preservation

We have deployed systems and processes that are designed to promote responsible manufacturing practices, robust resource management and compliance with applicable rules and regulations. Our systematic approach towards reducing our carbon footprint and creating a positive impact on the environment includes improving energy efficiency, increasing the share of renewables in the energy mix while moderating our use of water and minimising waste generation.

We have implemented Quality, Energy, Environmental,Occupational Health and Safety (QEEHS) policy covering all operations. Our plants are ISO 14001 and ISO 50001* certified.

* Ghiloth Plant, commissed in 2019, is expected to be certified in ISO 50001 by end of Q2 FY2023

Climate change mitigation

We believe that climate change is a defining issue of our time and we must act responsibly to mitigate its impact. Various initiatives have been undertaken by us with regard to adopting clean technology, improving energy efficiency, and using renewable energy, etc. Some of the major initiatives include rainwater harvesting at our sites, sewage and effluent treatment plants for recycling wastewater, captive solar power plants with total capacity of 9.0 MW, etc.. Our focus has been on reducing our environmental footprint particularly around reducing emissions to combat climate change.

Green buildings

Our manufacturing facilities at Ghiloth and Alwar, Rajasthan, have been accorded the Indian Green Building Council (IGBC) Gold-rated certification, under IGBC Factory Building Rating system

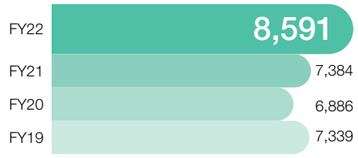
Reducing Greenhouse Gas (GHG) emissions

Direct (Scope 1) GHG emissions

Over the years, we have been working persistently towards reducing our carbon footprint and use of natural gas-based furnaces, among others.

Direct GHG emissions

($mtCO_2$ equivalents)

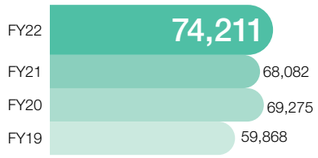


Indirect (Scope 2) GHG emissions

We have implemented ISO:50001 energy management system and completed 41 energy saving initiatives, saving 1,435 tCO_2e of emissions in FY 2021-22.

Total indirect GHG emissions

($mtCO_2$ equivalents)



Other indirect (Scope 3) GHG emissions

Under Scope 3 emissions, we only considered employee commute for the reporting period. During FY 2021-22, due to COVID-induced lockdowns and work-from-home strategies, Scope 3 emissions were at an all-time low of 3,510.22 $mtCO_2e$.

9%
Share of renewable energy in total electricity consumed in FY 2021-22

9.0 MW
Solar power generation capacity

6,700 tCO_2e
Emissions mitigated with solar usage

53%
Reduction in specific energy intensity as compared to base year 2015-16

1,435 tCO_2e
Reduction in GHG emissions through 41 electricity reduction initiatives

Natural capital

Efficient use of raw materials

We use a variety of raw materials, including different metals, plastics, resins and PVC, among others. We are engaged in the constant process of evaluating how we can reduce our consumption of these resources while looking at alternatives.

Virgin raw materials used in FY 2021-22

Parameter	Units
Raw materials	1,23,567 MT
Associated process material (Warnish, paint, powder)	36,414 MT
Associated process material (Paint, thinner)	11,27,730 Litres
Semi-manufactured goods or parts	5, 52,842 No.s
Packaging material (Wooden items)	10,69,425FT3
Packaging material (Product packaging, label, thermocole, box, etc.)	56,06,68,018 No.s
Packaging material (Adhesive tape, wax resin, PP strap, etc.)	2,28, 94,506 Metres
Packaging material (Polybags, laminates, steel cable drum, bolts, etc.)	4278 MT
Energy intensity GJ per rupee of turnover	40.1

Circular economy

We are progressively including material circularity in our product design and processes while ensuring high quality and durability. We also undertake rigorous testing of our products and provide post-sales services to increase their shelf life, thereby reducing requirements for natural resources.

Waste management

We have implemented waste segregation at source. We have a stringent waste management system for hazardous and non-hazardous waste generated at Havells. We are strengthening our environmental protection policies by focusing on specific issues such as effective storage, handling, transportation and disposal of hazardous waste generated at our units. Currently, all such waste is disposed of only through dealers authorised by Central/State Pollution Control Boards. During the year, we recycled 7,585 MT of non-hazardous waste and reused 641.3 MT, including metal, rubber and plastic scrap.

During the year, there were no significant spills to be reported and we disposed of 308 MT of hazardous waste.

Plastic Waste Management (PWM)

We take the responsibility of disposing plastic wastes associated with our product packaging. To fulfil our Extended Producer Responsibility (EPR), we are collecting plastic low density polyethylene (LDPE) bags and thermocol. Till date , we have reclaimed approximately 3000MT of plastic waste from the eco-system. For the forthcoming year , we will be reclaiming ~3500MT of plastic waste.

Zero

Non-hazardous waste to landfill during FY 2021-22

<2.67%

Total hazardous waste was sent to landfill during FY 2021-22

Reduction of plastic use in packaging

Removal of metallised PET film from our packaging	Exploring the feasibility of replacing EPS from our packaging with corrugated or honeycomb fillers	Exploring the feasibility of bio-degradable plastic bags for our packaging
Using pulp-molded trays for our water heater packaging to replace thermocol	Exploring the feasibility of paper-based tapes to replace BOPP tapes in lighter weight packaging	Using recycling bins instead of plastic packaging for some of our raw materials to be used in production

Emission management

Ozone-depleting substances (ODS)

In line with the Montreal Protocol and other international standards, we are consciously moving away from the use of ODS in our refrigerants for air conditioners and refrigerators. As a result, we launched the environment-friendly Lloyd refrigerators with zero ODS last year. Further, conscious of emissions from air conditioning at our office buildings, we have reduced our consumption of ozone-depleting R-22 refrigerant by more than 60% as compared to FY 2019 and plan to go zero R-22 in the near future.

Chlorofluorocarbons (CFCs)

(Kg CFC equivalent)

R-22 consumption

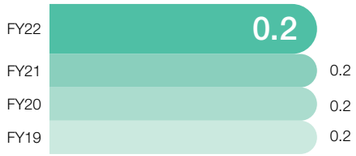
(Kg)

NOx and SOx emissions

At Havells, our operations release minuscule amounts of nitrogen oxides (NOx) and sulphur oxides (SOx) and we consistently work to minimise these emissions. We regularly monitor our process emissions from our oven and Diesel Genset (DG) stacks and maintain emissions under permissible limits, with the help of air pollution control equipment.

SOx

(MT)



NOx

(MT)

Water stewardship

We believe that water usage sensitisation along with infrastructure that supports responsible water use is key to water conservation. We have set up, across plants, dry powder-based paint shops instead of the conventional water-based paint shops; and flow regulated taps, arresting water leakages and closed unnecessary water distribution points. Pilot studies have been taken up to increase the use of recycled water for domestic use. We have deployed automatic water recirculation system in our factory kitchens for utensil cleaning in select plants to gauge water savings.

All our factories are equipped with Sewage Treatment Plant (STP) and four of them are equipped with Effluent Treatment Plant (ETP) as well. Almost all of the treated water is reused within our premises to flush toilets or in developing greenbelt and plantation.

The plumbing infrastructure required to reuse STP treated water is being implemented. Our Faridabad unit was the only one which discharged treated water (after maintaining the minimum discharge standards) into municipal sewage line with consent from the authorities concerned during the reporting period. We follow all the necessary applicable guidelines and directions on maintaining the standards of STP and ETP required by CPCB and SPCBs. Rainwater harvesting structures are installed at all our facilities and the water harvested is used for ground recharge.

Water recycling

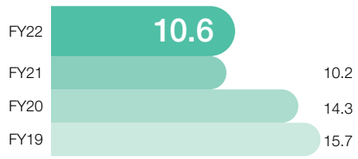
Parameter	Mega litres
STPs	58.5
ETPs	18.1
Total	76.6

Water consumption

(In mega litres)

Fresh water intensity

(KL/₹ crores turnover)



Corporate information

Company Secretary
Sanjay Kumar Gupta

Auditors

Statutory Auditors
Price Waterhouse & Co
Chartered Accountants LLP

Internal Auditors
Ernst & Young LLP

Cost Auditors
M/s Sanjay Gupta & Associates
Cost Accountants

Secretarial Auditors
M/s MZ & Associates
Company Secretaries

Bankers
Yes Bank Limited
IDBI Bank Limited
HSBC Limited
Standard Chartered Bank
Citi Bank
ICICI Bank Limited
HDFC Bank Limited
IndusInd Bank Limited
Axis Bank Limited

Registrars and Share Transfer Agent

Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot No. NH 2, LSC, C-1 Block,
Near Savitri Market,
Janakpuri, New Delhi - 110 058
Tel: 011-41410592, 93
011-49411000
Fax: 011-41410591
Email id: delhi@linkintime.co.in
Website: www.linkintime.co.in

Listed on
National Stock Exchange of India Ltd.
BSE Limited

Registered Office
904, 9th Floor, Surya Kiran Building,
K G Marg, Connaught Place,
New Delhi - 110 001

Corporate Office
QRG Towers, 2D, Sector - 126,
Expressway, Noida - 201 304, (U.P.)
Tel: +91-120-3331000
Fax: +91-120-3332000
Website: www.havells.com
CIN: L31900DL1983PLC016304

Statutory and Financial Statements

Directors' Report

To

The Members

Your Directors take pleasure in presenting the 39th Annual Report (Integrated) on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2022.

1. Financial Summary or Highlights

The Board's Report is prepared based on the standalone financial statements of the Company. The Company's financial performance for the year under review alongwith previous year's figures are given hereunder:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	13,889	10,428	13,938	10,457
Other Income	160	188	160	187
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	1,918	1,753	1,921	1,759
Less: Depreciation and amortisation expenses	261	249	261	249
Finance Cost	53	73	53	73
Profit before Tax and Exceptional Expenses	**1,604**	**1,432**	**1,607**	**1,438**
Less: Tax	409	392	410	393
Profit for the year	**1,195**	**1,040**	**1,196**	**1,044**
Other Comprehensive Income	6	(2)	6	(2)
Total comprehensive income for the year, net of tax	**1,200**	**1,038**	**1,203**	**1,043**

Encouraging performance across verticals led to a revenue growth of 33% and profit growth of 15%, however Margins were under pressure due to spiralling cost inflation. We exited the year with a positive momentum recording highest ever revenue and profits. It has been a year of revival despite transitional impact of Covid and commodity inflation.

Advertising and promotion, as planned, reverted to normalised levels against last year. Increase in expenses representative of Company's decision to continue investment in Brand, Research & Development, IT infrastructure and other long-term growth drivers despite short term impact on the EBITDA margins.

While the inflationary environment continues to pose a challenge, however, we maintain a positive outlook on demand growth and gradual recovery of margins.

2. Brief Description of the Company's Working During the Year/ State of Company's Affairs

Your Company registered robust revenue growth across segments with a 21% CAGR over 2 years. The initiatives towards channel expansion are paying off with decent growth in Ecom, Rural, Enterprise business and International markets. New customers were added, broad basing demand channels. In line with the trend over past few years, growth in B2C has been outpacing B2B, however, there has been increased conversion in projects and B2B over last year.

Switchgear grew by 22% benefiting from new construction and range expansion. Efficient cost and price management helped maintain the switchgear margins. Cable segment grew by 46%, largely contributed by higher commodity prices. Timely transmission of price increases helped maintain Cable margins.

Channel expansion and market share gains helped lighting segment to achieve 26% revenue growth with stable margins. Electrical consumer durables grew by 29% with a healthy mix of value and volume growth, however time lag in passing on the costs to the market impacted the margins.

Lloyd business reported a 34% revenue growth despite Covid striking in the peak summer season in first quarter of the year. Lloyd has undertaken channel and portfolio expansion strengthening its market position. Lloyd margins were severely impacted as hypercompetitive environment restrained adequate price increases required to compensate the cost inflation.

Encouraged by the demand environment, company continued with new product launches and dealer engagements. Manufacturing capacities were added in the water heater and air conditioner units and new setup was created for manufacturing of washing machines.

Digitisation remained high on agenda, with initiatives focusing on improving ease of doing business both for internal and external stake holders.

Prudent financial management and healthy profits helped maintain a Strong Balance sheet. Working capital reverted to normality leading to robust cash levels.

Awards and Accolades

Your Company received the following awards during the Financial Year ended 31st March, 2022:

1. "ICSI CSR Excellence Award" under medium category in its 21st edition of ICSI National Awards for Excellence in Corporate Governance, 2021
2. India Design Mark 2021 – Silencio mixer grinder
3. India Design Mark 2021 – Puro storage electric water heater
4. India Design Mark 2021 – Endura Pearl Grand street light series
5. India Design Mark 2021 – Freedom adaptable architectural light
6. CII Design Excellence Award 2021 - Freedom adaptable architectural light
7. Good Design Japan 2021 – Nu Bulb + Lamp
8. Red Dot Award 2021- Vogue Highbay Light
9. Great Place to Work

Subsidiary Companies, Joint Venture and Consolidated Financial Statements

As on 31st March, 2022, the Company had two direct overseas subsidiaries:

1. Havells Holdings Limited based at Isle of Man.
2. Havells Guangzhou International Limited based at China.

The Consolidated Profit and Loss Account for the period ended 31st March, 2022, includes the Profit and Loss Account for the subsidiaries for the complete Financial Year ended 31st March, 2022. The Board of Directors of the Company has, by Resolution passed in its Meeting held on 4th May, 2022, given consent for not attaching the Balance Sheets of the subsidiaries concerned. The Consolidated Financial Statements of the Company including all subsidiaries duly audited by the statutory auditors are presented in the Integrated Annual Report. The consolidated financial statements have been prepared in strict compliance with applicable Accounting Standards and wherever applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India. A Report on Performance and Financial Position of each of the Subsidiaries Company included in the Consolidated Financial Statements is presented in a separate section in this Integrated Annual Report. Please refer (Form No. AOC-1) annexed to the Financial Statements in the Integrated Annual Report. The standalone annual accounts of the subsidiary companies and the detailed related information shall be made available to Shareholders of the Company and of its subsidiary companies upon request and it shall also be made available on the website of the Company i.e. https://www.havells.com/en/discover-havells/investor-relation/financials/balance-sheet.html

The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder in the Head Office of the Company and the respective offices of its subsidiary companies.

Joint Venture

Your Company had formed a 50:50 joint venture in People's Republic of China with Shanghai Yaming Lighting Co. Limited under the name of Jiangsu Havells Sylvania Lighting Co. Limited (JV). This Joint Venture Company was created with an objective to produce energy efficient lighting lamps. In Financial Year 2017-18, owing to the technological changes in the lighting Industry, the Company along with its JV partner had decided to close the business and liquidate the JV. Accordingly, the regular operations were fully closed in October 2017. Liquidation of the company was completed in the current financial year and the final approval for deregistration has been received on 8th February, 2022.

The Liquidation proceeds from the JV amounting to ₹ 18.43 crores have been received in the month of March, 2022.

3. Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year

During the financial year 2021-22 Jiangsu Havells Sylvania Lighting Co. Limited upon liquidation ceased to be a joint venture. Besides, there are no companies which have become or ceased to be subsidiary and / or associate of the company during the financial year 2021-22.

4. Reserves

Your Directors do not propose to transfer any amount to the general reserve and entire amount of profit for the year forms part of the 'Retained Earnings'.

5. Dividend

In line with the Dividend Policy of the Company which is available in the "Codes & Policies" section in the Investor Relations section on the website of the Company and can be accessed at https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html, the Board of Directors, in its Meeting held on 20th October, 2021, declared an Interim Dividend of ₹ 3.00 per equity share of face value of Re. 1/- each, to all the Shareholders who were recorded on the Register of Members as on 28th October, 2021, being the record date fixed for this purpose.

In addition to the Interim Dividend, your Directors are pleased to recommend a Final Dividend @ ₹ 4.50 per equity share for the financial year 2021-22.

The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹ 281.84 crores (inclusive of TDS). The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Book Closure Date. The Register of Members and Share Transfer books shall remain closed from 16th June, 2022, Thursday to 21st June, 2022, Tuesday (both days inclusive).

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.

However, in terms of the Employee Stock Purchase Schemes of the Company, which are administered by Havells Employees Welfare Trust, 2,16,759 Equity Shares of Re. 1/- each, were approved for Grant on 4th May, 2022 and Vested (pursuant to the respective Employees Stock Purchase Shemes as hereunder) to the eligible employees, which, if exercised, shall result in an equivalent no. of Equity Shares of Re. 1/- each to be allotted/ transferred to the eligible employees under the respective schemes.

A summary is given below:

	No of Shares Granted	No of Shares Vested
Havells Employees Stock Purchase Plan 2014	41,817	41,817
Havells Employees Stock Purchase Scheme 2015	1,50,000	1,50,000
Havells Employees Stock Purchase Scheme 2016	24,942	13,534*

**8,306 Shares vested as 1st tranche out of a total of 24,942 Shares granted for financial year 2021-22; 2,045 Shares vested as 2nd tranche out of a total of 8,454 Shares granted for financial year 2020-21 and 3,183 Shares vested as 3rd tranche out of a total of 13,157 Shares granted for financial year 2019-20.*

7. Change in the nature of business

There was no change in the nature of business of the Company during the financial year ended 31st March, 2022.

8. Details of Directors or Key Managerial Personnel including those who were appointed or have resigned during the year

During the financial year 2021-22, the following were appointed as Independent Directors for a First Term of 5 (Five) years as approved by the Shareholders in the last Annual General Meeting of the Company held on 30th June, 2021.

- Smt. Namrata Kaul (DIN: 00994532)
- Shri Ashish Bharat Ram (DIN: 00671567)

During the year, Smt. Pratima Ram (DIN: 03518633) ceased to be a Director of the Company upon completion of her second term as an Independent Director, which was upto the date of the last Annual General Meeting of the Company held on 30th June, 2021.

The Board places on record its appreciation for the valuable contributions made by Smt. Pratima Ram in all areas of Board's functioning during her tenure as Non-Executive Independent Director on the Board.

Further, pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Siddhartha Pandit (DIN: 03562264) and Shri Anil Rai Gupta (DIN: 00011892), are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

The details of Directors being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval to the re-appointment of Directors are also included in the Notice.

9. Number of Meetings of the Board of Directors

During the Financial Year 2021-22, the Board of Directors of the Company, met 5 (Five) times on 20th May, 2021, 21st July, 2021, 20th October, 2021, 20th January, 2022 and 24th March, 2022.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Meeting of the Independent Directors of the Company was also held on 20th January, 2022, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

10. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. Declaration by Independent Director(s) and re-appointment, if any

All the Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

In the opinion of the Board, they fulfil the condition for appointment/ re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014.

12. Nomination and Remuneration Policy of Directors, Key Managerial Personnel and other employees

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its Meeting held on 22nd December, 2014, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **ANNEXURE – 1** and forms part of this Report. The Policy is also available in the Investor Relations section, under the "Codes & Policies" tab, on the website of the Company and can be accessed at the weblink https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html

13. Formal Annual Evaluation

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") contain provisions for the evaluation of the performance of:

(i) the Board as a whole,

(ii) the individual directors (including independent directors and Chairperson) and

(iii) various Committees of the Board.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Consequently, the Company is required to disclose the manner of formal annual evaluation.

The Board evaluation exercise for financial year 2021-22 was carried out by way of internal assessments done based on a combination of detailed questionnaires and verbal discussions.

Performance evaluation of the Board and Committees

The performance of the Board was evaluated by the Board Members after considering inputs from all the Directors primarily on:

- Board composition and quality with emphasis on its size, skill, experience and knowledge of members;
- Periodic review of Company's management and internal control system for appropriateness and relevance;
- Board process and procedure with emphasis on the frequency of meetings, attendance thereof, flow of information;
- Oversight of Financial Reporting process including Internal Controls and Audit Functions;
- Engagement in Corporate Governance, ethics and compliance with the Company's code of conduct.

The Board evaluated the performance of the Committees on the following parameters:

- Appropriateness of size and composition;
- Clarity of mandate and well-defined agenda;
- Reporting to the Board on the Committee's activities;
- Availability of appropriate internal and external support or resources to the Committees.

Performance Evaluation of Individual Directors

The performance evaluation of the Individual Directors were carried out by the Board and other Individual Directors, considering aspects such as:

- Sufficient knowledge of Company strategy and objective;
- Understand their role as Director, as distinct from management;
- Adequate and productive use of knowledge and experience of the Independent Directors for the functioning of Board;

- Efforts for professional development to enable better fulfilment of their responsibilities;
- Ask questions/ critique proposals with confidence;
- Open and effective participation in Board discussions;
- Keep stakeholder interest as the touchstone in endorsing decisions.

Performance Evaluation of Chairman

- Display of effective leadership qualities and skill;
- Implementation of observations/ recommendations of Board Members;
- Effective and timely resolution of grievances of Board Members;
- Ability to bring convergence in case of divergent views and conflict of interest situation tabled at Board Meetings;

Evaluation Outcome

The evaluation brought to notice that the sharing of information with the Board, its timeliness, the drafting of agenda notes and the content thereof as well as the drafting of the minutes were found to be satisfactory. All the Board Members were satisfied with the way the affairs of the Company were conducted.

14. Annual Return

A copy of the Extracts of the Annual Return of the Company as required under section 134(3)(a) of the Companies Act, 2013, in Form No. MGT-9, as they stood on the close of the financial year i.e. 31st March, 2022 is furnished in **ANNEXURE – 2** and forms part of this Report.

Further, a copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, in Form No. MGT-7, as they stood on the close of the financial year i.e. 31st March, 2021 is uploaded on the website of the Company in the Investor Relations Section under Disclosures and can be accessed from https://havells.com/en/discover-havells/investor-relation/disclosures.html

15. Auditors

1. Statutory Auditors

As per provisions of Section 139(1) of the Companies Act, 2013, the Company appointed M/s Price Waterhouse & Co Chartered Accountants LLP (Registration No. 304026E / E300009) as Statutory Auditors for a period of 5 (Five) years in the AGM of the Company held on 30th June, 2021.

Statutory Auditors' Report
The observations of Statutory Auditor in its reports on standalone and consolidated financials are self-explanatory and therefore do not call for any further comments.

Details in respect of frauds reported by auditors
There were no instances of fraud reported by the auditors.

2. Cost Auditors

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Sanjay Gupta & Associates, Cost Accountants (Firm Regn. No. 000212) were appointed as the Cost Auditor of the Company for the year ending 31st March, 2022.

The due date for filing the Cost Audit Report of the Company for the financial year ended 31st March, 2021 was 18th June, 2021 and the same was filed in XBRL mode by the Cost Auditor within due date.

Disclosure on maintenance of Cost Records
The Company made and maintained the Cost Records under Section 148 of the Companies Act, 2013 (18 of 2013) for the Financial Year 2021-22.

3. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s MZ & Associates were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2022.

Annual Secretarial Audit Report
In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **ANNEXURE – 3**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

Annual Secretarial Compliance Report
A Secretarial Compliance Report for the financial year ended 31st March, 2022 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s MZ & Associates, Secretarial Auditors.

16. Particulars of Loans, Guarantees or Investments under Section 186

The particulars of loans given, investments made and guarantees provided by the Company, under Section 186 of the Companies Act, 2013, as at 31st March, 2022, are furnished in **ANNEXURE – 4** and forms part of this Report.

17. Particulars of contracts or arrangements with Related Parties

The particulars of every contract and arrangement if entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 in **ANNEXURE – 5** and forms part of this Report.

18. Contribution to Exchequer

The Company is regular in payment of taxes and other duties to the Government. During the year under review your Company paid ₹ 426.85 crores towards Corporate Income Tax as compared to ₹ 271.78 crores paid during the last financial year. The Company has also paid an amount of ₹ 2,849.67 crores on account of GST and Custom duty and claimed government assistance and support of ₹ 1.02 crores during financial year 2021-22 as compared to ₹ 2,166.38 crores paid and not claimed any government assistance and support during last Financial Year.

19. Details relating to deposits covered under Chapter V of the Companies Act, 2013

The Shareholders vide their Special Resolution dated 9th June, 2014, passed by way of Postal Ballot, have approved inviting/ accepting/ renewing deposits, in terms of the provisions of Companies Act, 2013 making the Company eligible for the same. However, the Company has not accepted any deposits during the year under review.

20. Corporate Social Responsibility (CSR)

Social and Environmental responsibility has always been at the forefront of Havells' operating philosophy and as a result the Company consistently contributes to socially responsible activities. Havells Corporate Social Responsibility Policy is deep rooted in the Company's core values of quality, reliability and trust and driven by our aspiration for excellence in the overall performance of our business.

Havells CSR ethos are motivated by the belief that small steps lead to meaningful change in people's lives "Chhote Kadam Badi Soch".

This belief has led to targeted efforts by the organisation for the communities revolving around six strong pillars of Health and Nutrition, Education, Skill and Development, Sanitation, Environment, Heritage Conservation and other humanitarian causes. These pillars not only move hand in hand with the ones envisioned by the government but are also aligned to United Nations Sustainable Development Goals.

Being a responsible corporate citizen, our CSR initiatives are focused at delivering maximum value to the society. Company's approach to CSR has been more than just compliance. Our social initiatives started way before CSR was mandated by the government under the Companies Act, 2013.

While at Havells CSR is carried out with the sole philosophy of giving it back to the society, this year Havells was conferred **the ICSI CSR Excellence Award "Best Corporate Medium"** by Institute of Company Secretaries of India recognizing the responsible work being done by the Company in the identified areas.

Some of the key initiatives include:
Meals Distribution (Mid Day Meal Programme) - Prior to Covid times, we were serving more than 60,000 students across 693 schools every day, in Alwar district of Rajasthan under mid-day meal programme.

In line with the local governments' initiative of food distribution to the needy people, we distributed Dry Ration instead of cooked food to the people impacted by the pandemic. During financial year 2021-22, we distributed Dry Ration to more than 7 lakhs students in coordination with School Authorities.

Hygiene and Sanitation (Bio-toilets and distribution of Re-usable Sanitary Napkins) - The Company has been proactive in delivering its responsibility in the areas of hygiene and sanitation to the society. It is our firm belief that WASH (Water, Health and Sanitation) initiative is critical for ensuring overall development of the child. This initiative aligns with the ambitious 'Swachh Bharat Mission' advocated by the Government of India and with the United Nations Sustainable Development Goals. Over the last few years we have constructed more than 4,000 bio toilets. Today, not only we are funding the upkeep of these bio-toilets but also focus on another key aspect which is sensitising stakeholders on the importance of sanitation. Havells started providing reusable sanitary napkins as well as started educating the girls through workshops and during financial year 2021-22 more than 97,000 sanitary napkins – were distributed in Alwar.

Conserving National Heritage - Your Company aims to preserve country's rich heritage and pass it on to the future generations in the best possible condition. Keeping this in mind, your Company tied-up with Aga Khan Trust for Culture (AKTC) for contributing towards building Humayun's Tomb Interpretation Centre. Your Company has also been contributing towards conserving the 15th century monument of national importance "Subz Burj" situated at Nizamuddin, New Delhi. It has been conserved and restored over the last four years using traditional materials and building-craft techniques favoured by 16th Century craftsmen.

Societal Education and Infrastructure - Your Company has partnered with Plaksha, a collective philanthropic effort to re-imagine engineering and technology education in India and the World. The tie up with Plaksha will provide financial assistance to needy students in the form of scholarship as well as creating infrastructure for the benefit of such students. With an objective to strengthen the school infrastructure, the Company recycles the waste wood across its manufacturing plants and converts them into tables and benches which are donated in the government schools in Alwar, Neemrana and Haridwar. Till date, your Company has donated over 4,000 set of table & bench benefitting over 7,000 students in the government schools.

Tree Plantation - Tree plantation has been a regular activity at Havells with the twin purpose to save endangered environment and to preserve flora and fauna. Your Company has planted over 15 lakhs trees in last 5 years in Bhopal, Madhya Pradesh and Neemrana, Rajasthan.

Further, the Company has in place CSR Committee and Policy as per the applicable laws and regulations. The disclosures on the same as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed herewith as **ANNEXURE – 6** to this Report in the prescribed format.

21. Audit Committee

As at 31st March, 2022, the Audit Committee of the Board of Directors of the Company comprised of 4 (Four) Members, namely Shri Upendra Kumar Sinha, Smt. Namrata Kaul, Shri Subhash S Mundra and Shri Surjit Kumar Gupta, majority of them being Independent Directors except Shri Surjit Kumar Gupta, who is a Non-Independent Non-Executive Director. Shri Upendra Kumar Sinha, an Independent Director, is the Chairman of the Audit Committee. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

22. Enterprises Risk Management Framework

Havells Enterprises Risk Management (ERM) & Governance Framework is based on Internationally accepted framework, issued by the Committee of Sponsoring Organisations of the treadway Commission (COSO). Havells ERM framework uses the principle of the four 'Ts' to address the identified risk – we first attempt to *treat* it, either decide to *tolerate* it (keeping the costs and risks in mind), or we *transfer* it (to an area where it can be treated), or else we *terminate* it.

Company's well established ERM framework, enables business to achieve sustainable, predictable and profitable growth, by first recognizing and then optimizing adverse impacts, thereby bringing predictability and efficiency of operations.

ERM is closely entrenched across all Functions and business divisions of the company and is effectively being used today to make business decision. More than a 100 meetings contributing to ~8400 Man hours of intense discussions, bear testimony to the intrinsic nature of ERM's role within the company. ERM framework has also been refreshed in line with updated COSO Framework, which is integrated with strategy & performance.

ERM Committee of the Board, chaired by an Independent Director, reviews the progress status of top identified risks bi-annually and guides the ERM Coordinator, who works closely with business & functional team for identification, monitoring & execution of agreed risk responses. The Company has recently introduced the Risk Maturity model, which identifies and progress made against each risk as per the action plan taken for its mitigation.

The Company is continuously focusing on adopting AI/ML based technologies, Industries 4.0, Robotic, Data analytics, Enterprise resource planning (ERP), governance, risk and compliance (GRC). Adoption of next Generation Technologies help us in enhancing productivity, efficiency & decision making process across the organisation and support in achieving operating effectiveness of company's integrated risk management framework.

23. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has robust internal financial controls (IFC) systems, which is in line with requirement of the Companies Act, 2013, which is intended to increase transparency & accountability in an organisation's process of designing and implementing a system of internal control. The Company has a clearly defined Governance, Risk & Compliance Framework aligned with Policies, Standard Operating Procedures (SOP), Financial & Operational Delegation of Authority (DOA). Our SAP ERP & GRC system facilitate mapping with role based authority to business & functional team to ensure smooth conduct of their operations across the organisation.

The Company has well established Internal audit function. Risk based audit are performed for all businesses, functions & locations (Plants, Branch, warehouse, Head office). Risk Based annual Audit plan is approved by the Audit Committee, further on a quarterly basis summary of key findings along with their root cause analysis and action taken status are presented to the Audit Committee.

Risk Control Matrix (RCM) has been prepared with respect to each Business functions and their mapping are being done with Functional Dashboard/ Compliance Management System/ GRC Process Control. The internal control system ensures compliance with all applicable laws and regulations.

Our IFC process, supports orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

24. Details of establishment of Vigil Mechanism for Directors and Employees

The Company has a very strong Whistle blower policy in place under the name "Satark", whereby a forum is available for all Employee(s), business associate(s) engaged with the Company who can report any fraud, irregularity, wrong doing and unethical behaviour. The Policy provides that the Company investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld. Any complaint received under Satark policy are even mapped to the Chairman of the Audit Committee. This Satark policy is also available on the website of the company https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html

25. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

26. Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

27. Employee Relations

Last year the Havells family emerged stronger, because we learnt from the experiences of the pandemic and were very well prepared to deal with an evolving and ambiguous situation.

The year started with a clear focus on expediting vaccination for all. We realised that the only way out of the pandemic was to ensure the safety of our people. We persuaded and facilitated vaccination through dedicated camps, reimbursements for employees. Keeping in mind that we need to handle this for a distributed work force, across plants and branches and ensure full coverage; we leveraged Digital Technology to help tracking. The Employee Self Service (ESS) App, was added with features wherein people could upload their vaccination status through uploading certificate and ensure real time tracking of vaccination status. This was followed up with regular weekly calls and mailers to ensure maximum vaccination.

The second wave created unforeseen challenges to the health and wellness of our employees and their families. We ensured that we do whatever we can to provide material and emotional support to the employees and their families. As the availability of oxygen was severely impacted due to unprecedented demand; we airlifted oxygen cylinders and distributed across our branches, plants and HO so that any employee who needed one for himself/herself or immediate family could borrow the same and return post usage. A cross functional team was created across each location/plant to monitor and facilitate the distribution and collection of these.

Despite best efforts by all concerned in case of an unfortunate demise of a company employee, we ensured the immediate family is taken care of in the near term. To facilitate the same, the Company launched two important employee welfare policies. The existing medical insurance of the deceased employee was extended to the immediate family for a term of five years. Financial support for education of upto two children was also extended for five years.

At the beginning of 2022, the management announced a wealth creation opportunity called EOP (Employee Ownership Plan) for all employees. The thought is that every employee stays in the organisation longer and strives to do beyond what is expected, so that their profession and personal growth is linked to the organisation's growth.

Continuous Learning & Development was ensured through LMS (Learning Management System) portal 'Saksham'. Instructor led trainings were conducted using a combination of online sessions, exercises and quizzes.

For the third year in succession, we are recognised among 'the Great Places to Work 2022'.

At Havells, we ensure that there is full adherence to the Code of Ethics and fair business practices. Havells is an equal opportunity employer and employees are evaluated solely on the basis of their contribution and performance. We provide equal opportunity in all aspects of employment, including retirement, training, work conditions, career progression etc. Further, Havells is committed to maintaining a workplace where each employee's privacy and personal dignity is respected and protected.

Nirbhaya

As a responsible employer, Havells has always been conscious of its duty towards prevention and control of sexual harassment at workplace. Reckoned to be a Great Place to Work® organisation, is an achievement which puts the organization amongst its global peers. As mandated by law, Havells has in place a "Nirbhaya" policy for women employees. An Internal Complaints Committee has been constituted as per the policy to provide a forum to all female personnel to lodge complaints (if any) and seek redressal. The Committee meets regularly to take note of useful tools, mobile applications, media excerpts, interactive sessions, etc., that sensitize the female employees. The Committee submits an Annual Report to the Audit Committee of the Board of Directors on the complaints received and action taken by it during the relevant financial year. During the Financial Year 2021-22, no complaint was lodged with the Internal Complaints Committee (ICC).

28. Details pursuant to Section 197(12) of the Companies Act, 2013

Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and are annexed herewith as **ANNEXURE - 7**.

29. Employees Stock Option/ Purchase Plans

The Company has in place 3 (Three) employee benefit schemes, namely, Havells Long Term Incentive Plan 2014 (LTIP 2014), Havells Stock Purchase Scheme 2015 (ESPS 2015) and Havells Stock Purchase Scheme 2016 (ESPS 2016).

Besides, with the intent to grant equity-based incentives to its eligible employees in order to *inter-alia* attract and retain talented employees and reward their performance, the Board upon the recommendation of Nomination and Remuneration Committee has also approved the "Havells Employees Stock Purchase Scheme 2022" and recommends the same for Shareholders approval in the forthcoming AGM, details whereof are included in the Notice of AGM.

Further, the Board upon the recommendation of Nomination and Remuneration Committee has also approved amendment to Part B - Havells Employees Stock Purchase Plan 2014 of the Havells Employees Long Term Incentive Plan 2014 and recommends the same for Shareholders approval in the forthcoming AGM, details whereof are included in the Notice of AGM.

All the existing and proposed benefit schemes are administered by Havells Employees Welfare Trust under the supervision of the Nomination and Remuneration Committee.

Promoters, Independent Directors, Directors directly or indirectly holding 10% or above of the equity share capital of the Company, Employees not residing in India or Non Resident Indians (NRIs) are not eligible for the grant of options/ issue of shares under any of the Schemes. The Company has received a certificate dated 4th May, 2022 from the Secretarial Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Guidelines and the Resolutions passed by the shareholders dated 9th June, 2014, 4th December, 2015 and 13th July, 2016 in respect of LTIP 2014, ESPS 2015 and ESPS 2016 respectively. The Certificate will be placed at the Annual General Meeting for inspection by Members. There has been no material change in any of the subsisting Schemes. Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, in respect of LTIP 2014, ESPS 2015 and ESPS 2016 as at 31st March, 2022 are available on the website of the Company at https://www.havells.com/en/discover-havells/investor-relation/disclosures.html

30. Credit Ratings

CARE Ratings

CARE has yet again assigned a CARE AAA [Triple A] rating to the long-term facilities of your Company during the current Financial Year. This rating is applicable to facilities having a tenure of more than one year. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. CARE has also reaffirmed the CARE A1+ [A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having a tenure upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

31. Global Certifications

The Company augmented its global certifications from its existing bucket like BASEC, KEMA, UL, TIS, and CB, for its various products to expand its reach in international arena.

The Company further obtained the following certifications during the year:

- IEC 60335-2 for different models of mixers and grinders.
- RCBO CB report upgradation as per IEC 61009-1
- RCCBs CB Report as per IEC 61008-1
- AFDDs certification as per IEC 62606
- Auto-reclosure certification as per IEC 63024
- Various MCB certifications as per IEC 60947-2

32. Corporate Governance

The Company is committed to highest corporate governance standards by applying the best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Statutory Auditors confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of Annual Report.

Further, the Management Discussion and Analysis Report and CEO/ CFO Certificate as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also presented in separate sections forming part of Integrated Annual Report.

33. Environment, Health and Safety

During the financial year 2022 which was still reeling under the shadow of the pandemic, Havells continued to focus on the aspects of Environment, Social and Governance (ESG) that would work towards an inclusive society, which was stronger and more resilient. For Havells, Environment, Health and Safety (EHS) is an integral part of the larger ambit of Sustainability umbrella and is fully committed to run its operations including allocation of resources using principles of sustainable deployment to curtail the impact on the environment and communities.

Our manufacturing facilities are certified with the integrated management systems such as ISO45001/ OHSAS 18001 (Occupational Health and Safety) and ISO 14001 (Environment Management System) and ISO 50001(Energy Efficiency). We are committed to providing a safe and productive environment for our workforce and we continue to maintain best health and safety measures leading to Zero occupational fatality. Adhering to the COVID-19 prevention directions, we maintained the highest level of health and safety protocols at all our plants and offices. Our approach at workplaces was strategically formulated and implemented, considering the nature of working site, employee strength, floor density and other relevant attributes, through the robust COVID-19 Standard Operating Procedures (SOPs).

Detailed directions through SOPs continued to be systematically disseminated to the workforce via workmails, Company's intranet, displays at factory/ office sites, online trainings, etc. We also deployed Work from Home policies for our employees to maintain safe working conditions in Covid times along with ensuring vaccination of the workforce. Through the new normal, we have sustained best environmental and health & safety standards that are derived out of our Integrated Management System- Quality Energy Environment Health and Safety (IMS-QEEHS) Policy.

Despite the trying times of pandemic and stricter ESG rating methodology, Havells was ranked 7th in the electrical equipment section globally in Dow Jones Sustainability Index (DJSI) Assessment. Havells has been consistently ranked in the top 10 global companies for ESG performance in the electrical sector for last three years, in addition to be featured in S&P Global Sustainability Yearbook.

In addition, during the year, in October 2021, Havells has been upgraded from 'BBB' to 'A' rating in Morgan Stanley formulated MSCI ESG Rating. MSCI ESG methodology is formulated to evaluate a company's resilience in the long-term and gauge companies' exposure to ESG risks.

With an aim to continuously strengthen our processes, we conducted various awareness sessions and events on health, safety and environmental topics, online and in field. Even though our Company does not fall under energy intense sector, we are still mindful of our impact on the environment and are taking progressive steps to minimise the same. Contributing proactively to Nation's ambition to achieve the United Nations Sustainable Development Goals (UN-SDGs), we have mapped our activities and sustainability efforts to SDGs. In pursuit to reduce our resource footprint, some of the major initiatives includes, planting over 15 lakhs tree saplings in the last 4 years, doubling our total solar installed capacity to 9 MW from existing capacity of 5.6 MW. With our dedicated and planned efforts, we have implemented resilient strategic measures across the organisation to create sustainable and equitable progress.

34. Research and Development

We continue to make very good progress on the roadmap that we laid out for our R&D transformation few years ago.

During financial year 2021-22, our R&D spend stood at ₹ 110.26 crores, which is 0.79% of total revenue. The spends continued to be focused on capacity and capability building at our three core R&D centers based out of Noida HO, Noida Sector 59 and Bengaluru. Our target is to further intensify the efforts on R&D investments and expand it to ~ 2% of total revenue in coming years.

Our investments in state-of-the art Customer Experience and Design (CXD) studio forms the core of understanding social, emotional and behavioural needs of customers through design thinking and co-creation methodologies with dealers, business teams, industry thought leaders and potential customer groups. CXD focuses on discovering customer pain points and addressing them through novel and useful product designs.

The efforts of CXD studio are continuously appreciated by our customers and its further augmented by tally of acclaimed design awards. In 2021, we received the prestigious India design mark awards for Silencio mixer grinder, Freedom – adaptable architectural light, Puro storage water heater and Endura pearl grand streetlights series. NU Bulb+ and Vogue high bay luminaires won Good design awards Japan 2021 and Red dot award 2021 respectively. Freedom – adaptable architectural light was also awarded CII Design excellence award.

INDIA DESIGN MARK

GOOD DESIGN

reddot winner 2021

11TH CII DESIGN EXCELLENCE AWARDS

Our Bengaluru Innovation Centre launched in 2019-20 continues to drive our transformational strategy with clear focus on establishing Centers of Excellence (COEs) in Internet of things (IoT), Software, Engineering Design. and Power Electronics. These COEs are playing a pivotal role in our innovation journey and self-reliance for critical technologies while accelerating the digital journey for our products giving an unparalleled smart and connected experience to our customers. In a short span of less than two years, this center has grown to a team of 80+ top-notch R&D members who are actively leveraging the Silicon Valley of India ecosystem by collaborating with technology providers, start-ups and academia.

The advanced R&D center at Noida Sector 59, continues to play a critical role in ensuring the Havells brand promise of quality and customer value proposition. With many industry leading and accredited labs under its umbrella, the R&D center ensures every product and Innovation that goes out in the market undergoes rigorous validation and testing to meet the standards of safety, reliability and customer experience till the end of lifecycle. This includes building new infrastructures for adoption of new technologies across our product range like the recent addition of anechoic test facility for understanding and regulating noise factors in appliances. Furthermore, to improve whole value chain of product development and delivery to customers, various initiatives and methodologies are driven like advance simulation to improve cycle time of development and advanced material substitution for cost reduction without compromising on product quality.

Overall, we are promoting a culture and mindset of intellectual assets creation. During 2021-22, we applied for 9 new patents and 233 new design registrations taking our cumulative tally to 112 and 781, respectively. We are extremely proud to report that our innovation efforts are getting recognised across the industry. Havells was awarded prestigious CII Top 25 Innovative company award for 2021- the only FMEG Company to qualify for this highly coveted list. Two of our flagship products - Havells Efficiencia Neo ceiling fan and Monza DX25 storage water heater, won appliance of the year NECA (National Energy Conservation) award instituted by Bureau of energy efficiency.

As the world is coming out of the pandemic, our strong resolute in R&D has helped to navigate many challenges like materials supply disruptions, cost escalations and changes in customer preferences. The wealth of knowledge and infrastructures that we have created over these couple of years will stay with us and will continue to be source of competitive advantage.

35. Transfer to Investor Education and Protection Fund

(A) Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred ₹ 25,76,135 during the year to the Investor Education and Protection Fund.

These amounts were lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Interim Dividend and Final Dividend for financial year ended 2013-14.

(B) Transfer of Shares underlying Unpaid Dividend

During the Financial Year, the Share Allotment and Transfer Committee in its Meeting held on 28th April, 2021, transmitted 13,079 Equity shares on account of Unclaimed Dividend for financial year 2013-14 (Interim) into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such 7 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2013-14 (Interim) had been transferred into the IEPF and who had not encashed their dividends for 7 years.

Further, the Share Allotment and Transfer Committee, in its meeting held on 27th August, 2021, also transmitted 15,200 Equity Shares of the Company into the DEMAT Account of the IEPF Authority. These Equity Shares were the Shares of such 3 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2013-14 (Final) had been transferred into IEPF and who had not encashed their dividends for 7 (Seven) years.

Individual reminders were sent to concerned Shareholders advising them to encash their dividend and the complete List of such Shareholders whose Shares were due for transfer to the IEPF was also placed in the Unclaimed Dividend section of the Investor Relations Section on the website of the Company at https://www.havells.com/en/discover-havells/investor-relation/unclaimed-dividend.html

With the transfer of abovesaid shares into IEPF, a total of 2,28,165 Shares of the Company (after taking into account the shares claimed back out of IEPF) were lying in the Demat A/c of the IEPF Authority, hereinabove mentioned, after considering the valid claims made therefrom.

Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on www.iepf.gov.in. The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such DEMAT account shall not be transferred or dealt with in any manner whatsoever except for the purpose of transferring the shares back to the claimant as and when he approaches the Authority. All benefits except rights issue accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc., shall also be credited to such DEMAT account. Any further dividend received on such shares shall be credited to the IEPF Fund.

36. Shares lying in unclaimed suspense account in electronic mode

As at 31st March, 2022, total 1,84,100 Shares were lying in the Unclaimed Suspense Account in dematerialised form in the Havells India Limited Unclaimed Suspense A/c held with IDBI Bank Limited (DP). The voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares. The rightful owner can still claim his/ her shares from the suspense account after complying with the procedure laid down in the statute regarding the same. The Company had so far transferred 2,27,100 (Two Lakhs Twenty Seven Thousand and One Hundred Only) Equity Shares into Unclaimed Share Suspense Account in terms of Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, 43,000 Shares of Re. 1/- each were transferred to the rightful owners as approved by the Share Transfer and Allotment Committee. Further, the corresponding amount of dividend against the claimed shares has already been paid/ under process of payment, to the Shareholders.

37. Listing of shares

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2022-23 has already been paid to the credit of both the Stock Exchanges.

38. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE - 8** and forms part of this Report.

39. Business Responsibility and Sustainability Report (BRSR)

Havells believes in communicating its ESG performance in a transparent manner and in line with global standards to our stakeholders. Continuing with this philosophy, we are now moving from Business Responsibility Report (BRR) to the newly introduced reporting requirements on ESG parameters i.e. Business Responsibility & Sustainability Report (BRSR). We are proud to publish our 1st BRSR of the Company for the year 2021-22, ahead of the mandate. The BRSR would follow the format detailed in the amendment to Regulation 34(2)(f) of SEBI LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and will form a part of this Integrated Annual Report. The BRSR for Financial Year 2021-22 is aligned with the nine principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India. We have further enhanced our existing strong reporting structure and mechanisms to ensure we capture reliable and accurate data for the requirements of BRSR disclosures.

Havells strongly believes that resilient and inclusive growth is only possible on strong pillars of environmental and social responsibility balanced with good governance. While setting aspirational targets and improving economic performance to ensure business sustainability, the company has been resilient to the impacts of pandemic fluctuations to a larger degree. We are committed to our focus on indigenous manufacturing to build competitive advantage. Our value creation is realised through imbibing customer centricity, innovation, good governance and inclusive human development while being conscious of our impact on the environment.

The report is a testimony to our continuous efforts towards embracing and implementing balanced approach to ESG parameters in our business operations that are communicated to the stakeholders in addition to our annually published voluntary sustainability disclosures based on globally accepted Global Reporting Initiative (GRI) standards and six capitals based Value Reporting Foundation's framework on Integrated Reporting that is available on our website at www.havells.com.

We have also provided the requisite mapping of information and principles between the Sustainability disclosures and the Business Responsibility & Sustainability Report as prescribed by SEBI. The same is also available on the website www.havells.com.

40. Acknowledgements

The continued co-operation and support of its loyal customers has enabled the Company to make every effort in understanding their unique needs and deliver maximum customer satisfaction. Our employees at all levels, have been core to our existence and their hard work, co-operation and support is helping us as a company face all challenges. Our vendors, who form a part of our global footprint reinforce our presence across the globe and relentlessly push forward in establishing the Havells brand. Our Company is always grateful for their efforts. The flagbearers of fair play and regulations, which includes the regulatory authorities, the esteemed league of bankers, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants and other stakeholders have all played a vital role in instilling transparency and good governance. The Company deeply acknowledges their support and guidance.

For and on behalf of
Board of Directors of Havells India Limited

Anil Rai Gupta
Noida, May 4, 2022 Chairman and Managing Director

ANNEXURE - 1

NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEE

Principle and Rationale

Section 178 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- carry out evaluation of every director's performance
- formulate the criteria for evaluation of Independent Directors and the Board.

Accordingly, in adherence to the abovesaid requirements and in line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of Havells India Limited hereinbelow recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

Company Philosophy

Havells is an equal opportunities employer. The organisation does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. The global workforce spread across continents, which has over the years transformed Havells into a global organisation forms the backbone of the entity. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future. Employee recognition schemes in the form of ESOPs/ ESPS have also been introduced as successful tools in acknowledging their contribution and making them partners in the wealth created by Havells. The endeavour of the organisation is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

Guiding Principles

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavoured to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and the section on Responsibilities of Board under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, summarised hereunder:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

d) facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;

e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;

f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

Nomination of the Directors

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

General Criteria

The background and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.

- Directors should be selected so that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background, country of citizenship and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively, the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body of directors from diverse professional and personal backgrounds.
- Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability, or any other basis prohibited by law.
- Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director. - Commitment of the nominee to understanding the Company and its industry, embracing the organisation's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

Specific Criteria

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large, multifaceted, global organisation.
- The nominee reflects the right corporate tone and culture and excels at board-management relationships.
- Experience in strategic planning and managing multidisciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment and high standards of integrity and professional conduct.
- Nominees understand and endeavour to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organisation above self-interest. He/ she has demonstrated a commitment to transparency and disclosure.
- He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

Remuneration of the Directors

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organisations.

The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of the Companies Act, 2013.

Appointment and Remuneration of Managing Director and Whole-time Director

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 5 years at a time.

The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

Annual Increments to the Managing/ Whole-time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

Insurance Premium as part of Remuneration

Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration of Independent Directors

Independent Directors may receive remuneration by way of

- Sitting fees for participation in the Board and other meetings
- Reimbursement of expenses for participation in the Board and other meetings
- Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

Remuneration to Directors in other Capacity

The remuneration payable to the directors including managing or whole-time director or manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

(a) the services rendered are of a professional nature; and

(b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

Evaluation of the Directors

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178(2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an independent professional consultant.

Nomination and Remuneration of the Key Managerial Personnel (other than Managing/ Whole-time Directors), Key Executives and Senior Management

The executive management of a company is responsible for the day to day management of a company. The Companies Act, 2013 has used the term "key managerial personnel" to define the executive management.

The KMPs are the point of first contact between the company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the key managerial personnel and the senior management who are responsible for not just laying down the strategies as well as its implementation.

The Companies Act, 2013 has for the first time recognised the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means—

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Whole-time Director;

(iii) the Chief Financial Officer;

(iv) the Company Secretary;

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and

(v) such other officer as may be prescribed.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole-time Director(s), shall be governed by the Section on REMUNERATION OF THE DIRECTORS of this Policy dealing with "Remuneration of Managing Director and Whole-time Director".

Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- "Senior Management" of the Company which here means, the core management team comprising of such members of management as determined by the Company under Layer 1 of the System-Driven Disclosures in respect of Regulation 7(2) (b) of PIT Regulations, shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director Finance.

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided by the Company's HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department in consultation with the Managing Director and/ or the Whole-time Director Finance of the Company.

Remuneration of Other Employees

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HoDs of various departments.

Decisions on Annual Increments shall be made on the basis of this annual appraisal.

General

This Policy shall apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

ANNEXURE - 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2022

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i)	CIN	L31900DL1983PLC016304
ii)	Registration Date	08th August, 1983
iii)	Name of the Company	Havells India Limited
iv)	Category / Sub-Category of the Company	
	Category	Public Company
	Sub-Category	Company Limited by Shares
v)	Address of the Registered office and contact details	
	Address of Registered Office	904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi – 110001
	Contact	Telephone No.: 0120-3331000 Fax No.: 0120-3332000 Email id: investors@havells.com Website: www.havells.com
vi)	Whether listed Company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	
	Name	Link Intime India Private Limited
	Address	Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058
	Contact	Telephone No.: 011-41410592, 93, 011-49411000 Fax No. : 011-41410591 Email id: delhi@linkintime.co.in Website: www.linkintime.co.in

II. Principal Business Activities of the Company

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Cable	2732	33%
2.	Switchgears	2710	13%
3.	Electric Consumer Durables	2750	22%
4.	Lighting & Fixtures	2740	10%
5.	Lloyd Consumer	2750, 2640	16%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company		CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	Name	Address				
1.	Havells Holdings Limited	33, Athol Street, Douglas, Isle of Man	00475V	Subsidiary	100%	Section 2(87) of Companies Act, 2013
2.	Havells Guangzhou International Limited	905, North Tower, International Commerce Place, 1168 Xin Gang East Road, Guangzhou- 510330, People's Republic of China	S0102016009200 (1-1)	Subsidiary	100%	Section 2(87) of Companies Act, 2013

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year$
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	25,86,00,540	0	25,86,00,540	41.31	25,86,00,540	0	25,86,00,540	41.29	-0.02
(e) Financial Institiutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other - Trust	11,38,57,380	0	11,38,57,380	18.19	11,38,57,380	0	11,38,57,380	18.18	-0.01
Sub-Total (A)(1)	**37,24,57,920**	**0**	**37,24,57,920**	**59.50**	**37,24,57,920**	**0**	**37,24,57,920**	**59.47**	**-0.03**
(2) Foreign									
a. NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Prom. & Prom. Grp. (A)=(A)(1)+(A)(2)	**37,24,57,920**	**0**	**37,24,57,920**	**59.50**	**37,24,57,920**	**0**	**37,24,57,920**	**59.47**	**-0.03**
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	1,40,07,989	0	1,40,07,989	2.24	2,27,07,892	0	2,27,07,892	3.63	1.39
(b) Financial Institiutions/ Banks	3,10,512	0	3,10,512	0.05	10,86,321	0	10,86,321	0.17	0.12
(c) Central Government	11,98,496	0	11,98,496	0.19	6,45,306		6,45,306	0.10	-0.09
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	3,41,43,933	0	3,41,43,933	5.45	2,67,48,286	0	2,67,48,286	4.27	-1.18
(g) FPIs/FFIs+FN	15,59,39,124	0	15,59,39,124	24.91	15,30,62,281	0	15,30,62,281	24.44	-0.47
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
(a) Alternate Investment Funds	9,22,497	0	9,22,497	0.15	4,86,268	0	4,86,268	0.08	-0.07
Sub-Total (B)(1):-	**20,65,22,551**	**0**	**20,65,22,551**	**32.99**	**20,47,36,354**	**0**	**20,47,36,354**	**32.69**	**-0.30**
(2) Non-institutions									
(a) Bodies Corporate									
(1) Indian	34,72,034	0	34,72,034	0.55	34,01,455	0	34,01,455	0.54	-0.01
(2) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individual									
(i) Indiv. hldg. nom. shr. cap.< ₹ 1 Lakh	2,90,48,430	8,32,327	2,98,80,757	4.77	3,12,70,496	7,53,362	3,20,23,858	5.11	0.34
(ii) Indiv. hldg. nom. shr. cap.> ₹ 1 Lakh	56,61,623	0	56,61,623	0.90	58,02,662	0	58,02,662	0.93	0.02
(c) Others									
(1) Trusts	39,08,045	0	39,08,045	0.62	40,29,985	0	40,29,985	0.64	0.02
(2) Non Resident Indians	22,06,791	4,40,000	26,46,791	0.42	22,82,977	4,26,000	27,08,977	0.43	0.01
(3) Clearing Members	4,43,990	0	4,43,990	0.07	1,19,828	0	1,19,828	0.02	-0.05
(4) Hindu Undivided Families	5,96,016	8,000	6,04,016	0.10	6,01,563	8,000	6,09,563	0.10	0.00
(5) IEPF	2,05,179	0	2,05,179	0.03	2,28,365	0	2,28,365	0.04	0.01
(6) Unclaimed Shares	2,10,100	0	2,10,100	0.03	1,84,100	0	1,84,100	0.03	0.00
Sub-Total (B)(2)	4,57,52,208	12,80,327	4,70,32,535	**7.51**	**4,79,21,431**	**11,87,362**	**4,91,08,793**	**7.84**	**0.33**
Total Public Shareholding(B)=(B)(1)+(B)(2)	**25,22,74,759**	**12,80,327**	**25,35,55,086**	**40.50**	**25,26,57,785**	**11,87,362**	**25,38,45,147**	**40.53**	**0.03**
C. Shares held by Custodian for GDR & ADR	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
GRAND TOTAL (A+B+C)	**62,47,32,679**	**12,80,327**	**62,60,13,006**	**100.00**	**62,51,15,705**	**11,87,362**	**62,63,03,067**	**100.00**	**0.00**

$During the year on 5th June, 2021, 2,90,061 Equity Shares of Re. 1/- each were issued and allotted under various ESPS Plans of the Company, thereby resulting in increased paid-up capital. The % change during the year is therefore purely on account of the increased paid-up capital due to allotment made under the ESPS Plans of the Company.

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in shares holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares of the Company	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares of the Company	
1	Shri Anil Rai Gupta	0	0.000	N.A	0	0.000	N.A	0.000
2	Shri Surjit Kumar Gupta	0	0.000	N.A	0	0.000	N.A	0.000
3	Shri Ameet Kumar Gupta	0	0.000	N.A	0	0.000	N.A	0.000
4	Smt. Vinod Gupta	0	0.000	N.A	0	0.000	N.A	0.000
5	Smt. Santosh Gupta	0	0.000	N.A	0	0.000	N.A	0.000
6	Smt. Sangeeta Rai Gupta	0	0.000	N.A	0	0.000	N.A	0.000
7	Smt. Shalini Gupta	0	0.000	N.A	0	0.000	N.A	0.000
8	Shri Abhinav Rai Gupta	0	0.000	N.A	0	0.000	N.A	0.000
9	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	7,74,25,200	12.368	N.A	7,74,25,200	12.362	N.A	-0.006
10	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	3,64,32,180	5.820	N.A	3,64,32,180	5.817	N.A.	-0.003
11	QRG Investments and Holdings Limited	6,87,41,660	10.981	N.A	6,87,41,660	10.976	N.A	-0.005
12	QRG Enterprises Limited	18,98,58,880	30.328	N.A	18,98,58,880	30.314	N.A	-0.014
	TOTAL	**37,24,57,920**	**59.497**		**37,24,57,920**	**59.47**		**-0.028**

The change in % is a reflection of and purely on account of the increase in paid-up capital due to allotment made under various ESPS Plans of the Company.

(iii) Change in promoters' shareholding

There was no Change in the Promoters' Shareholding during the financial year 2021-22.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs.)

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	NALANDA INDIA EQUITY FUND LIMITED						
	At the beginning of the year			3,30,44,930	5.28		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			3,30,44,930	5.28		
2	LIFE INSURANCE CORPORATION OF INDIA						
	At the beginning of the year			2,08,49,880	3.33		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		09.04.2021	-3,18,507			2,05,31,373	3.28
		16.04.2021	-7,55,929			1,97,75,444	3.16
		23.04.2021	-6,56,061			1,91,19,383	3.05
		30.04.2021	-11,01,746			1,80,17,637	2.88
		07.05.2021	-2,12,975			1,78,04,662	2.84
		14.05.2021	-88,543			1,77,16,119	2.83
		11.06.2021	-9,21,301			1,67,94,818	2.68
		18.06.2021	-1,92,914			1,66,01,904	2.65
		30.07.2021	-1,09,250			1,64,92,654	2.63
		06.08.2021	-10,56,534			1,54,36,120	2.46
		13.08.2021	-1,49,63,920			4,72,200	0.08
		20.08.2021	-4,72,200			0	0.00

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
3	GOVERNMENT PENSION FUND GLOBAL						
	At the beginning of the year			1,20,04,413	1.92		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		25.06.2021	51,810			1,20,56,223	1.92
		30.06.2021	45,663			1,21,01,886	1.93
		02.07.2021	47,411			1,21,49,297	1.94
		09.07.2021	2,88,249			1,24,37,546	1.99
		16.07.2021	6,02,377			1,30,39,923	2.08
		23.07.2021	2,97,436			1,33,37,359	2.13
		30.07.2021	10,04,949			1,43,42,308	2.29
		06.08.2021	1,27,923			1,44,70,231	2.31
		27.08.2021	-33,602			1,44,36,629	2.31
		03.09.2021	1,17,175			1,45,53,804	2.32
		17.12.2021	-6,26,456			1,39,27,348	2.22
		24.12.2021	-1,70,972			1,37,56,376	2.20
		31.12.2021	-3,18,147			1,34,38,229	2.15
		07.01.2022	-3,60,470			1,30,77,759	2.09
		14.01.2022	-31,405			1,30,46,354	2.08
		18.02.2022	-1,66,915			1,28,79,439	2.06
		25.02.2022	-97,716			1,27,81,723	2.04
		04.03.2022	-1,01,589			1,26,80,134	2.02
		11.03.2022	-1,07,114			1,25,73,020	2.01
		25.03.2022	-1,85,457			1,23,87,563	1.98
		31.03.2022	-1,54,493			1,22,33,070	1.95
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,22,33,070	1.95		
4	SMALLCAP WORLD FUND, INC						
	At the beginning of the year			1,10,10,155	1.76		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,10,10,155	1.76		
5	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND						
	At the beginning of the year			92,12,090	1.47		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		18.06.2021	-77,000			91,35,090	1.46
		09.07.2021	-3,28,160			88,06,930	1.41
		16.07.2021	-2,69,000			85,37,930	1.36
		23.07.2021	-2,53,000			82,84,930	1.32
		30.07.2021	-3,93,540			78,91,390	1.26
		06.08.2021	-1,75,300			77,16,090	1.23
		13.08.2021	-77,04,090			12,000	0.00
		20.08.2021	-12,000			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	NORDEA 1 SICAV - EMERGING STARS EQUITY FUND						
	At the beginning of the year			41,39,485	0.66		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		08.10.2021	1,41,584			42,81,069	0.68
	At the End of the Year (or on the date of Separation, if Separated during the Year)			42,81,069	0.68		
7	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS						
	At the beginning of the year			33,88,065	0.54		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		09.04.2021	31,050			34,19,115	0.55
		14.05.2021	5,175			34,24,290	0.55
		04.06.2021	28,980			34,53,270	0.55
		25.06.2021	17,595			34,70,865	0.55
		09.07.2021	6,210			34,77,075	0.56
		16.07.2021	8,625			34,85,700	0.56
		03.09.2021	8,625			34,94,325	0.56
		10.09.2021	1,380			34,95,705	0.56
		17.09.2021	4,830			35,00,535	0.56
		24.09.2021	-72,650			34,27,885	0.55
		12.11.2021	4,140			34,32,025	0.55
		19.11.2021	2,760			34,34,785	0.55
		26.11.2021	2,760			34,37,545	0.55
		03.12.2021	3,450			34,40,995	0.55
		24.12.2021	-55,320			33,85,675	0.54
		31.12.2021	40,071			34,25,746	0.55
		14.01.2022	23,465			34,49,211	0.55
		18.02.2022	16,245			34,65,456	0.55
		25.03.2022	-1,25,966			33,39,490	0.53
		31.03.2022	85,414			34,24,904	0.55
	At the End of the Year (or on the date of Separation, if Separated during the Year)			34,24,904	0.55		
8	INVESCO OPPENHEIMER DEVELOPING MARKETS FUND						
	At the beginning of the year			32,62,902	0.52		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		03.12.2021	-10,11,249			22,51,653	0.36
		10.12.2021	-7,32,932			15,18,721	0.24
		17.12.2021	-5,31,315			9,87,406	0.16
		24.12.2021	-6,76,131			3,11,275	0.05
		31.12.2021	-3,11,275			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
9	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND						
	At the beginning of the year			31,97,779	0.51		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		04.02.2022	-57,413			31,40,366	0.50

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		11.02.2022	-30,927			31,09,439	0.50
		25.02.2022	-12,717			30,96,722	0.49
	At the End of the Year (or on the date of Separation, if Separated during the Year)			30,96,722	0.49		
10	ISHARES CORE EMERGING MARKETS MAURITIUS CO						
	At the beginning of the year			22,37,902	0.36		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares				
		16.04.2021	3,297			22,41,199	0.36
		14.05.2021	12,089			22,53,288	0.36
		28.05.2021	3,297			22,56,585	0.36
		04.06.2021	6,579			22,63,164	0.36
		25.06.2021	2,180			22,65,344	0.36
		02.07.2021	2,180			22,67,524	0.36
		30.07.2021	14,170			22,81,694	0.36
		17.09.2021	20,710			23,02,404	0.37
		24.09.2021	3,270			23,05,674	0.37
		30.09.2021	2,180			23,07,854	0.37
		01.10.2021	2,180			23,10,034	0.37
		03.12.2021	-9,097			23,00,937	0.37
		17.12.2021	-32,071			22,68,866	0.36
		21.01.2022	5,315			22,74,181	0.36
		04.02.2022	5,789			22,79,970	0.36
		04.03.2022	-3,748			22,76,222	0.36
		25.03.2022	24,472			23,00,694	0.37
		31.03.2022	38,304			23,38,998	0.37
	At the End of the Year (or on the date of Separation, if Separated during the Year)			23,38,998	0.37		

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SHRI ANIL RAI GUPTA						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
2	SHRI SURJIT KUMAR GUPTA						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
3	SHRI AMEET KUMAR GUPTA						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
4	SHRI RAJESH KUMAR GUPTA						
	At the beginning of the year			9,60,688	0.15		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
	Shares allotted under Havells Employees Stock Purchase Scheme 2015	05.06.2021	140000			11,00,688	0.18
	At the End of the Year (or on the date of Separation, if Separated during the Year)			11,00,688	0.18		
5	SHRI SIDDHARTHA PANDIT						
	At the beginning of the year			4,652	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
	Shares alloted under Havells Employees Long Term Incentive Plan 2014	05.06.2021	988			5,640	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			5,640	0.00		
6	SMT. PRATIMA RAM#						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
	#Ceased to be the Director upon completion of her tenure on the date of AGM 30th June, 2021.						
7	SHRI T. V. MOHANDAS PAI						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
8	SHRI PUNEET BHATIA						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sl. No.	For Each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	SHRI JALAJ ASHWIN DANI						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
10	SHRI UPENDRA KUMAR SINHA						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
11	SHRI SUBHASH SHEORATAN MUNDRA						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
12	SHRI BONTHA PRASADA RAO						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
13	SHRI VIVEK MEHRA						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
14	SMT. NAMRATA KAUL						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
15	SHRI ASHISH BHARAT RAM^						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
	^Appointed as Independent Director wef 20th May, 2021						
16	SHRI SANJAY KUMAR GUPTA (KMP)						
	At the beginning of the year			2,221	0.00		
	Increase(+)/Decrease(-) during the Year	As on Benpos Date	No. of shares				
	Shares alloted under Havells Employees Long Term Incentive Plan 2014	05.06.2021	855			3,076	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			3,076	0.00		

V. Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	491.00	-	-	491.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.20	-	-	1.20
TOTAL (i+ii+iii)	**492.20**	**-**	**-**	**492.20**
Change in Indebtedness during the financial year				
• Addition	0.04	-	-	0.04
• Reduction	97.35	-	-	97.35
Net Change	**(97.31)**			**(97.31)**
Indebtedness at the end of the financial year				
i) Principal Amount	393.69	-	-	393.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.84	-	-	1.84
TOTAL (i+ii+iii)	**395.53**	**-**	**-**	**395.53**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount (₹)
		Shri Anil Rai Gupta (Chairman and Managing Director)	Shri Ameet Kumar Gupta (Whole-time Director)	Shri Rajesh Kumar Gupta (Whole-time Director (Finance) and Group CFO)	Shri Siddhartha Pandit (Whole-time Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,27,00,000	2,49,00,000	5,62,50,000	99,14,150	15,37,64,150
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	39,600	39,600	39,600	-	1,18,800
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option / ESPS (no. of shares)	-	-	1,40,000#	988#	-

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount (₹)
		Shri Anil Rai Gupta (Chairman and Managing Director)	Shri Ameet Kumar Gupta (Whole-time Director)	Shri Rajesh Kumar Gupta (Whole-time Director (Finance) and Group CFO)	Shri Siddhartha Pandit (Whole-time Director)	
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	20,55,12,821*	8,22,05,128**	8,22,05,128**	-	36,99,23,077
	- others, specify…	-	-	-	-	-
5.	Others, (PF Contribution)	75,24,000	29,88,000	67,50,000	5,11,877	1,77,73,877
	Total (A)	**27,57,76,421**	**11,01,32,728**	**14,52,44,728**	**1,04,26,027**	**54,15,79,904**
	Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors 5% of Net profit to any one Managing or Whole-time Director				

$Perquisites exclude value of shares exercised during financial year 2021-22 under the Havells Employees Stock Purchase Scheme 2015 and Havells Employees Long Term Incentive Plan 2014.

#During the year 2021-22, 1,40,000 Equity Shares of Re. 1/- each, were allotted to Shri Rajesh Kumar Gupta under Havells Employees Stock Purchase Scheme 2015 and 988 Equity Shares of Re. 1/- each were allotted to Shri Siddhartha Pandit under the Havells Employees Long Term Incentive Plan 2014 of the Company.

**As per the approved terms, entitled to receive Commission @ 1.25% of the profit before tax.*

***As per the approved terms, entitled to receive Commission @ 0.50% of the profit before tax.*

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors											Total Amount (₹)
		Shri Upendra Kumar Sinha (ID)	Smt. Pratima Ram (ID)$	Shri Jalaj Ashwin Dani (ID)	Shri B P Rao (ID)	Shri S S Mundra (ID)	Shri Vivek Mehra (ID)	Smt Namrata Kaul (ID)	Shri Ashish Bharat Ram (ID) ^	Shri Surjit Kumar Gupta (NED, Non-Independent)	Shri Puneet Bhatia (NED, Non-Independent)	Shri T. V. Mohandas Pai (NED, Non-Independent)	
1.	**Independent Directors (ID)**									NA	NA	NA	
	• Fee for attending board committee meetings	6,00,000	1,20,000	5,40,000	4,50,000	5,70,000	4,50,000	5,70,000	4,50,000				37,50,000
	• Commission	10,00,000	2,50,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000				72,50,000
	• Others,												
	Total (1)	**16,00,000**	**3,70,000**	**15,40,000**	**14,50,000**	**15,70,000**	**14,50,000**	**15,70,000**	**14,50,000**	**NA**	**NA**	**NA**	**1,10,00,000**
2.	**Other Non-Executive Directors (NED)**	NA	NA	NA	NA	NA	NA	NA	NA				
	• Fee for attending board committee meetings									-	3,60,000	4,20,000	7,80,000
	• Commission									-	10,00,000	10,00,000	20,00,000
	• Others,												
	Total (2)	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**-**	**13,60,000**	**14,20,000**	**27,80,000**
	TOTAL (B)=(1+2)	**16,00,000**	**3,70,000**	**15,40,000**	**14,50,000**	**15,70,000**	**14,50,000**	**15,70,000**	**14,50,000**	**-**	**13,60,000**	**14,20,000**	**1,37,80,000**
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	-	-	-	**55,53,59,904**
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors											

$Ceased to be a Director wef 30th June, 2021 upon completion of tenure.

^Appointed as Director wef 20th May, 2021.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO *	Company Secretary	CFO*	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	82,81,820	-	82,81,820
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option / ESPS (No. of shares)	-	855#	-	855#
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	
5.	Others, (PF Contribution)		4,29,905		4,29,905
	TOTAL		**87,11,725**		**87,11,725**

**Particulars of Remuneration of CEO {Shri Anil Rai Gupta, Chairman and Managing Director} and CFO {Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO} are given under point VI(A) above.*

#During the year 2021-22, 855 Equity Shares of Re. 1/- each, were allotted to the Company Secretary under Havells Employees Long Term Incentive Plan 2014. In respect of these shares, contribution of Company as perquisite is to the extent of ₹ 93,493 while the remaining amount has been contributed by the beneficiary himself.

VII. Penalties/ Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

ANNEXURE - 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Havells India Limited
904, 9th Floor, Surya Kiran Building,
KG Marg, Connaught Place, New Delhi 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Havells India Limited** (hereinafter referred to as the Company). Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 to ascertain the compliance of various provisions of:-

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;

(vi) The Employees State Insurance Act, 1948

(vii) Employees Provident Fund and Miscellaneous Provisions Act, 1952

(viii) Employers Liability Act, 1938

(ix) Environment Protection Act, 1986 and other environmental laws

(x) Air (Prevention and Control of Pollution) Act, 1981

(xi) Factories Act, 1948

(xii) Industrial Dispute Act, 1947

(xiii) Payment of Wages Act, 1936 and other applicable labour laws

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Dissenting member's view were not required to be captured and recorded as part of the minutes as there was no such instance.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review the Company has issued and allotted Equity Shares under Havells Employees Stock Purchase Plan 2014, Havells Employees Stock Purchase Scheme 2015 and Havells Employees Stock Purchase Scheme 2016 which were successfully listed and currently traded at both the Stock Exchanges. Furthermore, we report that there were no instances of:

i. Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.

ii. Redemption / buy-back of securities.

iii. Foreign technical collaborations

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

For **MZ & ASSOCIATES**
Company Secretaries

New Delhi, May 2, 2022

CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875
UDIN: F009184D000255562

ANNEXURE - A

To
The Members,
Havells India Limited
904, 9th Floor, Surya Kiran Building,
KG Marg, Connaught Place, New Delhi 110001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MZ & ASSOCIATES**
Company Secretaries

New Delhi, May 2, 2022

CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875
UDIN: F009184D000255562

ANNEXURE - 4

Details of Investments as on 31st March, 2022

Name of Company	Amount (₹)
Havells Holdings Limited	1,18,74,365
Havells Guangzhou International Limited	45,29,301
TOTAL	**1,64,03,666**

Note: The Company is carrying an amount of ₹ 13.59 crores as provision for impairment of investment held in Havells Holdings Limited.

Details of Loans as on 31st March, 2022

As at 31st March, 2022, the Company has not given any loan.

Details of Guarantees as on 31st March, 2022

As at 31st March, 2022, the Company has not given any guarantee.

ANNEXURE - 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis –

   NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.

   (a) Name(s) of the related party and nature of relationship: **N.A.**

   (b) Nature of contracts/ arrangements/ transactions: **N.A.**

   (c) Duration of the contracts/ arrangements/ transactions: **N.A.**

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**

   (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**

   (f) Date(s) of approval by the Board: **N.A.**

   (g) Amount paid as advances, if any: **N.A.**

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**

2. Details of material contracts or arrangement or transactions at arm's length basis –

   NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL* CONTRACT OR ARRANGEMENT.

   (*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

   (a) Name(s) of the related party and nature of relationship: **N.A.**

   (b) Nature of contracts/ arrangements/ transactions: **N.A.**

   (c) Duration of the contracts/ arrangements/ transactions: **N.A.**

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**

   (e) Date(s) of approval by the Board, if any: **N.A.**

   (f) Amount paid as advances, if any: **N.A.**

For and on behalf of
Board of Directors of Havells India Limited

Anil Rai Gupta
Chairman and Managing Director

Noida, May 4, 2022

ANNEXURE - 6

ANNUAL REPORT ON CSR PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

The CSR programmes and pursuits of the Company are illustrated in the Social & Relationship Capital section of the Integrated Report on pages 38 & 39

1. Brief outline on CSR Policy of the Company

In adherence to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 23rd April, 2014, approved a CSR Policy of the Company. The CSR Policy was last reviewed by the Board on 20th October, 2021.

In accordance with the primary CSR philosophy of the group and the specified activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas such as mid-day meals, sanitation facilities, preservation of heritage monuments, afforestation etc.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html in the 'Investor Relations Section' under "Codes & Policies"

2. Composition of CSR Committee

As at 31st March, 2022, the Corporate Social Responsibility Committee comprised of 4 (Four) Members of the Board, 2 (Two) of which were Independent Directors and 2 (Two) were Executive. The Chairman of the Committee is an Independent Director.

Sl. No.	Name and Designation/ Nature of Directorship	Total No. of CSR Committee Meetings held during the year – 2	
		Attendance in CSR Committee Meetings held on	
		20-May-21	20-Oct-21
1	Shri Jalaj Ashwin Dani, Independent Director, CHAIRMAN	✓	✓
2	Shri Bontha Prasada Rao Independent Director, MEMBER	✓	✓
3	Shri Anil Rai Gupta, Executive Director, MEMBER	✓	✓
4	Shri Rajesh Kumar Gupta, Executive Director, MEMBER	✓	✓

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

CSR Committee – https://www.havells.com/en/aboutus/committees.html

CSR Policy – https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html

CSR Programmes – https://www.havells.com/en/corporate-social-responsibility.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Impact Assessment Report attached.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	2020-21	1.50 Cr	1.50 Cr
	TOTAL	**1.50 Cr**	**1.50 Cr**

6.	Average net profit of the Company as per Section 135(5)	**1,182.78 crores**
7. (a)	Two percent of average net profit of the company as per section 135(5)	**23.66 crores**
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	**NIL**
(c)	Amount required to be set off for the financial year, if any	**1.50 crores**
(d)	Total CSR obligation for the financial year (7a+7b-7c)	**22.16 crores**

8. (a) CSR spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
22.88 crores	**NA**	**NA**	**NA**	**Nil**	**NA**

Note: During the year, the Company has received back ₹ 9.21 Lakhs which was disbursed as CSR expenditure in the financial year 2020-21 for the cause of tree plantation. However, as the amount was not applied for the purpose for which it was given, hence the same has been received back by the Company and contributed into Clean Ganga Fund as specified under Schedule VII of companies Act, 2013 on September 29, 2021.

(b) Details of CSR amount spent against **ongoing projects** for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
	NA	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Project Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Regn No., if already registered
1	**Environment Conservation**	**(iv)**							
	Plantation Works		Yes	MP	Bhopal	2.08 Cr	Yes		
			Yes	Delhi	Delhi NCR	0.05 Cr	No	QRG Foundation	CSR00001995
	Kanya Upvan		Yes	Rajasthan	Alwar	0.39 Cr	Yes		
2	**Providing Healthcare & sanitation facilities**	**(i)**							
	Distribution of re-usable sanitary pads for young girls		Yes	Across various major States		1.95 Cr	No	QRG Foundation	CSR00001995
	ICU Ward, Civil Hospital		Yes	Rajasthan	Alwar	0.49 Cr	Yes		
3	**Mid-Day Meal (MDM)**	**(i)**	Yes	Rajasthan	Alwar	1.60 Cr	No	QRG Foundation	CSR00001995
4	**Covid Care Support**	**(xii)**							
	Covid Care facility at Hospital (Supply of Oxygen Concentrator, Oxymeter etc.)		Yes	Delhi	Delhi	0.54 Cr	Yes		
5	**Supporting education including special education and employment enhancing vocational skills**	**(ii)**							
	Providing tables and benches to children in government primary schools in Neemrana		Yes	Rajasthan	Neemrana	0.02 Cr	Yes		

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Project Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Regn No., if already registered
	Providing Financial assistance to needy students & building educational infrastructure		Yes	Punjab	Mohali	11.0 Cr	No	Reimagining Higher Education Foundation (Plaksha University)	CSR00002211
	Free Coaching in Govt School		Yes	Rajasthan	Alwar	0.03 Cr	No	QRG Foundation	CSR00001995
	Shri Madhav Jan Sewa Nyas (Eligible for receiving CSR donation; CSR Reg. No. - CSR00001685)		Yes	Haryana	Panipat	0.56 Cr	Yes		
6	**Protection and Conservation of Heritage**	**(v)**							
	Contributing to Aga Khan Foundation India, a private non-profit foundation registered under the Companies Act, 2013 engaged in restoration and conservation of various heritage monument for (i) Construction of Humayun Tomb Interpretation Centre		Yes	Delhi	Delhi	4.0 Cr	No	Aga Khan Foundation	CSR00008713
	(ii) Illumination of Sunder Nursery Monuments		Yes	Delhi	Delhi	0.12 Cr	No	Aga Khan Foundation	CSR00008713
	TOTAL					**22.83**			

(d) Amount spent in Administrative Overheads : **NIL**

(e) Amount spent on Impact Assessment, if applicable : **0.05 crores**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **22.88 crores**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	23.66 Cr
(ii)	Total amount spent for the Financial Year	24.38 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.72 Cr
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.72 Cr

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
		NA	**NA**	**NA**	**NA**	**NA**	**NA**

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project / Supporting Education	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1	FY31.03.2021_1	IFRE - Ashoka University	20-21	1+3 years	16 Cr	4 Cr	8 Cr	Ongoing
	TOTAL				**16 Cr**	**4 Cr**	**8 Cr**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Date of creation or acquisition of the Capital Asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in Cr)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
01-09-2021	0.49 Cr	Rajiv Gandhi Govt General Hospital, HJ76+9XH, Lalitpur Bijli Ghar Ka choraha, Mangal Marg, Indra Colony, Alwar, Rajasthan 301001	ICU Ward at Civil Hospital, Alwar

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **NA**

Anil Rai Gupta
Chairman and Managing Director

Jalaj Ashwin Dani
Chairman CSR Committee

May 4, 2022

Encl: Impact Assessment Report

Impact Assessment Study of CSR Projects of Havells India Limited

Prepared by
RRCO Consulting Private Limited &
Ravi Rajan & Co LLP, Chartered Accountants

Impact Assessment Study of CSR Projects

An introduction to Impact Assessment Study

- **Havells India Limited (HIL)** has taken up multifarious initiatives and implemented several projects in the eight pillars as social and environmental responsibility has always been at the forefront of HIL's operating philosophy.
- HIL has appointed our company "RRCO Consulting Private Limited" to conduct the Impact Assessment Study (IAS) of its following CSR Projects for the period from 2016-17 to 2019-20 ('the Study/ Review Period'). We have co-executed the assignment with the Firm "Ravi Rajan & Co LLP, Chartered Accountants".

– Mid-Day Meal (MDM) Program (Project 1)
– Sanitation - Construction of Bio-toilets (Project 2)
– Tree Plantation in Neemrana (Rajasthan) (Project 3)
– Tree Plantation in Bhopal (Madhya Pradesh) (Project 4)
– Heritage Conservation (Project 5)
– Contribution to Ashoka University (Project 6)
– Contribution to BML Munjal Foundation (Project 7)

Objectives of IAS

- Undertaken an assessment of project design in terms of its relevance and contribution to the development of community & to the beneficiaries
- Assess performance of project in terms of effectiveness, efficiency & timeliness of processing the expected outputs in qualitative and/ or quantitative aspects
- Ascertain sustainability of project being implemented
- Help in better planning of future projects

Approach to the Study

- Initial Discussion with the management of HIL to obtain an understanding of project as well as the objectives envisaged
- Data requirement checklist shared with HIL and the Implementing Agency (IA) in line with the study scope/objectives through e-mails
- Discussion with the management of IA / Partners and / their team implementing the project
- Review and analysis of the various documentation provided by HIL and the IA participatory assessment carried out comprising of various stakeholders of the program by conducting telephonic interviews
- Project site visit
- Assess the present and probable impact of the project.

HIL's CSR Projects – Overall assessment

KEY EVALUATION PARAMETERS /CRITERIA	PROJECTS	1	2	3	4	5	6	7
		MDM Program	Bio-toilets	Tree Plantation (Neemrana)	Tree Plantation (Bhopal)	Heritage Conservation	Ashoka University	BML Munjal Foundation
	Relevance	All the projects were found to be relevant and addressing a felt need in the individual areas.						
	Effectiveness (Objective Achieved)	–Increase in Enrollment, Attendance –Adequate Nutrition	–Improving regularity of Students in class –Infrastructure Availability	Short Term (Project is in nascent stage)	Short Term (Project is in nascent stage)	Enriching cultural aspirations Construction/ Conservation	Utilising Infrastructure to increase education outreach	Utilising Infrastructure to increase education outreach
	Efficiency (Fund Utilisation)	Funds utilised for the Purpose envisaged in all the Projects						
	Efficacy (Interactions with Stakeholders to assess their satisfaction levels)	33 Principals 28 Parents 83 Students 6 SMC Members	31 Principals 33 Parents 64 Students	14 Project participants -School & College Principal, Sarpanch, Youths & Villager	19 Project participants -Employees of Implementing Agency	NA	13 Students	Due to pandemic driven lockdown could not interact with School Principal & beneficiary Students/ their Parents
	Documentation Accessibility	MoUs, Fund Utilisation details, Publicity	MoUs, Fund Utilisation details, completion certificates, Publicity	MoU, Progress Reports, Utilisation certificates, Publicity, Annual Reports	MoU, Annual Appraisal Reports, Soil Testing Report, Training Certificate, Site Visit Report by HIL, Utilisation details	Collaboration Agreements, Annual Reports, Progress reports, Utilisation details	Pledge letter, Fund Utilisation reports, Annual Reports	Pledge letter, Fund Utilisation Certificate, Progress Report
	Sustainability	Program running for more than decade and a half	An enabling mechanism with continuing HIL's support for regular upkeep, availability of water and timely maintenance	Project in nascent stage	Survival rate above 80% basis the Annual appraisal reports & interaction with Stakeholders	Heritage restored for enhanced visitors' experience	Construction/ Renovation is an ongoing activity (contribution from 193 donors so far)	Among best schools in Haridwar and has been approached to establish branch in other areas
	Overall Impact	Increased Enrolment (at CAGR of 1.43% during Review Period), Increased Attendance, Improvement in Hygiene, Social Equity	Improved Regularity & Wellbeing, Promoting hygiene by providing books/ workshops / training sessions (4096 bio-toilets built in 533 schools till Feb 2021)	Short term objective of spreading Community level awareness met (2,16,183 saplings planted till December 2020)	Short term objective of providing employment and enhancing the livelihoods for people met (13,00,000 teak saplings planted till August 2021)	Construction / restoration completed	Increased Students' base, Gaining prominence – Academic Performance, Wellbeing, Awards (3182 students educated since inception)	Increased Students' base, Gaining prominence – Academic Performance, Competitions, Awards (Student base grown 10 times to approx.1500 students since inception)

Note:- Physical visits were conducted in case of Project 1, 2 and 5.

MID-DAY MEAL PROGRAM (PROJECT 1) - SYNOPSIS

Key Highlights

On September 01, 2005, an MoU signed by HIL with Govt. of Rajasthan to supply MDM to 10,000 students in Govt. Schools. MDM Program, HIL's flagship CSR initiative is being channelised and implemented through QRG Foundation.

Contribution/ funds received for MDM Program during review period from FY 2016-17 to 2019-20 – Amount of ₹ 31.78 crores received of which ₹ 31.39 crores have been utilised.

A total of approx. 35 million meals provided during review period. Currently MDM is supplied to over 60,000 students to the 693 partner schools.

Non - Beneficiary government schools have shown interest in partnership under the program. QRG Foundation has been in discussion with District Collector, Alwar to increase the outreach to students from 60,000 to 90,000.

As per the analysis of MDM on Enrolment of students in partner schools, total enrolment (all blocks) increased from 54,082 students in 2016-17 to 56,439 students in 2019-20, indicating a CAGR of 1.43%.

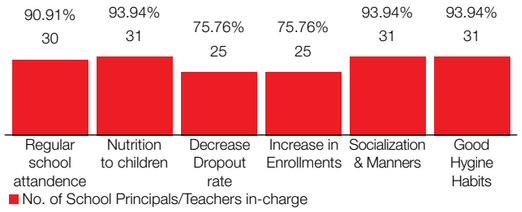
Insights of Students (83 Interviewed)

All students were satisfied with the quantity and quality of MDM that is being provided to them and mentioned that eating MDM never caused any illness/food poisoning to them. 95.18% of them stated that they didn't face any kind of caste or gender discrimination while serving of food to them. Most of them also volunteered their help/ were assigned various task in MDM process like distributing/ serving the food, cleaning the area where food is to be served, washing utensil etc.

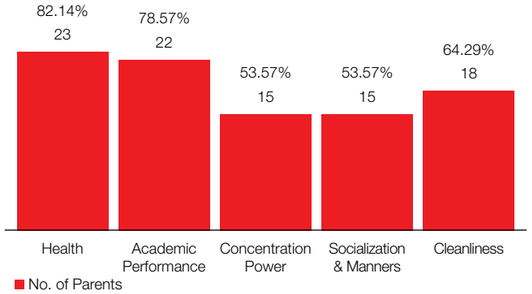
Impact of the program

- Increased Enrolment & Attendance and Reduction in Drop-Out rates
- Increased Enrolment of Girl Child
- Improvement in Cleanliness and Hygiene
- Social Equity

Improvement seen in Students by Principal/Teacher (33 Interviewed)



Improvement seen in Students by Parents (28 Interviewed)



SMC Members (6 Interviewed)

Fully support MDM program and favoured of outsourcing the MDM preparation to private partners such as HIL.

Rajasthan Government, Inspecting Authorities and Media

Commendation letters, Positives remarks/ views in Visitors Book of Foundation, Media report highlighting the Foundation efforts.

MID-DAY MEAL PROGRAM – PROJECT SNAPSHOTS

SANITATION - CONSTRUCTION OF BIO-TOILETS (PROJECT 2) - SYNOPSIS

Key Highlights

- HIL initiated a sanitation drive in FY 2014-15 to construct eco-friendly and hygienic Bio-Toilets in these Govt. schools which is being monitored by the QRG Foundation.
- HIL partnered with Banka BioLoo Limited (BBL) to develop a WASH program in these schools through an MoU between them. Total 512 bio-toilet units (4,096 toilets) were sanctioned & constructed at a cost of ₹13.58 crores in last 6 years i.e. from FY 2015-16 till Feb 2021 in 533 schools in District Alwar, Rajasthan. HIL pays ₹ 500/- per month to each school wherein bio-toilets have been constructed, for its maintenance.
- Some of the schools in remote areas of Alwar district, lacking toilet facilities and viewing the quality of HIL's Bio-toilets, have written applications to the Foundation for constructing Bio-toilets in their schools.

Insights of the Rajasthan Government and the Media

- Govt honored HIL with the newly-instituted CSR Awards of Excellence in category of Clean Water & Sanitation.
- HIL published a book "WASH Education in Schools"
- Various media reports highlight HIL's efforts to address the issues pertaining to lack of WASH in schools

Impact of the program

- Improvement in regularity of students in the class
- Improved security and wellbeing of students
- Promoting Cleanliness & Hygiene by distributing literature on WASH & invested in behavioral change sensitisation workshops/training sessions.

Insights of School Principals/Teacher In-charge (31 Interviewed)	
96.77%	Positive impact in terms of sanitation and maintaining hygiene.
90.32%	Inspection of toilets conducted at the regular intervals by the Committee/ Govt. Authorities of their schools.
61.29%	Reduction in the infection/ illness
54.84%	Toilets are cleaned properly with appropriate cleaning material.

Some of the schools have budget issues / constraint with regards to the cleaning supplies.

Insights of Parents (33 Interviewed)	
96.97%	Value addition in terms of awareness about hygiene & cleanliness in child.
66.67%	School conducts cultural programs & competitions (essay, painting, debate) on hygiene & sanitation on regular basis
48.48%	Reduction in the infection/ illness
87.88%	Parents mentioned that their children had never raised any concern regarding inadequacy of number of toilets, inaccessibility, poor hygiene etc.
93.94%	Satisfied with the school's sanitation facilities.

Insights of Students (64 Interviewed)	
98.44%	Toilets have secure door with latch and desired accessories, roof & proper ventilation for natural light & air. School conducts training sessions on issues concerning sanitation and maintenance of good hygiene practices for them
84.38%	Didn't face any problem with respect to urinal facilities in their school
92.19%	Proper arrangement for water in / near the toilets
All students were satisfied with the Cleanliness of Toilets in School	

Sanitation - Construction of Bio-Toilets - Project Snapshots

Visit to Schools and MDM Kitchen in Alwar

Feedback of School Principals – MDM Program resulted in Increased Enrollment, Saved Time utilised in preparing meals in School, Quality is better, Timely delivery of meals.

Bio-Toilets helped in maintaining proper hygiene.

All the students we interacted with, gave a very positive feedback with regards to the food, quality and hygiene.

TREE PLANTATION, NEEMRANA, RAJASTHAN (PROJECT 3) - SYNOPSIS

Key Highlights

- HIL entered into 3 MoUs with Humana People to People India (HPPI), the Implementation Agency for tree Plantation in various Panchayats of Neemrana Block.
- The Objective of the Project:-
  - Long Term - Improve air quality & reduce pollution, protect bio-diversity, avoid soil degradation, reduce ground water depletion etc.
  - Short Term - Sensitize local community, especially the youth, through participation, engagement & informal trainings/ workshops, about issues of climate change, deforestation & biodiversity protection to ensure sustainability of project.

The project is quite nascent considering that a sapling grows into a tree to grow in 3-5 years becomes fully productive or mature at age of 10 years. Hence, IAS of this project has focused on achieving the short term objective of spreading environment cautiousness in the community as well as survival rate of plants achieved.

Present Status & Fund Utilisation

- 2,16,183 saplings planted since 1st July, 2018 till 31st December, 2020 as against committed 2,50,000 saplings by end of 30th June, 2021. Out of approved project cost of ₹ 1.36 crs provided by HIL, ₹ 1.17 crs has been utilised upto 31st March, 2021 by HPPI on various expenses pertaining to the project. (Project under implementation till 30th June, 2021).

Insights of 14 Project Participants (Farmers, Sarpanch, Panchayat Members, Principals & Youth, some of them also being influencers in the local areas)	
82.35%	Happy with involvement and contributions of communities
88.24%	Contented that proper & adequate medicines and pesticides provided by HPPI
82.35%	Survival rate of trees in the area range from 80% to 90% based on their perception & not actual physical counting.
82.35%	Plants growing as per expectations. Mix of trees including native trees, trees providing fruits & flowers planted post discussion with forest officers & the community.

Challenges and/ or constraints expressed by Implementing agency

- Fund allocation for watering of plants and wire fence challenges.

Impact Analysis

- The project commenced in July, 2018, is in nascent stages. The advantages of plantation can be felt in terms of environment enrichment, forestation & biodiversity in long term period.
- Basis discussions with participants & HPPI, various documents provided for review incl. progress reports, utilisation certificates, appreciation letters, photograph of events & campaign, etc:
  - Community level awareness about tree plantation and its benefits has been spread through campaigns, workshops and distribution of leaflets,
  - There is community level participation in watering & safeguarding plants despite resource constraints,
  - Support has been provided for medicine & pesticides for protection of plants by HPPI,
  - Wire Fencing to safeguard plants from destruction by animals at some locations,
  - As per reports, survival rate of plants over 80% has been achieved in line with the MoU requirements post implementation of the project.

TREE PLANTATION, BHOPAL, MADHYA PRADESH (PROJECT 4) - SYNOPSIS

Key Highlights

- HIL entered into MoU with Madhya Pradesh Rajya Van Vikas Nigam Limited (MPRVVN), Bhopal, the Implementation Agency, for Plantation in Bhopal, Madhya Pradesh.
- The Objective of the Project:- Convert forest areas of low value species into teak plantation area of high productivity, Employment opportunities available to local villagers, Treated forest area improve the surrounding microclimate, Increase in forest areas density, Soil & water conservation increase ground water levels & prevent land erosion, Increase in Soil fertility.

The project is quite nascent in terms of the time taken for a tree to grow from a sapling considering that, normally, it takes 22 to 25 years to grow into a fully matured stage. Hence, IAS of this project has focused on conversion of forest areas of low value species into teak plantation as well as survival rate of plants achieved.

Present Status & Fund Utilisation - 13,00,000 teak saplings planted since 2018 till 31st August, 2021. The contracted amount is ₹ 10.60 crs and the funds are released as per MoU terms. ₹ 7.72 crs (around 80% on labourers) spent upto 31st August, 2021 by MPRVVN. (Project is under implementation).

Impact Analysis

- Project commenced in 2017-18, is in nascent stages. Advantages of plantation can be felt in terms of environment enrichment, soil fertility improvement, increase in forest area density, afforestation and biodiversity in long term period.
- Basis discussions with the participants & MPRVVN, various documents provided for review incl. annual appraisal reports, utilisation details, photograph of plantation locations etc:-
  - Created a socio-economic impact by providing employment and enhanced the livelihoods for people.
  - Support has been provided for medicine and pesticides for protection of the plants by MPRVVN
  - CPT/CPW excavated in the forest areas to safeguard plants from destruction by animals.
  - As per reports, survival rate of plants over 80% achieved in line with MoU requirements post implementation of project. However, considering that development of green belt is a continuous activity, survival rate in the long term needs to be monitored and evaluated.

Insights of 19 Employees of MPRVVN (Forest Ranger Officers, Forest Guards, Watch and Ward staff & Labourers)	
94.74%	Training provided by their senior officials. Few mentioned of workshops/meetings being organised on time to time basis.
84.21%	Survival rate of plants in the area range from 80% to 95% based on their perception & not actual physical counting.
68.42%	Local villagers support in safeguarding plants from cattle and also inform MPRVVN if they observe any suspicious activities like forest fires etc..
84.21%	To safeguard plants, Cattle Proof Trench (CPT)/Cattle Proof Wall (CPW) excavated in forest areas. Watch & ward staff also deployed at locations.

Challenge and/ or constraint faced by Implementing agency

- Proposed forest area in Vidisha district is relatively more degraded forest area and requires additional expenditure for the remediation works to ensure success of plantation.

HERITAGE CONSERVATION (PROJECT 5) - SYNOPSIS

Key Highlights

- HIL entered into a Collaboration Agreement with Aga Khan Foundation India (AKFI) to contribute towards heritage conservation by pledging its support in building Humayun's Tomb Interpretation Centre and in restoration work of Sabz Burj. Aga Khan Trust for Culture (AKTC), principal cultural agency of the AKDN, provides technical know-how and co-ordination advice to cultural projects of AKFI in India
- Initially, estimated cost to complete construction of Interpretation Centre was round ₹ 100 crore and subsequently revised to ₹ 125 Crore. Ministry of Tourism, GoI provided a grant of ₹ 49 Crore to AKFI. The conservation cost for the Sabz Burj was estimated to be ₹ 1 Crore.

Present Status of Projects

- Humayun's Tomb Interpretation centre (HTIC) is nearing completion, with the exhibition and associated lighting works in progress.
- Conservation of Sabz Burj has been completed.
- AKTC is presently seeking funds for Interpretation centre to the tune of around ₹ 25 - 30 crore towards cost of completing the installation of the Permanent Exhibition, illumination, security and ticketing systems, landscaping costs which it proposes to raise through partnership with other corporates, govt. & from its own sources. AKTC has already got grant/funds from German embassy, Tata Trusts & a Private foundation.

Socio-economic Initiative - Employment Generation

- This collaboration apart from offering cultural and heritage enrichment has enhanced the opportunities for earning livelihood and improving quality of life of various skilled/ semi-skilled craftsmen employed in conservation of Sabz Burj as well as skilled and unskilled labour deployed in construction of the HTIC.
- Out of total funds/grant received for Sabz Burj around 73% has been spent on Manpower & rest on other expenses (Material, scaffolding & signage). Employment opportunities have been provided to various conservators, technicians, stone carvers, masons, carpenters, coppersmiths, amongst others.

Impact of the Contribution

- HIL has provided funds/grant for the projects (HTIC - ₹ 14 crs & Sabz Burj - ₹ 1 cr) in accordance with Collaboration Agreements, which have been utilised for purposes envisaged.
  - The construction activities pertaining to the projects have been completed and the Interpretation centre was expected to be operationalised by December 2021 & open for visitors.
  - Restoration of Sabz Burj, has been completed keeping in view the objective of preservation of heritage and promoting culture.
- As per AKTC, extensive media coverage is planned for both the projects on completion and will include local and international media as well as digital media and will be circulated on social media platforms also. There have been various media report highlighting efforts of AKTC in Heritage conservation through both these projects.
- Project has created a socio-economic impact by providing livelihood to various categories of skilled/ unskilled labour and various craftsmen involved in the project during the period of construction of HTIC and restoration of Sabz Burj.
- The projects' impact, in terms of enhancing visitors' experience & enhancing knowledge of visitors including the school children, can be assessed post operationalisation of the Museum and post removal of restrictions due to the present pandemic situation in India.

CONTRIBUTION TO ASHOKA UNIVERSITY (PROJECT 6) - SYNOPSIS

Key Highlights

- International Foundation for Research and Education (IFRE) was incorporated with the sole purpose of creating Ashoka University for furtherance of its main objects of promoting higher education.
- HIL donated ₹10 Crores to Ashoka University Project in September 2014 in a phased manner and the same is spent by the University towards infrastructure development (2014-15 - ₹ 4 crore, 2015-16 - ₹ 3 crore & 2016-17 - ₹ 3 crore)
- A fully residential campus started its operations in July 2014. A total of 3182 students have been/ are being educated since its inception and one of the reasons for increased students' base being the infrastructure.

Major Facilities at Campus	Housing, On-Campus Dining, Wifi-enabled campus, Library, Transport, Security, Sports and Exercise, Other Facilities includes Labs, Cafeteria, Hospital / Medical facilities, Music Room, Dance Room, Counselling Center, Amphitheatre, Common Room etc.
Recent Developments	A new building has been constructed in University campus for a better student experience. The facilities include New Library (516 seats), Cafe (100 seats), 32 Lecture Rooms, 131 Faculty offices, 165 TA workstations,18 Meeting rooms, Black Box theatre (300 seats)

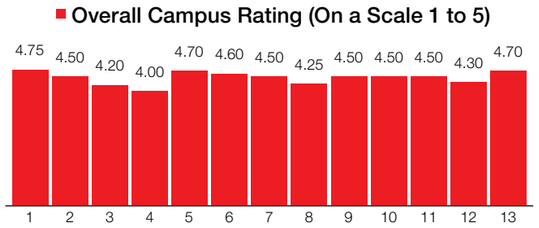
Impact of the Contribution - University gaining prominence on account of its performance on various fronts:-

- **Academic Performance -** The passing % of students till Batch 2019-20 in the range of 92.25% to 100.00%.
- **Inclusion -** Campus is 100% accessible to meet the needs of specially-abled students.
- **Wellbeing -** The Ashoka Centre for Well-Being (ACWB) is India's first dedicated Centre in a University
- **Recognition and rankings -** University of the Year (in existence for less than 10 years), World Digital Awards 2020, In 2019, Education World ranked 2nd in the top 100 private universities in India.
- **Interaction with Students -** Overall campus rating by interviewee students in the range of 4.00 to 4.75 on a scale of 1 to 5.

Insights of Students

Due to the pandemic, the fresher/ recent batch students have not experienced the campus infrastructure/ didn't have any on ground training experience at campus as the course curriculum is being run online. Responses taken from students returning for their 4th Year.

Overall Campus Rating by Students (13 Interviewed)



Key Takeaways

- W.r.t various infrastructure parameters in campus, 11 interviewed students appreciated the facilities. They praised the campus architecture & environment, the lawns and the landscaping.
- Majority of interviewees (11 out of 13) pointed out their concern regarding space constraint with respect to the dining and library area resulting in overcrowding at these areas.

New building constructed in University Campus addresses the concerns raised by students with respect to space constraint. However, the students are yet to experience the same.

Contribution to Ashoka University - Project Snapshots

CONTRIBUTION TO BML MUNJAL FOUNDATION (PROJECT 7) - SYNOPSIS

Key Highlights

- Under the umbrella of BML Munjal Foundation (the 'Trust') formed as a charitable Trust with the objective of imparting education, BML Munjal Green Medows School, Haridwar was established in 2010 to cater to the educational requirement of families residing in and around Haridwar.
- Started with just over 100 students and seven staff members and presently has student strength of approx. 1500 with over 60 staff members.
- School campus is spread in about two acres which includes nursery, junior and senior blocks which are built around a large playground and open assembly place with basketball court. It has all support equipment which includes science laboratories, computer laboratories, visual art & music studios, Audio Visual Rooms, a state of-the-art facility for videoconferencing and a well-stocked library.

Impact of the Contribution

- Student base having grown 10 times since inception in 2010-11. One of the reasons for increase in students' base being the infrastructure that the school provides. School has got prominence in terms of its performance :-
  - **Academic Performance -** School's CBSE results have shown strength and categorised as Category A for academic performance by CBSE. School Average Aggregate has been good in the range of 81.21% to 89.50% for Class X during 2017-18 to 2019-20.
  - **Events & Competitions -** School has been running various activities & students participating in various events & competitions organised at National, State & District level and bagged many prizes, therefore providing exposure & boost the hidden talents of the students and also develop their interpersonal skills for personality development.
  - **Awards -** Received prestigious International School Award 2017-2020 from the British Council, New Delhi and 'Shiksha Srijan Ratan' awarded to the Principal. Accredited with International School Award renamed as International Dimension in Schools (IDS) for 2020-2023 with 100% marks second time.
  - Considered among best schools in Haridwar and has been approached to establish branch in other areas.

CSR Contribution by HIL

HIL committed funds to the tune of ₹ 8 Crores to the trust to be utilised as under:

a) Providing financial assistance to needy student in the form of scholarship under the aegis of QRG Endowment (hereinafter referred to as 'Project 1')

b) Creating Infrastructure for the benefit of students (hereinafter referred to as 'Project 2')

₹ 4 Crores utilised for the construction of school building i.e., Project 2, which was in progress in the FY 2019-20 and the balance ₹ 4 Crores has been and will be utilised towards providing financial assistance/ scholarship to the students, i.e., Project 1.

IAS focuses on the Project 2 since the purpose for which funds were granted by HIL to the Trust have been completed.

Limitation – Project Specific

Due to pandemic driven lockdown, we could not interact with School Principal & beneficiary Students/ their Parents.

Contribution to BML Munjal Foundation - Project Snapshots

ANNEXURE - 7

(A) Details pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration (excluding Commission) of each director to the median remuneration of the employees of the company for the financial year	- Ratio of the remuneration of Shri Anil Rai Gupta, Chairman and Managing Director to the median remuneration of the employees – **69:1** - Ratio of the remuneration of Shri Ameet Kumar Gupta, Whole-time Director to the median remuneration of the employees – **28:1** - Ratio of the remuneration of Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO – **62:1** - Ratio of the remuneration of Shri Siddhartha Pandit, Whole-time Director – **11:1**
(ii)	Percentage increase in remuneration (excluding Commission) of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	- Shri Anil Rai Gupta, CMD – **13.28 %** - Shri Ameet Kumar Gupta, WTD – **13.70 %** - Shri Rajesh Kumar Gupta, WTD (CFO) – **12.39 %** - Shri Siddhartha Pandit, WTD – **11.31 %** - Shri Sanjay Kumar Gupta, CS – **8.36 %**
(iii)	Percentage increase in the median remuneration of employees in the financial year	**21.24%**
(iv)	Number of permanent employees on the rolls of company	**5,970** Employees
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	- Average increase in remuneration of Managerial Personnel – **12.65%** - Average increase in remuneration of employees other than the Managerial Personnel – **15.96%** The top-level compensation is linked to Profit Before Tax.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

(B) Statement Showing Particulars of Employees Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 Read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules are available to any shareholder for inspection on request. Such details are also available on your Company's website at https://havells.com/en/discover-havells/investor-relation/disclosures.html

ANNEXURE - 8

Disclosure pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY

(i) Steps taken/ impact on Conservation of energy and the steps taken for utilising alternate sources of energy

(a) Steps taken or impact on conservation of Energy

At Havells, our continuous approach is towards achieving maximum energy efficiency in our operations and products. We do it through implementing one of the best Energy Management Systems (ISO 50001-EnMs), Cutting Edge Technology and dedicated Research & Development Centres. During 2021-22, Havells undertook 41 projects towards conservation of energy. Through our initiatives, we were able to mitigate 1435 tons of CO_2 emissions, thereby contributing to combatting climate change. Details for the projects is given below:

Description of the project	Energy saved per year (KWh)	Capital Expenditure incurred in purchase of energy conservation equipment (₹)
Energy Saved due to Optimisation of motors and pumps	13.85 lakhs kWh	55.00 lakhs
Process Optimisation and Elimination of Ideal running of machines and equipment	2.47 lakhs kWh	7.60 lakhs
Savings through Installation of New machines, technology (dryer installation, energy efficient fans, etc.)	1.87 lakhs kWh	7.70 lakhs
TOTAL	**18.22 lakhs kWh**	**70.30 lakhs**

(b) Steps taken by the Company for utilizing alternate sources of energy

Contributing to sustainable development goals and government's agenda of adopting clean and green energy, the company has been substituting a share of its total electricity requirement through solar energy. Recently the company has added 1.95 MW rooftop solar power plant at its Alwar site, which has been commissioned in FY-2022. Through this addition of solar power, the company mitigated 1332 tons of CO_2 emissions. The company at present has solar power generation capacity of 9.0 MW, which is about 9.03% of total electricity consumption.

ii Capital Investment on Energy Conservation Equipment

During the financial year the company has invested ₹ 5.8 crores for alternate sources of energy and ₹ 1.17 crores for purchase and installation of state of art manufacturing plants, technology equipment and in various projects for achieving energy efficiency through upgradations and process optimisation.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

Havells' R&D Commitment

Havells is leading the benchmark among FMEGs (Fast Moving Electrical Goods) in India with its well-established R&D capabilities. Keeping up with the aspiration to be a global player in electrical and electronic products, the company is investing significantly in R&D, both in people competence and associated infrastructure. Owning end-to-end product responsibility, Havells Customer eXperience and Design (CXD) studio based out of Noida houses best intellects in the fields of design and user experience. The CXD team plays a vital role to identify and meet customer expectations across discovery to delivery lifecycle of any product using advanced design thinking and digital platforms. Our Bangalore Innovation center continues to lead the ownership of critical and future technologies and related connect with external ecosystem. The efforts of the team in Bangalore manifest themselves in specific platform-based solutions that are applicable cross multiple business segments, thus enabling our products to maintain a competitive edge. The R&D center at Noida powers the quality and reliability core of Havells brand promise with the state-of-the-art facilities for prototyping, endurance testing, materials characterisation and advanced methods like simulations-based-designs across the complete product portfolio. The company's emphasis is on nurturing an Innovation culture and building long term intellectual assets. A year-on-year increase in number of IP filings and prestigious awards from domestic and international accredited bodies is a living testimony of these efforts.

Basic Tenets of Technology Absorption

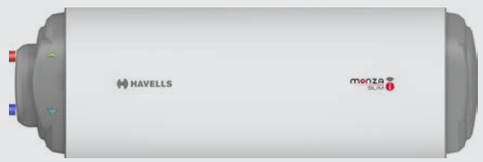
We are living in a world where disruptions are new normal, it is imperative to respond quickly to evolving customer preferences keeping technological advances at the core of our strategy. Our approach towards agility and flexibility combines both in-house R&D capabilities and as well as leveraging our partners ecosystem.

Some of the pillars and cornerstones driving new technology introduction in our industry are listed in the following section, which also form the strategic basis of our technology absorption, adaptation and innovation for our products.

SMART Connected Products

Technological advances have become a commonplace and the realisation of unique products is happening around us with the convergence of mechanical, electrical, electronics, and information technology-based systems. We are currently at an interesting cusp of technology evolutions for consumer products - witnessing the transition of the 'E' in FMEG from 'Electrical' to 'Electronics'. Havells realizes this wave by building smart products and services using the Internet of Things (IoT), Cloud computing, Big data, Artificial Intelligence (AI) and Edge Computing ensuring that all critical technologies are owned by us. We are transcending traditional product boundaries and offering our customers new functionalities, improved reliability, better product utilisation and capabilities.

Key smart products launched this year include Monza-i water heater and Signia smart switches and many more planned for the coming year. Through our Internet of Things (IoT) ecosystem, we are going beyond and deeper into making homes smarter and powering a holistic digital experience.



Monza-i water heater

Signia smart switches

Adherence to Regulations and Standards

This is an overarching driver which ensures quality standards in development of all new products as mandated by governing/ certifying bodies to ensure compliance to worldwide (and country specific) norms. Our goal is to design, develop and launch products that will meet global requirements for safety, performance and reliability.

For the year 2021-22, 32% of our total R&D spends are done on environmental & social benefit products & technologies. This metric will be reported annually as mandated by SEBI's Business Responsibility and Sustainability Reporting (BRSR) standards.

Specific Efforts of Technology Absorption

To list a few of the examples where technology absorption has helped us create differentiated products in the market include:

- **Circuit Breakers (Distribution Products and Industrial Switchgear):** We have extended our existing circuit breakers range by augmenting it with Arc Fault protection with options of both integrated and add-on feature. The new range has also achieved EURO and EMA safety certification, enabling sales of our products to export markets like UK.
- **Electrical Wiring and Accessories:** Signia L1 smart touch, launched with both the smart WiFi communication feature and soft touch operation with reduced noise, marks a new benchmark of connectivity and ease of operation in switches.
- **Fans:** One of the innovation highlights from Havells this year is the Stealth Puro air fan, India's first ceiling fan with integrated Air purifier – an in-house developed product that purifies and maintains a good flow of healthy air throughout the indoor space.

Stealth air fan range is upgraded with BLDC motor technology with 5 stars BEE rating as part of our ongoing efforts on energy efficient appliances.

Stealth Puro Fan

- **Lloyd Products range:** We stayed on course with our mission of self-sufficiency in manufacturing for Washing Machines and started with the production of 7.5Kg Semi-Automatic Washing Machines (SAWM) series at our Ghiloth plant. We plan to follow this up with other ranges in due course.

Semi-auto Washing machine 7.5 Kg now completely made in our own plant

- **Home appliances:** Key highlights from this year of customer centric and innovative products for consumer homes are as below:

1. Hexo Juicer mixer grinder is launched with India's first heavy duty 1000 w motor that can carry out even the toughest grinding with ease. The product is a perfect example of understanding consumer needs and using technology to provide a fit for purpose solution.
2. iHTT Magnatron introduced world's first application of induction heating technology in water heaters. With this novel application of induction heating, it eliminates the physical heating element, hence delivering long term energy efficiency and ease of servicing over the useful lifecycle.
3. Gracia alkaline water purifier, builds upon our signature range of alkaline water purifiers adding features of dispensing hot, cool and ambient water for customers to choose purified water at a desired temperature

Hexo Juicer mixer grinder with 1,000 w motor
iHTT Magnatron water heater

Gracia Alkaline water purifier

(ii) Benefits derived from these R&D Efforts:

With our R&D endeavour of democratizing technology through customer centric innovations, the share of contribution from new products stands at about 17% of total revenue over last 21 months period and it is expected to further increase as many of the recent innovations will take-off and reach scale with time.

To further strengthen our product development capabilities several process Innovations are rolled out. The key ones to callout are Advanced simulation for first time right design, Acoustic test facility for developing new USPs (like low noise), Design for six sigma (DFSS) methodology for product improvements and Innovation management framework with the vision of leading an Innovation driven organisation.

Our focus continues to be in long term IP creation for the organisation. During FY 2021–22, we have added 9 new patent applications and 233 new design registrations increasing our cumulative tally to 112 and 781 respectively.

We are also getting recognition from acclaimed local and global bodies in the fields of design, technology and Innovation. Following are to list the major awards received during the year:

- CII Top 25 Innovative companies 2021
- Bureau of energy efficiency, National energy conservation awards – Appliance of the year (Fan and Water heater)
- CII Design excellence award 2021, India design mark 2021 and Good design award 2021

Bureau of Energy Efficiency
Ministry of Power, Government of India

11TH CII DESIGN EXCELLENCE AWARDS

GOOD DESIGN INDIA DESIGN MARK

Havells R&D will continue the journey of technology transformation, keeping customer centricity at core of all our processes and practices, to be a leading Global organisation delivering value to our shareholders.

(iii) Technology import and absorption:

Arc Fault detection: This technology for fault detection and protection in electrical circuits was imported from WA, Ireland in the year 2019. It is fully absorbed and used in AFDD range of circuit breakers.

The company shall continue its endeavour to adopt technologies for its product range to meet the requirements of a globally competitive market.

The expenditure incurred on Research and Development

(₹ in Crores)

Particulars	2021-22	2020-21
(a) Capital	6.28	5.16
(b) Recurring	103.98	90.43
TOTAL	110.26	95.59
Total R & D expenditure as % of Total Turnover	0.79%	0.92%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During FY 2021-22, our international business, grew across all product categories and across geographies. We are now exporting to 60+ countries.

We are continuing the investment on Certifications, Product Development for Different markets, Brand building & Channel expansions across markets and geographies.

The details of Foreign exchange earnings and outgo during the period under review is as under:

(₹ in Crores)

Particulars	2021-22	2020-21
Foreign Exchange earned	455.47	309.28
Foreign Exchange used	2,334.85	1,785.55

For and on behalf of
Board of Directors of Havells India Limited

Anil Rai Gupta
Chairman and Managing Director

Noida, May 4, 2022

Business Responsibility and Sustainability Report

FOREWORD

Today, more than financial challenges, leading businesses face environmental and social risks. The society at large is facing extreme conditions such as pandemic, unpredictable climate and unprecedented volatility. The global risk report by the World Economic Forum (WEF) 2022 identifies the top five risks by likelihood and impact as social and environmental in nature. A fragmented recovery from the crisis created by the COVID-19 pandemic risks widening the global divides at a time when countries urgently need to collaborate to combat Climate Change. Under these circumstances, environmental, social and governance (ESG) initiatives by the business world could become key to resiliency and long-term value.

Benefits of sustainability are long standing and much needed to mitigate the man-made environmental damage. In being part of the solution rather than the problem, companies could chart a new era of shared value and trust driven governance that will create inclusive wealth for all stakeholders. Companies, at large, need to focus not just on integrating ESG strategy into their value story but also on communicating this strategy and vision to its stakeholders.

We strongly believe company's performance on environmental and social aspects is as vital as financial and operational performance. At Havells, Social and Environmental responsibility has always been at the forefront of our operating philosophy. Our Social initiatives started way before CSR was mandated by the Government under the Companies Act, 2013. We published our first Sustainability Report in 2012 in accordance with the GRI standards covering the ESG aspects, and over the years, have further strengthened the monitoring and reporting aspects.

In line with our philosophy of staying ahead of the curve, we have unanimously adopted BRSR in FY2022 itself, though the adoption becomes mandatory from FY2023. In continuation of this trend, in the forthcoming years, we will be reporting not just on the essential indicators but also on the voluntary leadership indicators.

Building on transparent and meaningful dialogue with our stakeholders, we present our 1st BRSR for FY 2021-22.

Regards,

Ameet Gupta
Whole Time Director

SECTION A: GENERAL DISCLOSURES

I. Details of The Listed Entity

1. **Corporate Identity Number (CIN) of the Listed Entity** - L31900DL1983PLC016304
2. **Name of the Listed Entity** - Havells India Limited
3. **Year of incorporation** - 1983
4. **Registered office address** - 904, 9th Floor, Surya Kiran Building, KG Marg, Connaught Place, New Delhi – 110001
5. **Corporate address** - QRG Towers, 2D, Sector – 126, Expressway, Noida – 201304
6. **E-mail** – sustainability@havells.com
7. **Telephone** - 0120-3331000
8. **Website** - www.havells.com
9. **Financial year for which reporting is being done** - FY 2021-22
10. **Name of the Stock Exchange(s) where shares are listed** - (a) The National Stock Exchange of India Limited (b) BSE Ltd.
11. **Paid-up Capital** - ₹ 62,63,03,067 as of 31st March 2022
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report –**

    Shri. Nitin Singh –
    Telephone No: 0120-3331000
    e-mail id: Nitin.Singh@havells.com
13. **Reporting boundary -** Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) –

    The disclosures are standalone basis

II. Products/services

14. **Details of business activities (accounting for 90% of the turnover):**

Sr. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Switchgear	Switches, Domestic Switchgears, Industrial Switchgears, Capacitors, Automation and Control	12.9%
2	Cables	Power Cable and Flexible Cables	33.4%
3	Lighting and Fixtures	Professional Luminaires and Consumer Luminaires	9.9%
4	Electrical Consumer Durables	Fans, Small domestic appliances and Water Heaters	22.1%
5	Lloyd Consumer	Air Conditioners, Refrigerator, Washing Machine Televisions, and other domestic appliances	16.3%
6	Others	Motors, Solar, Pump, water purifiers and Personal Grooming Products	5.5%

15. **Products/Services sold by the entity (accounting for 90% of the entity's turnover):**

Sr. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Cables	2732	33.4%
2.	Switchgears	2710	12.9%
3.	Electronic Consumer Durable	2750	22.1%
4.	Lighting and Fixtures	2740	9.9%
5.	Lloyd Consumer	2750, 2640	16.3%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	14	35	49
International	0	3	3

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	Pan India
International (No. of Countries)	We serve 60 plus countries, please refer to Integrated Annual Report pg 09 for details

b. What is the contribution of exports as a percentage of the total turnover of the entity?
Exports contribute approximately 3.64% of total turnover.

c. A brief on types of customers
Havells India Limited is a leading Fast Moving Electrical Goods (FMEG) Company and a major power distribution equipment manufacturer with a strong global presence. Havells enjoys enviable market dominance across a wide spectrum of products, including Industrial and Domestic. The company pioneered the concept of exclusive brand showroom in the electrical industry with 'Havells Galaxy'. Today over 600 plus Havells Galaxies across the country are helping customers, both domestic and commercial, to choose from a wide variety of products for different applications.

IV. Employees

18. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	5,355[1]	5,133	95.9%	222	4.1%
2.	Other than permanent (E)	5,182	4,744	91.5%	438	8.5%
3.	Total employees (D + E)	10,537	9,877	93.7%	660	6.3%
		WORKERS				
4.	Permanent (F)	442	418	94.6%	24	5.4%
5.	Other than permanent (G)	13,946	13,422	96.2%	524	3.8%
6.	Total workers (F + G)	14,388	13,840	96.2%	548	3.8%

[1] The figures do not include permanent employees (5,355), four directors and 169 apprentices.

b. Differently abled employees and workers:

We have 2 differently abled male employees accounting for 0.04% of employee strength and 1 differently abled male in contractual workforce.

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	14	1	7%
Key Management Personnel* *Excluding BOD	1	0	0

20. Turnover rate of permanent employees and workers (Disclose trends for the past 3 years)

We have deployed structured employee engagement policies with respect to skill development training, job rotation, paternity leave, and insurance benefits. The job rotation programme has led to cross-functional movement at Havells to allow individuals to undertake larger roles through Internal Job Postings. All of this has helped us manage our attrition rates in the era of 'Great Resignation' post COVID-19.

Please find the trend for last 3 years below

Particulars	FY 2022			FY 2021			FY 2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.7%	0.9%	16.7%	9.4%	0.6%	10.1%	24.7%	1.2%	25.8%
Permanent Workers	4.0%	0.2%	4.1%	6.0%	0.3%	6.3%	5.1%	0.3%	5.5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

No material subsidiaries are present.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): 13,889 Crore

(iii) Net worth (in ₹): 5,989 Crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2022			FY 2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-		-	-	
Investors (other than shareholders)	Yes	-	-		-	-	
Shareholders	Yes	2	0	Source: Stakeholder Relationship Committee			
Employees and workers	Yes	10	0	Concerns and suggestions received through various formal and informal modes			
Customers	Yes	6,741	0	Concerns and suggestions received on social media, Consumer email id and central feedback number	4,582	0	Concerns and suggestions received on social media, Consumer email id and central feedback number
Value Chain Partners	Yes	4	0		-	-	
Other (please specify)	-						

Havells has established a structured grievance redressal mechanism. We are committed to encouraging openness, promoting transparency and reporting improvements without fear of rebuttal. The organisation is committed to creating a culture that encourages high standards of ethics and upholds decent and safe working conditions for the entire workforces.

Further, we have a consequence management grid and committee in place, where based on the severity of the issues, specific actions are taken to address the concerns on a timely basis. We also collect feedback to ensure the concern is resolved in a satisfactory manner for all stakeholders involved. We also have a process of reporting whistle blower complaints to the Board on an annual basis and to our external auditors on a quarterly basis.

24. **Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Please refer to the Materiality Section and Risk Management Section in Integrated Annual Report.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
c. Web Link of the Policies, if available	https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Organisation wide the below ISO certification has been taken up • ISO 9001, ISO 14001, ISO 50001, ISO 45001, ISO 27001 • We are BIS compliant • Most of our major products are BEE Energy Star rated								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to the Chairman Message and capital-wise sections in the IAR for our management approach and commitments								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NIL								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to the Chairman Statement in the Integrated Annual Report, page 10								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Shri. Ameet Gupta								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Shri. Ameet Gupta								

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	On a periodic basis the ESG performance of the company is reported to the executive committee of Board and follow up actions are discussed and reviewed								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Compliance report across all statutory requirements is submitted to the Directors on monthly basis and to the Audit committee on a quarterly basis. In addition, Control Manager tool is used to track and enforce 100% compliance								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Y	Y	Y	Y	Y	Y	NA	Y	Y

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	5	Familiarisation programmes are carried out by way of exhaustive presentations on various topics/ areas such as legal function of the Company, interactions with institutional investors, and non-trade and export businesses	100 %
Key Managerial Personnel	5		100%
Employees other than BoD and KMPs	All employees undergo training programmes on a regular basis in the areas of skill upgradation, process orientation, soft skill development and safety. These trainings are imparted through online and classroom modes as well as on-the-job. Please refer to the Human Capital section of the Integrated Annual Report for more details.		100%
Workers			100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

   No material fines were paid in FY2022.

3. **Of the instances disclosed in Question 2 above, details of the appeal/ revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Havells is committed to complying with all laws and regulations which govern our operations in every location in which we operate. We have a defined Anti-corruption and Anti-bribery Policy which explains our responsibility to comply with anti-bribery and anti-corruption laws (as applicable). Havells has a zero-tolerance attitude towards corruption and bribery. Havells is committed to doing business ethically and expects its employees to follow ethical business practices.

   Further, we provide regular communication mailers on adherence to Code of Conduct, Anti-corruption, Anti-bribery and gift policies.

   Please find the anti-corruption policy at - https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html

5. **Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

   No disciplinary action was taken against any Directors/KMPs/employees/workers by any law enforcement agency for charges of bribery/corruption.

6. **Details of complaints with regard to conflict of interest:**

   No complaints received in relation to issues of Conflict of Interest of the Directors in either FY 2022 or FY 2021.

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   There were no cases of corruptions or conflicts of interest which required action by regulators/ law enforcement agencies/ judicial institutions.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

   Havells is pioneering innovation among FMEGs in India with its well established R&D capabilities. In line with the aspiration of becoming a global player in electrical and electronic products, we are investing significantly in R&D, both in people competence and associated infrastructure. Havells India has a focused approach with respect to usage of clean tech in process and product stewardship in design phase. Key focus areas of our R&D are energy efficiency, quality, durability and usage of sustainable material in our products. In FY2022, approximately 32% of our R&D expenditure was invested in improving the environmental and social impacts of our products and processes. This is in addition to the capex investment to improve our technology and build capacity for innovation.

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   If yes, what percentage of inputs were sourced sustainably?

   Havells India has established an exhaustive process to inculcate and encourage sustainable practices in our supply chain and our suppliers. This includes adherence to the Vendor Code of Conduct as well as contractual obligation towards ESG guidelines. All our new suppliers are screened on ESG parameters such as environment, health and safety, decent working conditions, compliance to regulatory norms and waste. We have also established ESG audit systems for our critical vendors. Among our existing vendors in the financial year, 56 new vendors were screened based on a framework of 19 parameters, covering aspects of quality, financial and ESG. Out of this, only 35 met Havells' rigorous threshold and were onboarded.

   80% of our sourcing was through sustainable sourcing in FY 2022.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) plastics (including packaging) (b) e-waste (c) hazardous waste and (d) other waste.**

   As a part of the e-waste recycling and plastic waste management collection programmme, Havells has partnered with government authorised recyclers. We have a detailed MOU signed for both e-waste and plastic waste management with the identified treatment value-chain player. Havells provides e-waste drop-off centres and ensures environmentally safe management of electronics that have reached their end-of-life or otherwise and defective spare parts. All the necessary and legal authorisations required for the processing facilities have been taken and approved by concerned governmental agencies. The recycling and disposal of e-waste help us to ensure the protection of the environment from hazardous consequences.

   We urge our channel partners/consumers/bulk consumers to contribute towards the preservation of environment by the simple action of properly disposing of their old consumer durable products, its accessories or defective spares.

   We have implemented multiple avenues for customer to reach us for end-of-life disposal such as a dedicated customer care number (1800 1020 666) or website visit or mail at ewaste@havells.com. After receipt of end-of-life products at our collection centre, we channelise it to e-waste recyclers authorised by Central Pollution Control Board / State Pollution Control Board for further processing.

   In FY2022, we reclaimed 868 MT of e-waste where as our target was 661 MT, consequently treating 31% more e-waste through authorised channels than mandated. Through plastic waste management, till date, we have reclaimed more than 3,000 MT of plastic packaging waste.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes. We have submitted Extended Producer Responsibility (EPR) plan as per government norms and the same is available in the public domain.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	5,133	4,844	94.4%	5,133	100%	-	-	5,133	100%	5,133	100%
Female	222	199	89.6%	222	100%	222	100%	-	-	222	100%
Total	**5,355**	**5,043**	**94.2%**	**5,355**	**100%**	**-**	**-**	**-**	**-**	**5,355**	**100%**
Other than permanent employees											
Male	4,744	980	21%	4,744	100%	-	-	-	-	-	-
Female	438	43	10%	438	100%	64	14.6%	-	-	-	-
Total	**5,182**	**1,023**	**20%**	**5,182**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**

b. Details of measures for the well-being of workers

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	418	50	12%	-	-	-	-	-	-	418	100%
Female	24	1	4%	-	-	24	100%	-	-	24	100%
Total	**442**	**51**	**11.5%**	**-**	**-**	**24**	**5.4%**	**-**	**-**	**442**	**100%**
Other than Permanent workers											
Male	13,422	-	-	-	-	-	-	-	-	-	-
Female	524	-	-	-	-	524	100%	-	-	524	100%
Total	**13,946**	**-**	**-**	**-**	**-**	**-**	**3.8%**	**-**	**-**	**524**	**3.8%**

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2022			FY 2021		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	8%	Y	100%	8%	Y
Gratuity	100%	8%	N	100%	8%	N
ESI	2%	6%	Y	3%	7%	Y
Others – please Specify- NPS	5%	-	N	3%	-	N
LTRI	3.23%	-	N	4.0%	-	N
ESOP 2014	1.66%	-	Y	1.9%	-	Y
ESOP 2016	0.40%	-	N	0.15%	-	N

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The premises and offices of Havells are designed keeping in mind accessibility of differently abled employees. Ramps for easy movement and separate washrooms designed for differently abled people have been created in offices to improve usability and access.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Havells is committed to ensuring that existing employees, job applicants and workers are treated fairly in an environment which is free from any form of discrimination. Havells India has established a policy to ensure non-discrimination on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (includes colour, nationality and ethnic origins), religion and or belief, sexual orientation, handicapped and on the basis of any illness. We are an equal opportunity workplace with gender neutral compensation policies and norms. Our diversity and equal opportunity policy can be assessed at https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html

5. **Return to work and retention rates of permanent employees and workers that took parental leave**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	93%	The paternity leave at present does not cover the 418 male workers	
Female	100%	87.5%	None of the 24 female workers availed maternity benefit	
Total	-	-	-	-

We strongly believe in instilling work-life balance. In FY 2022, 91 male employees and 19 female employees availed paternity leave and maternity leave, respectively. Among the 19 female employees, 8 were eligible to return to work in FY2022 and all 8 resumed office. 1 female subsequently left the organisation. Hence, the retention rate is 87.5%.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes (details of the mechanism in brief)
Permanent Workers	Yes, we have an established system of grievances redressal mechanism in place.
Other than Permanent Workers	A grievance redressal policy has been established and published on our website to encourage openness, promote transparency and to encourage improvements without fear of rebuttal.
Permanent Employees	We have multiple lines of communication open for employees and workers to discuss their concerns. A suggestion box / drop box without camera surveillance is available at all locations, alternately email can also be sent at dedicated email id established for this purpose.
Other than Permanent Employees	The policy applies to all directors, employees, partners, customers, vendors, contractors, contractors' employees, clients, internal or external auditors or other third parties or anybody engaged through any other service mode with Havells India Limited, across all divisions and locations in India and overseas.
	Any of the above-mentioned individuals or entities could make a protected disclosure. In case the complaint received is of the nature and kind for which a separate redressal committee/ forum is available, the same would be dealt with in terms of the concerned committee/ forum, as the case may be

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

The company does not have any trade unions. However, we recognise the right to freedom of association and collective bargaining.

8. **Details of training given to employees and workers**

Category	FY 2022					FY 2021				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	5,133	1,843	35.9%	3,020	58.9%	4,823	-	-	-	-
Female	222	160	72.1%	244	109.9%	210	-	-	-	-
Total	**5,355**	**2,003**	**37.4%**	**3,264**	**61.0%**	**5,033**	**-**	**-**	**-**	**-**
Workers										
Male	418	418	100%	-	-	436	436	100%	-	-
Female	24	24	100%	-	-	25	25	100%	-	-
Total	**442**	**442**	**100%**	**-**	**-**	**461**	**461**	**100%**	**-**	**-**

Note: The above information does not represent unique number of training attendees. For more details on our training programs and human capital development initiative, please refer to Human capital section in IAR page 36.

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022			FY 2021		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	5,133	4,428	86.3%	4,823	4,500	93.3%
Female	222	191	86.0%	210	200	95.2%
Total	**5,355**	**4,619**	**86.3%**	**5,033**	**4,700**	**93.4%**
Workers						
Male	418	418	100%	436	436	100%
Female	24	24	100%	25	25	100%
Total	**442**	**442**	**100%**	**461**	**461**	**100%**

10. **Health and safety management system:**

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system? Yes

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? Please refer to Integrated Annual Report section for detailed description

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Y/N) Yes

We conduct annual health Check-up of workers. To promote health and wellbeing of our workers and employees, we provide access to various wellness workshops in addition to annual medical check-up which is rolled out across locations.

Please refer to our health and safety section in the Integrated Annual Report for more details on the above disclosure.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022 Current Financial Year	FY 2021 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.328	0
	Workers	0.219	0.245
Total recordable work-related injuries	Employees	1	0
	Workers	7	6
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Occupational health and safety is a priority for us and everyone at Havells is responsible for it. As a responsible employer, we have set up state-of-the-art safety systems across the organisation. We are an ISO 45001 certified company and have organisation-wide Health and safety policies and procedures in place. During the year, we celebrated zero fatalities.

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

Yes. We have numerous measures in place to establish a safe workplace and culture. please refer to our Integrated Annual Report page 37 for more details.

13. Number of complaints on the following made by employees and workers:

Benefits	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Please refer to Grievance Mechanism details mentioned in Annexure A of BRSR					
Health and Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the plants were assessed by company and 3rd party Internal auditors
Working Conditions	100% of the plants were assessed by company and 3rd party Internal auditors

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

A. We have Safety Command Centres at every plant to monitor and enhance awareness on safety culture.

B. Site heads and plant heads conduct monthly safety reviews for which updated templates for reviews and "one point lesson" for accident investigation have been introduced. In addition, revised PPE matrix and training modules are deployed. To strengthen safety culture, safety challans and surprise checks are done.

C. To raise safety awareness and reinforce that safety is everyone's responsibility, we put placards, posters and signboards at strategic places.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Businesses should respect the interests of and be responsive to all its stakeholders

We have based our stakeholder identification process on the fundamentals of inclusivity, materiality, and responsiveness. Our stakeholder groups are those which are directly or indirectly impacted by the Havells or can impact our value creation in the short medium or long term. We believe in building mutual trust-based relationship with our stakeholders and understanding their priorities in creating shared value.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Please refer to Integrated Annual Report page 24 for Stakeholder Engagement

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Havells is committed to developing an organisational culture which supports internationally recognised human rights and seeks to avoid human rights abuses. We support the fundamental principles of UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Core Conventions on Labour Standards. Havells India Limited has established a Code of Conduct and Human Rights policy to uphold human rights and right to decent working conditions. Awareness session on the same is conducted on regular basis such as during induction training, annual declaration to COC and other discussion platform. In addition, special classroom training on human rights is imparted to all security staff to ensure adherence to human rights even in high pressure situations. The training and policy is applicable to third party security guards working on our premises. In FY 2022, 427 security guards were trained on human rights.

2. Details of minimum wages paid to employees and workers, in the following format

On-roll workers and contractual workers are paid in compliance with the minimum wage act. We have implemented programs where in recognition of good efforts, workers are paid additional through special component and benefits.

Our employees are paid as per industry standards and do not fall in the hourly wages category.

3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category*	Number	Median remuneration/ salary/ wages of respective category*
Board of Directors (BoD)	13#	₹ 4,05,75,000/-	1^	-
Key Managerial Personnel	1	₹ 85,98,108/-	0	-
Employees other than BoD and KMP	5,132	₹ 10,00,000/-	222	₹ 8,23,764/-
Workers	418	₹ 2,51,460/-	24	₹ 1,85,472/-

**Annual Median Fixed Salary*

^We have one female independent Director, who is paid sitting fee and annual commission. Please refer corporate governance report for details

#We have 4 executive directors who are paid compensation, rest are independent directors who only receive sitting fee and annual commission.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The management committee oversees the HR function covering the aforementioned aspects.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Havells is committed to preventing any human rights violation and ensuring the enforcement of our human rights policy through a mechanism implemented by the HR Department and regularly monitored by Internal committee. The HR departments at plants and the HO conduct a regular human rights risk assessment. All stakeholders also have a secure and 24x7 access to raise grievances and to report anonymously any breach with respect to the Human Rights Policy through the Vigilance and the mechanism of 'Satark' which provides anonymity.

6. Number of complaints on the following made by employees and workers

Complaint type	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment		NIL			NIL	
Discrimination at workplace		NIL			NIL	
Child Labour		NIL			NIL	
Forced Labour/ Involuntary Labour		NIL			NIL	
Wages		NIL			NIL	
Other human rights related issues		NIL			NIL	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Our whistleblower policy has clearly laid down the guidelines to prevent retaliation against a complainant. A complainant has the right to complete anonymity unless required by law enforcement agencies.

The organisation prohibits retaliation against a complainant such as threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages. A complainant feeling retaliated against may file a written complaint with the chairman of the Audit committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights requirement form a part of HIL business agreements. We are progressively looking to encourage our suppliers and vendors to establish sustainable practices in their value chain. Upholding the Universal Declaration of Human Rights forms a part of our Supplier Code of Conduct. Additionally, we have included human rights clauses in our contracts for all new vendors. The existing vendors will sign-off on the said clauses electronically through their user id in the vendor portal. We also intend to roll out programmes for raising vendor awareness on decent working conditions and human rights through the vendor portal.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 % of our plant sites were assessed by the company
Forced/involuntary labour	100 % of our plant sites were assessed by the company
Sexual harassment	100 % of our plant sites were assessed by the company
Discrimination at workplace Wages	100 % of our plant sites were assessed by the company
Others – please specify	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

One of the key action points that arose as a part of the assessment was lack of awareness about the law among the workers and contractors and subcontractors. As a part of this, in FY 2023, we intend to roll out increased awareness session for contractual workers and suppliers on relevant topics.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

As a growing company we are very conscious of our carbon footprint and strongly believe in responsible growth which is reflected in our specific CO_2 intensity metric. During FY 2021-22, our revenue grew by 33% but our energy usage increased only 19% due to effective energy management programmes. Our diligent planning in resource optimisation led to a 10% reduction in our energy intensity from 40.1 GJ per crore to 35.96 GJ per crore.

Parameter	FY 2022	FY 2021
Total electricity consumption (A) in GJ	3,64,101	3,05,760
Total fuel consumption (B) in GJ	1,33,489	1,12,612
Energy consumption through other sources (C)	Not applicable	Not applicable
Total energy consumption (A+B+C)	4,97,590	4,18,372
Energy intensity per rupee of turnover GJ per Crore ₹ (Total energy consumption/turnover in rupees)	36.0	40.1

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Refer Page 5 'About this Report' Section

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No. We do not fall under PAT scheme of Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Environment conservation through resource management is not just a business practice but also something that drives us to challenge ourselves every day to deliver our value with increased efficiency and quality across every aspect of manufacturing. Although that we are not a water intensive industry and we do ground aquifer recharge of approximately twice our water withdrawal, we are aware that India is a water stressed region. So we place high importance on water balance and responsible use of water as illustrated by our specific water consumption metric.

Our water intensity has remained constant despite raising temperature and climatic impact as we perform water sensitivity analysis across our plants.

Please find below the trend for the last two years

Parameter	FY 2022	FY 2021
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	89,273	68,000
(iii) Third party water	34,115	24,000
(iv) Seawater / desalinated water	0	0
(v) Others – Municipal Supply	24,364	13,000
Total volume of freshwater consumption (in kilolitres) (i + ii + iii + iv + v)	1,47,752	1,06,000
Total volume of water consumption (in kilolitres)	2,17,034	1,64,000
Water intensity in KL per Crore turnover (Water consumed / turnover)	15.7	15.7

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Refer Page 5 'About this Report' Section

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

At present, we do not have Zero Liquid Discharge mechanism. However, all our facilities, except Faridabad, use 100% of treated water from STP and ETP within premises for horticulture and toilet use. Only our Faridabad unit discharges treated water (after maintaining the minimum discharge standards) into municipal sewage line with consent from the concerned authorities during the reporting period. We follow all the necessary applicable guidelines and directions on maintaining the standards of STP and ETP, as required by CPCB and SPCBs.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Our NOx and SOx emissions are predominantly generated from our fossil fuel consumption, especially diesel in manufacturing process and genset. While our emissions are inherently of small quantum and well within permissible limits, we are still keen on improving our performance. Towards this, we are exploring replacement of diesel with cleaner fuels in gensets, install additional filtration systems at our stack emission outlets to capture emissions or replacing diesel with PNG where there is steady PNG infrastructure installed by government.

Another approach adopted by us is moving to a stable electricity connect with minimum power cuts and load shedding so that Genset are not used often.

Parameter	Please specify unit	FY 2022	FY 2021
NOx	Metric Tonnes	5.6	4.7
SOx	Metric Tonnes	0.2	0.2
Particulate matter (PM)	We undertake third party lab testing for each of these air emission parameters including NOx and SOx on quarterly basis at all our 7 locations to ensure the parameters are within permissible limits. This is done in addition to our internal monitoring systems. We also submit the reports to the concern authority and pollution board.		
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please Specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Refer Page 5 'About this Report' Section

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:**

Combating climate change is a top priority for Havells India. As a growing company in the emerging market, our absolute emission has risen by 8% but our specific emission intensity has reduced by 21%. In our total GHG emission mix, 88% of our emission stems from our Scope 2 emission which is reliance on the grid electricity. In the forthcoming years, we are looking to use open access and long-term power purchase agreements to increase our renewable energy mix leading to substantial reductions in our absolute emissions.

GHG emission (Metric tons of CO_2 equivalent) and emission intensity

Parameter	Unit	FY 2022	FY 2021
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	8,599	7,384
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	74,211	68,082
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO2 equivalent	82,810	75,474
Total Scope 1 and Scope 2 emission intensity per crore rupee of turnover	Metric tonnes of CO2 Equivalent/ crores	6.0	7.0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Refer Page 5 'About this Report' Section

7. **Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.**

We have taken up a four-pronged approach to reduce Greenhouse Gas emission

1. Increase renewable energy in our energy mix – In FY 2022, we doubled our renewable energy installed capacity from 5.6 MW to 9 MW. We mitigated 6,700 tCO_2 through green electricity usage in FY 2022.
2. Implementation of energy Conservation measures - We undertook 41 initiatives of electricity reduction leading to a mitigation of 1,435 tCO_2 and reduced 17,93,911 KWh
3. We are switching to cleaner fossil fuels for better efficiency such as switching to natural gas, biogas or grid electricity where feasible.
4. We are continuously improving our products for better energy efficiency in usage and reduced energy consumption.

Category	Key energy efficiency features
Fans	5 Star rating - 8 new models with BLDC motor technology BLDC motor technology reduces power consumption by ~ 50% vs a conventional fan
	Currently 82 out of 120 models of fans are approved from star ratings.
Water Heaters	4 Star rating World's first using induction heating technology that delivers higher energy efficiency over useful lifecycle
Pumps	First-time registration of Havells pumps with BEE Star rating 6 out of 9 registered with 5-star rating
Lloyd Refrigerators	Introduced with 4 Star and 3 Star ratings using air deflector technology that reduces power consumption by ~10-15%.
Lloyd LED TV	Introduced with certified Star ratings.
BEE National Energy Conservation Awards (NECA)	• Appliance of the Year, Celling Fan: Efficiencia Neo -Approx. 65% power savings vs regular fans • Appliance of the Year, Water heater: Monza DX 25L - Approx. 20% power savings vs regular 3 Star heaters

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY2022	FY2021
Total Waste generated (in metric tonnes)		
Plastic waste (A)	641.2	525.7
E-waste (B)	51.1	16.1
Bio-medical waste (C)	0.027	0.031
Construction and demolition waste (D)	0.0	0.0
Battery waste (E)	65.4	12.5
Radioactive waste (F)	0.0	0.0
Aluminium Scrap	1260.9	956.5
Copper Scrap	962.5	638.4
MS Scrap	2652.3	2536.7

Parameter	FY 2022	FY 2021
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Hazardous Waste		
(i) Recycled	4	3
(ii) Re-used	133	87
(iii) Other recovery operations	62	20
Total	**199**	**109**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Hazardous Waste		
(i) Incineration	101	81
(ii) Landfilling	8	9
(iii) Other disposal operations	0	0
Total	**109**	**89**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Non Hazardous Waste		
(i) Recycled	641	479
(ii) Re-used	7,585	12,233
(iii) Other recovery operations(composting, energy recovery)	335.9	176
Total	**8,562**	**12,888**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Non- Hazardous Waste		
(i) Incineration	15.7	17.2
(ii) Landfilling	0	2.4
(iii) Other disposal operations	0	0
Total	16	20

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Refer Page 5 'About this Report' Section

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Please refer to Natural capital section of the Integrated Annual Report on page 42 for detailed description of our waste management practices

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

No. We do not have any office or plant location around ecologically sensitive areas

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not applicable

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

No material fines were paid in FY2022.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1.a. **Number of affiliations with trade and industry chambers/ associations**

23

1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation Of Indian Industry	National
2	Federation Of Indian Export Organisation	National
3	National Safety Council	National
4	Bureau Of Indian Standards	National
5	Consumer Electronics and Appliances Manufactures Association	National
6	Indian Electrical and Electronics Manufacturers Association	National
7	Tax India Services	National
8	PHD Chambers of Commerce and Industry	National
9	Haryana Environmental Management Society	State
10	Alwar Chamber of Commerce and Industry	State

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not Applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not applicable**

   Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Havells has multiple modes of communications where a community can air its concerns and present its needs and requirements. Please refer to our social capital section in the Integrated Annual Report on page 38 for more details on our CSR activities and interaction with community.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022	FY 2021
Directly sourced from MSMEs/ small producers*	21%	18%
Sourced directly from within the district and neighbouring districts *	58%	56%
*The calculation has been done boundary of within 300Km from the plant site		

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Havells believes in putting customer at the centre of its value proposition. In order to ensure customer can easily reach us, we have established multiple lines of communications such as online service request, central helpline, WhatsApp support, app based interaction and email-id. We also monitor and receive customer feedback through social media platforms such as Facebook and Twitter in real time. We have established a structured data management system and SLA to ensure every query is responded within a specified period of time. In case of escalation, a nominated grievance officer takes up the case and communicates with the customer on closure of the complaint.

For post sales issues and request such as Lloyd products, we have also launched Khushiyon Ki Guarantee (KKG) initiative. The KKG process starts off at the customer's very first call to our service centre. When the customer calls us for any service, KKG (Khushiyon Ki Guarantee) number is provided. On completion of the service, this number is provided to the service engineer. If the number is not provided, we will know that more effort must be made to make the customer happy. Thereafter, our special KKG Cell at the Head Office will take over and adopt every possible ways to satisfactorily close the service request, thus closing the loop on the interaction.

HAVELLS SUPPORT

WhatsApp Support
9711773333

Havells Sync App
Download: Android | iOS

Online
Service Request

Email-ID
customercare@havells.com

Customer Care No.
08045 77 1313

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	40.8%
Safe and responsible usage	100%
Recycling and/or safe disposal	53.5%

3. **Number of consumer complaints in respect of the following:**

   We have received zero complaints in the aspects of Data Privacy, Advertising, Cybersecurity

   Restrictive Trade Practices and Unfair Trade Practices in FY2022 and FY2021. Our products and services do not fall under delivery of essential services. Most of our complaints are product performance related queries.

   For more details on our customer interactions, please refer to our Integrated Annual Report.

4. **Details of instances of product recalls on account of safety issues**

   There has been no instance of product recall on account of safety issues. Our products undergo rigorous testing and quality assurance from safe usage and handling perspective. In addition, our product information such as manual, leaflet and product packaging carry safe usage instructions.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   We have a policy on cyber security and risks related to data privacy. Havells has established an Information Security(IS) policy that clearly defines appropriate authority and responsibilities to manage information security within Havells. The information security organisation has been designed to ensure structured co-ordination of IS related activities. The policy has been defined in line with ISO 27001:2013 standard for Information Security Management Systems (ISMS).

   ISO 27001 certification demonstrates the Company's commitment to identify the risks, assess the implications and put in place systemised controls to limit any damage to the organisation with respect to information security, privacy and securing the information assets.

   In addition, our risk management policy identifies cybersecurity and information risks and details the mechanism to identify and monitor the implications of the risk. We also have a data privacy policy to educate our consumers on the data we collect or retain.

   The relevant policies can be found at - https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html


bsi.

Certificate of Registration

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that:

Havells India Limited
CIN: L74999DL
2-D, Sec-126
Noida
Uttar Pradesh
India

Holds Certificate No: IS 707363

and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:

The TOAE at Havells India Ltd. applies to its IT Department and its support with functions of HR, Administration, Sales, Procurement Management, Finance & Accounts, Quality Assurance, Production & Inventory from its corporate office at Noida.
This is in accordance with 'Statement of Applicability' Rev. 1.0 dated 18 Feb 2022

For and on behalf of BSI:

Richard Lee - Managing Director Registration, APAC

Original Registration Date: 2022-09-21
Effective Date: 2022-09-21
Latest Revision Date: 2022-09-20
Expiry Date: 2025-09-20

Page: 1 of 1

...making excellence a habit.™

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable.

Management Discussion and Analysis

Context

The year 2021 was characterised by volatility, cost inflation and continued pandemic-led disruptions. In the face of these challenges, we steered ahead with agility, minimising the impact on our customers.

Our strategy of maintaining a diversified product portfolio, both in terms of category and channel, enables us to excel even in difficult situations. Our commitment to grow responsibly and nurture our high-quality brands contribute to consistent financial performance.

Rising income levels, lower interest rates and family nuclearisation are favouring a real estate revival moreover supported by macro levers, we expect overall demand to be healthy. Having a comprehensive portfolio and robust supply chain, Havells is well prepared to capitalise on this opportunity.

Recent consumer trends

There has been an increase in the discerning customers making informed purchases. Customers are more digital savvy and sustainably informed, who want to be served faster, and better. Digitalisation is increasing, driving the demand for smarter technology and online services.

Some of the consumer trends which have emerged recently are:

- **Performance:** High end superior features and Energy efficiency
- **Simplification and convenience:** Adoption of smart/ connected devices
- **Premiumisation:** Traction towards aspirational products
- **Borderless Shopping:** Omni channel spending
- **Digitisation:** Accelerated technology adoption

Havells is Leveraging these trends through its Omni channel strategy. With investment in digitisation, innovation, quality and efficiency, we at Havells are equipped to take advantage of this evolving trend.

One such recent initiative is HAVELLS HOME ADVISOR a solution to elevate homes with customised solutions. Havells empowers customers with a panel of home experts who are well trained and equipped to make the most out of the customers spaces. Our experts provide solutions from lighting to the solar arrangement as per customer requirements. Customers are guided with free layout design, instant pricing details and installation of products over a scheduled virtual call with our experts.

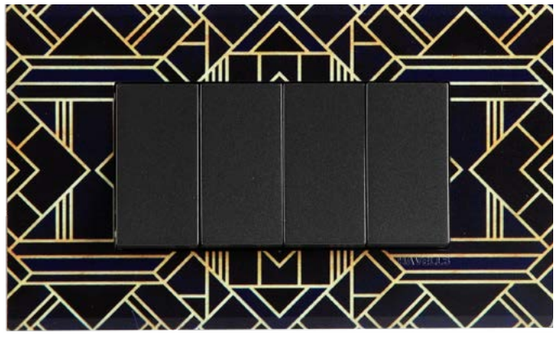
Segment-wise Overview including industry structure, developments and outlook

Switchgear:

The SBU comprises of Building Circuit protection equipment (BCP), Electrical wiring accessories (EWA) and Industrial switchgear. New product launches both in premium and affordable segments and increased market coverage led to market share gains and revenue growth.

Contribution % maintained despite RM increase through effective price increases to the market and managing product mix.

Industry is witnessing Smart Technology adoption at a rapid pace and accordingly we are evolving our offerings and focusing more on Smart and Connected solutions. Real estate upcycle, increase in Capex and Exports are the growth drivers for this category. We have increased participation in projects and are also driving B2B engagement through innovative ways, one among which is our Architect Influencer programs 'Pioneers of the Smart world' which has garnered a lot of interests on the digital platform.



Electrical consumer durables (ECD):

The SBU comprising of Fan, Small Domestic Appliances and Water heaters performed well especially considering that second Covid wave severely impacted the Fan season. The category focused on increasing market coverage both offline and online, addressing all consumer segments through a strong portfolio play and multi brand strategy resulting in Market share gains. Category margins were impacted due to incessant cost increases and lag in passing the same to the customers.

New product launches were targeted towards premiumisation and energy efficiency. With our constant progression and focus on driving innovation in the fan category, Havells has carved its position as a leader in the premium decorative segment and has been awarded with National Energy Conservation Award 2021

The new range of technologically advanced fan comes equipped with ECOACTIV super-efficient BLDC and induction motor. Designer Amaya ceiling fan that comes in an elegant design inspired by Italian style offering premium aesthetics with attractive glass filled blades in rivet-less design. The innovative IOT variant Trinity-I ceiling fan comes with industry-first 'Smart Mode' feature based on isense technology function that senses the temperature and humidity in room and adjusts the fan speed accordingly.

Water heater category has in the past come up with several 'Industry firsts' and continuing with this, Havells has launched induction-based water heaters which are far more energy efficient and deliver superior performance.

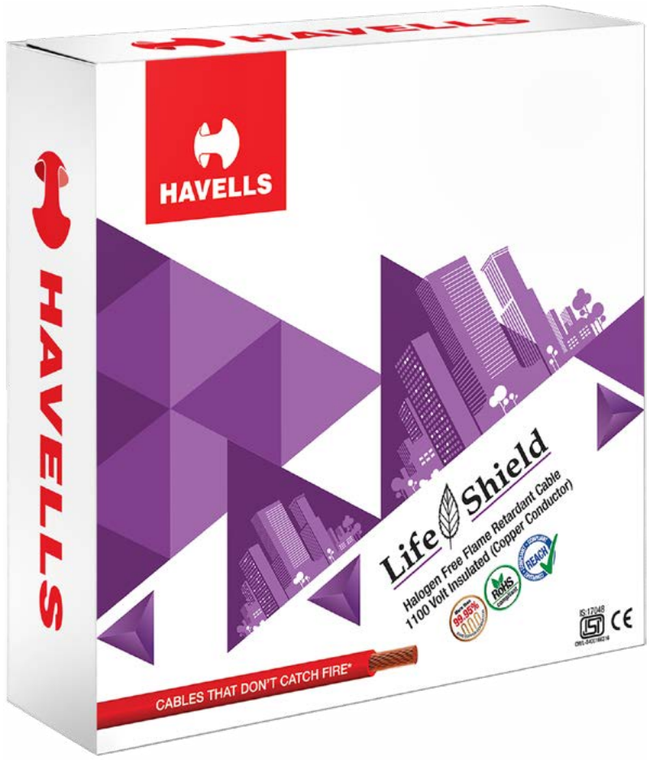
Appliances has delivered healthy growth across all subsegments backed by a portfolio which is designed for improving customer convenience. This year, focus was to introduce Consumer centric products catering to local needs. Introduction of High-power MG/JMG and wet and dry grinders for southern market are few such examples.

Cable:

The category grew substantially, however a large portion predicated on rise of copper and aluminum prices. Increase in commodity costs was effectively passed on to the consumers, though the volatility led to time lag impacting the margins.

Shift from unorganised to organised and channel expansion with multi brand strategy helped the domestic wire business to register volume growth despite a high base. Revival of real estate, thrust on infrastructure, telecommunication and renewable to drive category growth.

With increased consumer awareness and consciousness towards safety, the Industry is seeing a focus on HRFR (Heat Resistant Flame Retardant) and FRLSH (Flame retardant and low smoke halogen) and HFFR (Halogen free flame retardant) cables. Havells has been one of the first companies to get ISI license for HFFR cables. Over the period we have expanded our range to include Solar, Telecom and CCTV cables.



Lighting:

The SBU comprises of Consumer and Professional LED lighting. Over the last few years consumer lighting has been consistently growing basis increasing LED penetration and market share gains however Professional lighting has been impacted due to low Capex and Infra spends.

Improvement in Rural electrification, increase in number of light points per home and premiumisation have been the growth drivers for consumer lighting business.

Demand of smart solutions is picking up in Office, Industries, Public and high-end residential projects. Designed originally for achieving energy efficiency, smart lighting has considerably enhanced the comfort and convenience for the user. Through effective fixtures and automated controls via mobile applications and platforms, smart lighting for homes allows preferential adjustments for essential lighting, deliberate application, and security illumination.

Havells has developed lighting solutions for Prestigious projects of smart cities and Universities with a long life, helped to reduce energy consumption, curb light pollution and implement SMART City Lighting systems.

Home art lights is a unique initiative showcasing decorative lighting, giving an opportunity to the customer to experience the latest designs and developments in the lighting portfolio.

Lloyd:

Consumer durable Industry especially Air conditioners and Refrigerators suffered for two consecutive years as Covid struck in peak summer season. Third wave having receded before the onset of summer, gave way to revival of trade sentiments leading to stocking for the upcoming season. Despite the underlying challenges Lloyd performed well, registering a healthy growth however sharp increase in commodity led to reduction in margins.

While Industry remains hypercompetitive, Lloyd is working towards strengthening the brand through channel expansion, innovative product offer and investments in manufacturing and customer outreach.

This year Lloyd commenced the manufacturing of Semi-automatic washing machine in Ghiloth with introduction of feature led and aesthetically superior Elante series.

Refrigerator a recent introduction by Lloyd though progressing well, would be focusing in FY 23 on range completion and acquiring channel.

Trade confidence on Lloyd Air conditioners has improved substantially and with seeding of Washing machines and Refrigerators Lloyd aspires to be a comprehensive consumer durable brand.

Opportunities:

(A) Electricity dissemination: Access to electricity has been improving substantially, developing a new market in semi-urban and rural for electrical equipment such as switchgear, wires and lighting. Various Government schemes are focused towards the mission of 'electricity for all' and reducing transmission loss of electricity.

(B) Under penetration: Consumer durables in India are highly under penetrated and the segment is be disproportionately benefited upon with the improvement in the disposable income.

(C) Shift towards organised: With formalisation of economy and rising base of aspiring customers, the demand for branded goods and organised companies is increasing.

(D) Infrastructure development: Government's focus on Infrastructure developments such as roads, railways, ports, housing is increasing and is expected to create demand for electrical goods.

(E) Favourable demographics: Favourable demographic indicators like urbanisation, nuclearisation of families, young aspirational population, increase in disposable income of individuals are expected to act as catalyst for growth.

(F) Exports: The world market is evaluating Indian companies as an alternative to other Asian countries. Having a large manufacturing base, gives an opportunity to capture the export market.

(G) Product basket: Having a large product basket across Industrial & Infrastructure and Consumer & Residential segment is a great opportunity to increase the shelf space at the retail counter and share of wallet of the consumer. It increases the chances of disproportionate gain when the consumer sentiment is positive and serves as a natural hedge in case of economic downturn.

Risk and Concerns:

(A) Economic slowdown: Slowdown in the Indian economy due to global developments could adversely impact growth in the short-term.

(B) Commodity inflation: Sharp increase in commodity prices could lead to increase in cost of finished goods impacting the affordability and consumer sentiment.

(C) Slower than expected pick-up in housing and infrastructure: Demand for new housing and infrastructure is showing signs of pickup but it is yet to be established whether the upcycle is sustainable.

(D) Increase in competition: Hyper competitiveness is normal, but it becomes a risk in case it leads to irrational behavior in the market in terms of pricing and other trade practices.

(E) Non-availability of regular and quality power: Availability of quality electricity is the key for demand of electrical products, any substantial shortfall in the supply of electricity may hamper growth prospects for the industry.

(F) Pandemic: Deterioration in supply chain and demand due to pandemic such as COVID-19 have emerged as a significant business risk.

Key ratios

Sl.	Ratio	As at 31 March, 2022	As at 31 March, 2021	Change	Remarks
A	Current Ratio (times) = Current assets/ Current liabilities	1.8	1.9	-5.3%	NA
B	Debt-Equity Ratio (times) = Total Borrowings/ Shareholder's equity*	0.1	0.1	-30.7%	Debt repayment
C	Debt Service Coverage Ratio = Earnings available for debt service/ Debt service {refer note 15(A)(c)}	8.7	9.9	-11.8%	NA
D	Return on Equity Ratio % = Net Profits after taxes/ Average shareholder's equity	21.4%	22.0%	-2.4%	NA
E	Inventory turnover ratio (times) = Revenue from operations/ Average inventory	5.0	4.6	7.1%	NA
F	Trade receivables turnover ratio (times) = Net credit revenue from operations/ Average trade receivables	20.9	25.6	-18.7%	NA
G	Trade payables turnover ratio (times) = Net credit purchases/ Average trade payables	4.9	4.8	2.0%	NA
H	Net capital turnover ratio (times) = Revenue from operations/ Working capital	4.7	4.1	13.9%	NA
I	Net profit ratio % = Net profit/ Revenue from operations	8.6%	10.0%	-13.7%	NA
J	Return on capital employed % = EBIT/Capital employed (Average Total Equity + Debts)	24.9%	26.3%	-5.6%	NA
K	Return on investment % = EBIT/ Average total assets	15.5%	16.6%	-6.6%	NA

Human Resources

Kindly refer to the section Human Capital of this Integrated report

Internal control mechanism:

Kindly refer to the section Risk Management of this Integrated report

Disclaimer Clause

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Report on Corporate Governance

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended 31st March, 2022 is presented below:

(1) A Brief Statement on Listed Entity's Philosophy on Code of Governance

Who we are is defined by what we do and how we do

This simple philosophy underlines our approach to Corporate Governance. So, if growth is our intention, how we achieve this growth is a part of our Corporate Governance. For us, Corporate Governance goes beyond philanthropy and compliance but actually deals with how we manage our triple bottom lines – economic, social and environmental impacts. It monitors our role as well as the quality of our relationships in key spheres of influence including the workplace, the market place, the supply chain, the community and the public policy realm.

As a Company, we distinguish ourselves in the market by offering a portfolio of ecologically responsible electrical products and services that deliver powerful, sustainable and energy efficient solutions that do not compromise on capacity or security.

Our eco-friendly approach is evident in our efforts to develop an alternate energy strategy so as to reduce the environmental impact from our business. We are equally committed to managing a responsible supply chain in a manner that is consistent and compliant with our high standards for environment and business practices.

We build communities and promote the exchange of ideas through assistive technologies; participative programs and standardisation that transforms the way people experience our products. Our energy efficient solutions enable people to save money and protect their capital investment while also lowering their energy usage and protecting the environment.

This contributes to our social responsibility of sustenance of depleting environmental resources.

Corporate Governance and Ethics

As a Company we have always worked on the side of ethics and have shunned expediency in any form. We believe that if something is important enough to be done, it is important that we do it ethically. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our efforts in financial, propriety, customer care and business excellence.

We uphold the policy of "Leadership with trust" that has come to play a vital role in how our customers perceive us. This is important, given the climate of unparalleled public distrust of people in positions of power and authority in contemporary business and politics.

(2) Board of Directors

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with one woman director while fifty per cent of the Board of Directors comprises of Independent Directors. The Chairperson of the Board is an Executive Director. The profiles of Directors can be accessed on the Company's website at https://www.havells.com/en/aboutus/directors.html

The Board meets at least 4 (Four) times a year and more often if Company needs merit additional oversight and guidance. During the financial year 2021-22, the time gap between any two Board Meetings did not exceed 120 (One Hundred and Twenty) days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

Tenure of Independent Directors

The Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations. As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website.

Lead Independent Director

The Independent Directors of the Board had nominated Shri Upendra Kumar Sinha as the Lead Independent Director of the Company. The role of the Lead Independent Director is to provide leadership to the Independent Directors, liaise on their behalf and ensure effective functioning of the Board.

(a) Composition and category of Directors (e.g. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director–institution represented and whether as lender or as equity investor)

As at 31st March, 2022, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of the Director		Category
1	Shri Anil Rai Gupta	Promoters	Executive Chairman and Managing Director
2	Shri Surjit Kumar Gupta		Non-Executive Non-Independent Director
3	Shri Ameet Kumar Gupta		Executive Whole-time Director
4	Shri Rajesh Kumar Gupta	Non-Promoters	Executive Whole-time Director (Finance) and Group CFO
5	Shri Siddhartha Pandit		Executive Whole-time Director
6	Shri T. V. Mohandas Pai		Non-Executive Non-Independent Director
7	Shri Puneet Bhatia		Non-Executive Non-Independent Director
8	Shri Jalaj Ashwin Dani		Independent Director
9	Shri Upendra Kumar Sinha		Independent Director
10	Shri Subhash S Mundra		Independent Director
11	Shri B Prasada Rao		Independent Director
12	Shri Vivek Mehra		Independent Director
13	Smt. Namrata Kaul		Independent Director
14	Shri Ashish Bharat Ram		Independent Director

(b) Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting

Sr. No.	Name of the Director	Attendance in Board Meetings					AGM 30 Jun 21
		20 May 21	21 July 21	20 Oct 21	20 Jan 22	24 Mar 22	
1	Shri Anil Rai Gupta	✓	✓	✓	✓	✓	✓
2	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	✓
3	Shri Ameet Kumar Gupta	✓	✓	✓	✓	✓	✓
4	Shri Rajesh Kumar Gupta	✓	✓	✓	✓	✓	✓
5	Shri Siddhartha Pandit	✓	✓	✓	✓	✓	✓
6	Smt. Pratima Ram*	✓	N.A.	N.A.	N.A.	N.A.	N.A.
7	Shri T. V. Mohandas Pai	✓	✓	✓	✓	✓	✓
8	Shri Puneet Bhatia	✓	✓	✓	✓	✓	✓
9	Shri Jalaj Ashwin Dani	✓	✓	✓	✓	✓	✓
10	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
11	Shri Subhash S Mundra	✓	✓	✓	✓	✓	✓
12	Shri B Prasada Rao	✓	✓	✓	✓	✓	✓
13	Shri Vivek Mehra	✓	✓	✓	✓	✓	✓
14	Smt. Namrata Kaul	✓	✓	✓	✓	✓	✓
15	Shri Ashish Bharat Ram#	✓	✓	✓	✓	✓	✓

**Smt. Pratima Ram ceased to be a Director upon completion of her tenure on the date of AGM i.e. 30th June, 2021.*

#Appointed as Director wef 20th May, 2021.

(c) Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31st March, 2022

Sr. No.	Name of the Director	Directorships in other Board of Directors*	Membership of Committees of other Boards**	Chairmanship of Committees of other Boards**
1	Shri Anil Rai Gupta	1	1	1
2	Shri Surjit Kumar Gupta	1	2	0
3	Shri Ameet Kumar Gupta	2	3	0
4	Shri Rajesh Kumar Gupta	1	0	0
5	Shri Siddhartha Pandit	1	0	0
6	Shri T. V. Mohandas Pai	1	0	0

Sr. No.	Name of the Director	Directorships in other Board of Directors*	Membership of Committees of other Boards**	Chairmanship of Committees of other Boards**
7	Shri Puneet Bhatia	1	0	0
8	Shri Jalaj Ashwin Dani	2	4	3
9	Shri Upendra Kumar Sinha	3	4	3
10	Shri Subhash S Mundra	5	5	2
11	Shri B Prasada Rao	2	1	0
12	Shri Vivek Mehra	7	7	3
13	Smt. Namrata Kaul	3	6	1
14	Shri Ashish Bharat Ram	3	2	1

Data presented above is after taking into account the disclosures furnished by the Directors till the first Board Meeting of the Company held during the Financial Year 2022-23.

** Directorships are reported for listed companies only including Havells India Limited in terms of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The count for the number of listed entities on which a person is a Director / Independent Director is of only those whose equity shares are listed on a Stock Exchange.*

*** Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including Havells India Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.*

Names of the Listed entities where the person is a Director and the category of Directorship as on 31st March, 2022

Sr. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
1	Shri Anil Rai Gupta	Havells India Limited	Chairman and Managing Director
2	Shri Surjit Kumar Gupta	Havells India Limited	Non-Executive Non-Independent Director
3	Shri Ameet Kumar Gupta	Havells India Limited	Whole-time Director
		APL Apollo Tubes Limited	Independent Director
4	Shri Rajesh Kumar Gupta	Havells India Limited	Whole-time Director (Finance) and Group CFO
5	Shri Siddhartha Pandit	Havells India Limited	Whole-time Director
6	Shri T. V. Mohandas Pai	Havells India Limited	Non-Executive Non-Independent Director
7	Shri Puneet Bhatia	Havells India Limited	Non-Executive Non-Independent Director
8	Shri Jalaj Ashwin Dani	Havells India Limited	Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	Independent Director
9	Shri Upendra Kumar Sinha	Havells India Limited	Independent Director
		Vedanta Limited	Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	Independent Director
10	Shri Subhash S Mundra	Havells India Limited	Independent Director
		PTC India Limited	Independent Director
		Indiabulls Housing Finance Limited	Independent Director
		BSE Limited	Independent Director
		IKAB Securities and Investment Limited	Independent Director
11	Shri B Prasada Rao	Havells India Limited	Independent Director
		Poonawala Fincorp Limited	Independent Director
12	Shri Vivek Mehra	Havells India Limited	Independent Director
		HT Media Limited	Independent Director
		Jubilant Pharmova Limited	Independent Director
		Chambal Fertilisers and Chemicals Limited	Independent Director
		DLF Limited	Independent Director
		Digicontent Limited	Independent Director
		Zee Entertainment Enterprises Limited	Independent Director
13	Smt. Namrata Kaul	Havells India Limited	Independent Director
		Prime Securities Limited	Independent Director
		Schneider Electric Infrastructure Limited	Independent Director
14	Shri Ashish Bharat Ram	Havells India Limited	Independent Director
		SRF Limited	Chairman and Managing Director
		Kama Holdings Limited	Non-Executive Non-Independent Director

1. The count for the number of listed entities on which a person is a Director / Independent Director is of only those whose equity shares are listed on a Stock Exchange.

2. Data presented above is after taking into account the disclosures furnished by the Directors till the first Board Meeting of the Company held during the Financial Year 2022-23.

(d) Number of Meetings of the Board of Directors held and dates on which held

During the financial year 2021-22, 5 (Five) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) hereinabove.

(e) Disclosure of relationships between directors inter-se

Shri Ameet Kumar Gupta, Whole-time Director on the Board of Directors is the son of Shri Surjit Kumar Gupta, Non-Executive Non-Independent Director.

(f) Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors holds any share in the Company.

(g) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed

All Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

The details regarding Independent Directors' Familiarisation Programmes are given under the "Codes & Policies" in the "Corporate Governance" section on the website of the Company and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(h) Skills/Expertise/Competence of the Board of Directors including the areas as identified by the Board in the context of the Company's Business

The Company is a Fast Moving Electrical Goods (FMEG) Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- Overseeing the development and implementation of Risk Management/ GRC tools;
- Management and strategy of the Information Technology function; and
- Human Resources Management

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.

Expertise/ Skill of Directors

Sr. No.	Name of the Director	Expertise/ Skill
1	Shri Anil Rai Gupta	Strategic Marketing, Brand transformation and Finance.
2	Shri Surjit Kumar Gupta	Technical planning and foreign alliances.
3	Shri Ameet Kumar Gupta	Business development, spearheading new projects.
4	Shri Rajesh Kumar Gupta	Finance and allied fields, standardisation of systems and processes across the organisation.
5	Shri Siddhartha Pandit	Contract Drafting & Negotiations, Litigation Management, Dispute Resolution, M&A Statutory Compliances, Intellectual Property Rights (IPR) etc.
6	Shri T. V. Mohandas Pai	IT reforms, Human Resources, Education & Research, Social Reforms and betterment of the nation in areas of Trade and Industry.
7	Shri Puneet Bhatia	Strategic private equity investment and Business Management.
8	Shri Jalaj Ashwin Dani	Supply Chain, Human Resources, Corporate Quality and Safety Functions, Advanced Management and Skill Development.
9	Shri Upendra Kumar Sinha	Asset Management, Securities Laws, Corporate Governance, Banking, Finance, Foreign Investment, Corporate Bond Management and Investor Protection.
10	Shri Subhash S Mundra	Banking, Risk Management, Corporate Governance, Operations and Process Optimisation.

Sr. No.	Name of the Director	Expertise/ Skill
11	Shri B Prasada Rao	Corporate Management, Planning & Development activity, Capacity & Capability Building.
12	Shri Vivek Mehra	Tax and Regulatory reforms, Cross-border Investments and Transaction Structuring.
13	Smt. Namrata Kaul	Banking & Finance, Treasury Operations, Debt Capital Market & Corporate Finance, Risk and Credit Management, Social development.
14	Shri Ashish Bharat Ram	Strategic Planning, Entrepreneurial and Commercial Acumen, Brand Building and M&A.

(i) **Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the management**

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2022-23, the Board hereby certify that all the Independent Directors appointed by the Company fulfills the conditions specified in these regulations and are independent of the management.

(j) **Detailed reasons for the resignation of the Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided**

None.

Separate Meeting of the Independent Directors

A separate Meeting of the Independent Directors of the Company is held every year in terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereat, inter alia, the following prescribed items are discussed:

a) Review of performance of Non-Independent Directors and the Board as a whole;

b) Review of performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;

c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In respect of the financial year 2021-22, the Independent Directors met separately on 20th January, 2022 without the presence of any Non-Independent Director or representatives of management.

Company's Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons to deter the insider trading in the securities of the Company based on the unpublished price sensitive information.

The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The said policy was last updated by the Board of Directors on 21st July, 2021 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

The full text of the Code is available on the website of Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

For the purpose of monitoring the Policy, the Company uses a system-based software through which reports and analytics are made available based on the criteria defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Subsidiary

The Company has 2 (Two) Subsidiary Companies which are incorporated outside India.

Please refer to the Directors' Report for further details regarding subsidiaries.

The Board has approved a "Policy for determining Material Subsidiaries" of the Company viz. Havells India Limited and the same is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the unlisted foreign subsidiary company.

The Minutes of the Board Meetings of the unlisted foreign subsidiary companies are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted foreign subsidiary companies.

Related Party Transactions

The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions and the same was last reviewed by the Board of Directors on 20th January, 2022.

The Policy is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

The shareholders of the Company vide Special Resolution passed on 9th June, 2014 approved per annum limits (beginning 1st April, 2014) for certain Related Party Transactions of the Company.

Within the permissible limits under the Companies Act, 2013 and/ or shareholder approved limits, the Audit Committee and Board approve the annual limits for related party transactions projected for the next financial year.

Further, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

(3) Audit Committee

(a) Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

(i) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(v) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(viii) approval or any subsequent modification of transactions of the Company with related parties;

(ix) scrutiny of inter-corporate loans and investments;

(x) valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) evaluation of internal financial controls and risk management systems;

(xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems,

(xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) discussion with internal auditors of any significant findings and follow up thereon;

(xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) to review the functioning of the whistle blower mechanism;

(xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) considering such other matters the Board may specify;

(xxi) reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(xxii) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, from time to time.

The Audit Committee has been granted powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee also mandatorily reviews the information as specified in the SEBI

Regulations –management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, submitted by management, management letters / letters of internal control weaknesses issued by the statutory auditors, if any, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.

(b) Composition, Name of Members and Chairperson

The Audit Committee comprises of 4 (Four) Non-Executive Directors as Members. All Members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal/Statutory Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2022, is given below:

Sr. No.	Name	Category	Designation
1	Shri Upendra Kumar Sinha	Non-Executive Independent	Chairman
2	Shri Subhash S Mundra	Non-Executive Independent	Member
3	Smt. Namrata Kaul	Non-Executive Independent	Member
4	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

(c) Meetings and attendance during the year

Sr. No.	Name	Attendance in Audit Committee Meetings held on					
		20 May 21	21 Jul 21	17 Sep 21	20 Oct 21	20 Jan 22	24 Mar 22
1	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
2	Smt. Pratima Ram*	✓	N.A.	N.A.	N.A.	N.A.	N.A.
3	Shri Subhash S Mundra	✓	✓	✓	✓	✓	✓
4	Smt. Namrata Kaul#	N.A.	N.A.	✓	✓	✓	✓
5	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	✓

**Smt. Pratima Ram ceased to be the Member upon completion of her tenure on the date of AGM i.e. 30th June, 2021.*

#Smt. Namrata Kaul Appointed as Member w.e.f. 21st July, 2021

(4) Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the various ESOP/ ESPS Plans of the Company.

(b) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on 31st March, 2022, is given below:

Sr. No.	Name	Category	Designation
1	Shri Vivek Mehra	Non-Executive Independent	Chairman
2	Smt. Namrata Kaul	Non-Executive Independent	Member
3	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

(c) Meeting and attendance during the year

Sr. No.	Name	Attendance in Nomination and Remuneration Committee Meetings held on	
		20 May 21	24 Mar 22
1	Shri Vivek Mehra	✓	✓
2	Smt. Pratima Ram*	✓	N.A.
3	Smt. Namrata Kaul	✓	✓
4	Shri Surjit Kumar Gupta	✓	✓

**Smt. Pratima Ram ceased to be the Member upon completion of her tenure on the date of AGM i.e. 30th June, 2021.*

(d) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief synopsis of the performance evaluation carried out for the financial year is provided in the Directors' Report Section of this Report.

(5) Stakeholders Relationship / Grievance Redressal Committee

The terms of reference and the ambit of powers of Stakeholders Relationship / Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship / Grievance Redressal Committee.

(a) Name of Non-Executive Director heading the committee

The Stakeholders Relationship / Grievance Redressal Committee comprises of 3 (Three) members of which, 2 (Two) are Non-Executive and Independent Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship / Grievance Redressal Committee as on 31st March, 2022, is given below:

Sr. No.	Name	Category	Designation
1	Shri Upendra Kumar Sinha	Non-Executive Independent	Chairman
2	Shri Jalaj A Dani	Non-Executive Independent	Member
3	Shri Ameet Kumar Gupta	Executive	Member

(b) Name and designation of compliance officer

Shri Sanjay Kumar Gupta, Senior Vice President & Company Secretary is the Compliance Officer of the Company.

(c) Number of shareholders' complaints received so far

The number of shareholders' complaints received and resolved during financial year 2021-22 is given below:

(i) Number of shareholders' complaints received – 2

(ii) Number of shareholders' complaints resolved – 2

(d) Number not solved to the satisfaction of shareholders

None.

(e) Number of pending complaints

As at 31st March, 2022, no complaint was pending unresolved.

(f) Meetings and attendance during the year

During the financial year 2021-22, the Stakeholders Relationship / Grievance Redressal Committee met once on 20th May, 2021 which was attended by all the Members of the Committee.

(6) Enterprises Risk Management Committee

(a) Brief description of terms of reference

The role of the Enterprises Risk Management Committee is to identify the risks impacting the Company's business and formulate and administer policies/ strategies aimed at risk minimisation and risk mitigation as part of risk management.

(b) Composition, Name of Members and Chairperson

The Committee comprises of 5 (Five) members out of which 3 (Three) are Non-Executive Directors. The Chairman being Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary to the Enterprises Risk Management Committee. The Composition of Enterprises Risk Management Committee as on 31st March, 2022, is given below:

Sr. No.	Name	Category	Designation
1	Shri Jalaj A Dani	Non-Executive Independent	Chairman
2	Shri Ashish Bharat Ram*	Non-Executive Independent	Member
3	Shri T.V. Mohandas Pai	Non-Executive Non-Independent	Member
4	Shri Anil Rai Gupta	Executive	Member
5	Shri Rajesh Kumar Gupta	Executive	Member

**Appointed as Member wef 21st July, 2021*

(c) Meeting and attendance during the year

Sr. No.	Name	Attendance in Enterprises Risk Management Committee Meetings held on	
		17 Sep 21	24 Mar 22
1	Shri Jalaj A Dani	✓	✓
2	Shri Ashish Bharat Ram	✓	✓
3	Shri T.V. Mohandas Pai	✓	✓
4	Shri Anil Rai Gupta	✓	✓
5	Shri Rajesh Kumar Gupta	✓	✓

(7) Remuneration of Directors

(a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity

None, except for the Sitting Fee or the payment of Commission to Non-Executive Directors (except for promoter director).

(b) Criteria of making payments to Non-Executive Directors

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company at https://havells.com/en/aboutus/corporate-governance.html in the "Codes & Policies" section in Corporate Governance.

The Non-Executive Directors, except for promoter directors, are entitled to Sitting fees for attending meetings of the Board, its Committees and the Shareholders. The Non-Executive Directors, except promoter directors are also paid an annual commission of ₹ 10 lakhs per annum in addition to the fee payable to such Directors for attending the Board and other Meetings or reimbursement of expenses, if any.

The remuneration to the Managing Director and Whole-time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting.

(c) Disclosures with respect to Remuneration

(i) Details of remuneration / sitting fees paid to

Directors during the Financial Year 2021-22 are given below:

(₹ in lakhs)

Sr. No.	Name of Director	Service Term	No. of shares allotted/ transferred under ESPS	Sitting Fee (A)	Salary (B)	Perks (C)	Commission (D)	Total (A+B+C+D)
1	Shri Anil Rai Gupta* (Chairman and Managing Director)	1-4-19 to 31-3-24	0	NA	702.24	0.40	2,055.13	2,757.76
2	Shri Ameet Kumar Gupta** (Whole-time Director)	1-1-20 to 31-12-24	0	NA	278.88	0.40	822.05	1,101.33
3	Shri Rajesh Kumar Gupta** (Whole-time Director (Finance) and Group CFO)	1-4-20 to 31-3-25	1,40,000	NA	630.00	0.40#	822.05	1,452.45
4	Shri Surjit Kumar Gupta	-	0	-	-	-	-	-
5	Shri Siddhartha Pandit*** (Whole-time Director)	29-5-19 to 28-5-22	988	NA	104.26	-#	-	104.26
6	Smt. Pratima Ram$	-	0	1.20	-	-	2.50	3.70
7	Shri T.V. Mohandas Pai	-	0	4.20	-	-	10.00	14.20
8	Shri Puneet Bhatia	-	0	3.60	-	-	10.00	13.60
9	Shri Jalaj Ashwin Dani	-	0	5.40	-	-	10.00	15.40
10	Shri Upendra Kumar Sinha	-	0	6.00	-	-	10.00	16.00
11	Shri Subhash S Mundra	-	0	5.70	-	-	10.00	15.70
12	Shri B Prasada Rao	-	0	4.50	-	-	10.00	14.50
13	Shri Vivek Mehra	-	0	4.50	-	-	10.00	14.50
14	Smt. Namrata Kaul	-	0	5.70	-	-	10.00	15.70
15	Shri Ashish Bharat Ram	-	0	4.50	-	-	10.00	14.50

**Entitled to Commission @ 1.25% of the profit before tax.*

***Entitled to Commission @ 0.50% of the profit before tax.*

****Term further extended upto 28th May, 2025 in the last AGM of the Company held on 30th June, 2021*

#Excluding the value of shares i.e. ₹ 1,503.74 lakhs exercised by Shri Rajesh Kumar Gupta and ₹ 6.36 lakhs exercised by Shri Siddhartha Pandit during the financial year 2021-22 under the Havells Employees Stock Purchase Plan of the Company.

$Smt. Pratima Ram ceased to be the Director upon completion of her tenure on the date of AGM i.e. 30th June, 2021.

(ii) details of fixed component and performance linked incentives, along with the performance criteria:

The details of fixed component is as provided in the table above and there are no other incentives paid to any Director of the Company.

(iii) Service contracts, notice period, severance fees:

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

During the financial year 2021-22, 1,40,000 Equity Shares of Re. 1/- each were allotted under Havells Employees Stock Purchase Scheme 2015 to Shri Rajesh Kumar Gupta and 988 Equity Shares of Re. 1/- each were allotted under Havells Employees Long Term Incentive Plan 2014 to Shri Siddhartha Pandit.

Besides the above, the Board of Directors has Corporate Social Responsibility (CSR) Committee, Share Allotment and Transfer Committee and an Executive Committee. In respect of these Committees brief details of the role, terms of reference, composition and No. of Meetings held etc. are given below:

Corporate Social Responsibility Committee

(a) Brief description of terms of reference

The Corporate Social Responsibility Committee was formed pursuant to Section 135 of the Companies Act, 2013, as amended, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities, action plan and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed from https://havells.com/en/aboutus/corporate-governance.html

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

(b) Composition, Name of Members and Chairperson

The Corporate Social Responsibility Committee comprises of 4 (Four) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on 31st March, 2022, is given below:

Sr. No.	Name	Category	Designation
1	Shri Jalaj A Dani	Non-Executive Independent	Chairman
2	Shri B Prasada Rao	Non-Executive Independent	Member
3	Shri Anil Rai Gupta	Executive	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

(c) Meeting and attendance during the year

Sr. No.	Name	Attendance in Corporate Social Responsibility Committee Meetings held on	
		20 May 21	20 Oct 21
1	Shri Jalaj A Dani	✓	✓
2	Shri B Prasada Rao	✓	✓
3	Shri Anil Rai Gupta	✓	✓
4	Shri Rajesh Kumar Gupta	✓	✓

Share Allotment and Transfer Committee

The Share Allotment and Transfer Committee meets regularly to consider requests of share transfer/ transmission/ transposition/ split/ consolidation/ sub-division/ duplicate share certificate etc. and also to take note of the investor grievances. The summary of number of requests/ grievances received and resolved in every quarter is also placed before the Stakeholders Relationship/ Grievance Redressal Committee for its information and review.

The Committee comprises of 1 (One) Non-Executive Director and 2 (Two) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Share Allotment and Transfer Committee. The Composition of Share Allotment and Transfer Committee as on 31st March, 2022, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Rajesh Kumar Gupta	Executive	Member

During the financial year 2021-22, the Share Allotment and Transfer Committee met 4 (Four) times.

Executive Committee

The role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference of the Board. The Committee comprises of 1 (One) Non-Executive Director and 3 (Three) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive Committee as on 31st March, 2022, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Ameet Kumar Gupta	Executive	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

During the financial year 2021-22, the Executive Committee met 14 (Fourteen) times.

(d) General Body Meetings

(a) Location and time, where last three Annual General Meetings held

Date of AGM	Location	Time
30th June, 2021	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.
22nd June, 2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.
27th July, 2019	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110003	10:00 a.m.

(b) Whether any Special Resolutions passed in the previous three Annual General Meetings

Date of AGM	Details of Special Resolutions passed, if any
30th June, 2021	Appointment of a Director in place of Shri Surjit Kumar Gupta (DIN: 00002810), who retires by rotation and being eligible, offers himself for re-appointment.
	Re-appointment of Shri Jalaj Ashwin Dani (DIN: 00019080) as an Independent Director for a Second Term.
	Re-appointment of Shri Upendra Kumar Sinha (DIN: 00010336) as an Independent Director for a Second Term.
22nd June, 2020	Re-appointment of Shri Vellayan Subbiah (DIN: 01138759) as an Independent Director for a Second Term.
27th July, 2019	Nil

(c) Special Resolution passed last year through postal ballot – details of voting pattern and procedure thereof

NIL

(d) Person who conducted the postal ballot exercise

Not Applicable

(e) **Special Resolution proposed to be conducted through postal ballot**

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at this Annual General Meeting.

(e) Means of Communication

(a) **Quarterly Results**

The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.

(b) **Newspapers wherein results normally published**

The quarterly, half-yearly and annual financial results are published in Economic Times in English and Jansatta Hindi Daily editions.

(c) **Website, where displayed**

The financial results and the official news releases are also placed on the Company's website www.havells.com in the investor relations section and can be accessed from https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html

(d) **Official news releases**

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the investor relations section.

(e) **Presentations made to institutional investors or to the analysts**

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

(f) General Shareholder Information

(a) **Annual General Meeting–Date, Time and Venue**

Day, Date, Time & Venue :	The Board in its Meeting held on 4th May, 2022 has authorised the Company Secretary of the Company to decide the day, date, time and venue of the ensuing Annual General Meeting.

(b) **Financial year**

The Financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

(c) **Dividend Payment Date**

The Board of Directors of your Company declared an interim dividend of ₹ 3.00 per equity share of ₹ 1/- each i.e. @300% during the financial year 2021-22. Payment of dividend was done within 30 days from date of declaration i.e. 20th October, 2021.

The Board of Directors of your Company has also recommended a Final Dividend of ₹ 4.50 per equity share of ₹ 1/- each i.e. @450% for the financial year 2021-22. Date of payment of dividend would be within 30 days from the date of AGM.

(d) **Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)**

The equity shares of the Company are listed at:

- The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The annual listing fee for the financial year 2022-23 has been paid by the Company to both the stock exchanges within the stipulated time.

(e) **Stock code**

NSE	BSE	ISIN
HAVELLS	517354	INE176B01034 (Shares)

(f) **Market price data- high, low during each month in last financial year**

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Ltd. (Nifty) and BSE Limited (Sensex) during financial year 2021-22 are as under:

(Amount in ₹)

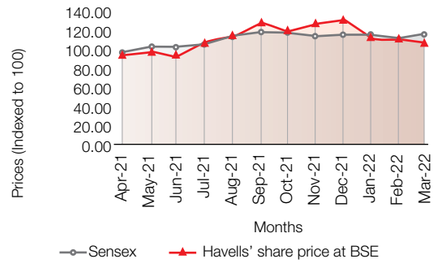
Period	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr 2021	1,099.95	971.10	2,38,73,070	1,099.60	970.80	14,53,842
May 2021	1,088.00	970.00	3,39,79,222	1,087.95	970.00	18,31,797
Jun 2021	1,084.80	958.00	2,86,24,539	1,084.25	958.35	15,80,629
Jul 2021	1,195.00	980.20	4,73,07,249	1,194.95	980.95	36,61,890
Aug 2021	1,289.50	1,175.65	4,57,01,725	1,288.90	1,176.90	25,10,714
Sep 2021	1,482.70	1,266.15	3,37,59,533	1,481.40	1,265.65	25,91,604
Oct 2021	1,504.45	1,210.30	2,94,93,031	1,503.70	1,243.35	20,34,476
Nov 2021	1,424.35	1,260.60	2,45,00,840	1,424.10	1,260.90	10,63,475
Dec 2021	1,429.40	1,253.40	2,35,23,283	1,429.65	1,253.90	8,90,997
Jan 2022	1,419.00	1,117.00	2,07,36,723	1,419.00	1,117.60	9,34,700
Feb 2022	1,229.55	1,118.85	1,89,92,221	1,229.75	1,119.65	6,56,591
Mar 2022	1,184.20	1,037.40	2,55,61,673	1,184.70	1,037.80	11,63,669

(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchanges.

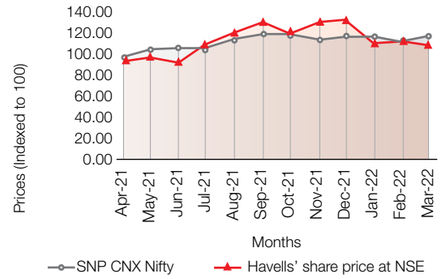
(g) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.**

Havells share price vis-a-vis BSE Sensex



Note: The graph indicates monthly closing positions. Share prices and BSE Sensex are indexed to 100 as on 31st March, 2021.

Havells Share Price vis-a-vis NSE Nifty



Note: The graph indicates monthly closing positions. Share prices and NSE Nifty are indexed to 100 as on 31st March, 2021.

(h) **In case the securities are suspended from trading, the Directors Report shall explain the reason thereof**

Not applicable.

(i) **Registrar to an issue and share transfer agents**

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058
Telephone: 011-41410592,93, 011-49411000
Fax: 011-41410591
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

(j) **Share transfer system**

Trading in equity shares of the Company through recognised Stock Exchanges can be done only in dematerialised form.

In compliance of Regulation 40 of the SEBI Listing Regulations, the share transfer system of the Company is audited annually by a Practicing Company Secretary and a certificate to that effect is issued by him/her to the Company, certifying that all certificates were issued within the prescribed timelines of the date of lodgement for transfer/ sub-division/ consolidation/ renewal/ exchange etc. This certificate is duly filed with the stock exchanges.

In case of request for dematerialisation of shares, confirmation of dematerialisation is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

(k) **Distribution of shareholding as on 31st March, 2022**

Shareholding of Nominal Value of Re.1/- each	Shareholders (Numbers)	% of Total Shareholders	No. of Shares	Nominal Value (in ₹)	% of Nominal Value
Upto 5,000	2,60,777	99.30	2,44,24,824	2,44,24,824	3.90
5,001 - 10,000	808	0.31	59,94,760	59,94,760	0.96
10,001 - 20,000	326	0.12	47,30,824	47,30,824	0.76
20,001 - 30,000	155	0.06	38,38,203	38,38,203	0.61
30,001 - 40,000	75	0.03	26,71,406	26,71,406	0.43
40,001 - 50,000	58	0.02	26,47,983	26,47,983	0.42
50,001 - 1,00,000	122	0.05	88,00,951	88,00,951	1.41
1,00,001 & Above	288	0.11	57,31,94,116	57,31,94,116	91.52
GRAND TOTAL	**2,62,609**	**100.00**	**62,63,03,067**	**62,63,03,067**	**100.00**

Ownership Pattern as on 31st March, 2022

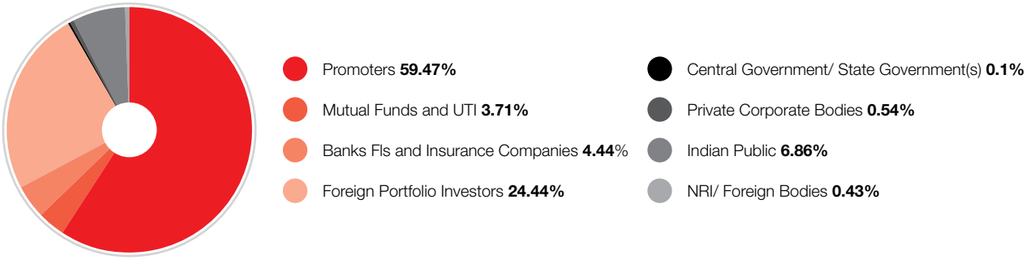
Category	No. of Shareholders	No. of Shares Held	% of Total Holding
Promoters			
Indian Promoters	4	37,24,57,920	59.47
Non-Promoters			
Institutional Investors			
Mutual Fund and Alternative Investment Funds	42	2,31,94,160	3.71
Foreign Portfolio Investors	651	15,30,62,256	24.44
Bank, Financial Institutions and Insurance Companies	23	2,78,34,607	4.44
Central Government / State Government(s)	4	6,45,306	0.10

Category	No. of Shareholders	No. of Shares Held	% of Total Holding
Non-Institutions			
Indian Public*	2,48,964	4,29,56,401	6.86
NRI	5,169	27,09,002	0.43
Bodies Corporate	1,235	34,01,455	0.54
Non Promoter Non Public			
Employee Benefit Trust	1	41,960	0.01
GRAND TOTAL	**2,56,093**	**62,63,03,067**	**100.00**

**Indian Public shareholding includes shareholdings of individuals, shares with IEPF Authority, Trusts, HUF, Unclaimed Suspense A/c and Clearing Members.*

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchanges as at 31st March, 2022, wherein the Shareholding is consolidated on the basis of PAN in terms of SEBI Circular dated 19th December, 2017, while the Distribution of Shareholding given in the Table above is based on the number of folios in physical and electronic modes.

Ownership Pattern as on 31st March, 2022



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2022

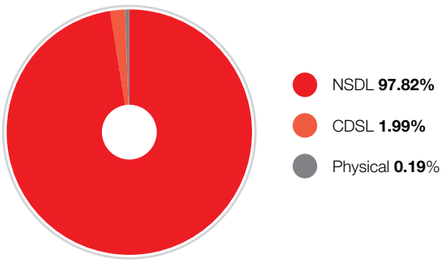
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Shareholding
1	Nalanda India Equity Fund Limited	3,30,44,930	5.28
2	Life Insurance Corporation of India	2,37,24,036	3.79
3	Government Pension Fund Global	1,22,33,070	1.95
4	Smallcap World Fund, Inc	1,10,10,155	1.76
	TOTAL	**8,00,12,191**	**12.78**

(l) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2022, 62,51,15,705 Equity shares out of 62,63,03,067 Equity Shares of the Company, forming 99.81% of the Company's paid-up capital is held in the dematerialised form. Majority of demat shares are with National Securities Depository Limited. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the NSE and BSE.

Particulars	As on 31st March, 2022		As on 31st March, 2021	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form	62,51,15,705	99.81	62,47,32,679	99.80
NSDL	61,26,70,039	97.82	61,62,45,670	98.44
CDSL	1,24,45,666	1.99	84,87,009	1.36
Shares in Physical Form	11,87,362	0.19	12,80,327	0.20
TOTAL	**62,63,03,067**	**100.00**	**62,60,13,006**	**100.00**

Ownership in Demat and Physical Mode



(m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2022.

(n) Commodity price risk or foreign exchange risk and hedging activities

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

(o) Plant locations

Sr. No.	Unit / Plant	Products
1	Distt. Solan, Baddi, Himachal Pradesh	Electrical wire Accessories and Switchgears
2	Plot No. 2 and 2A, Sector - 12, SIDCUL Industrial Area, Haridwar, Uttarakhand	Water Purifier and Appliances
3	14/3, Mathura Road, Faridabad, Haryana	Switchgears
4	Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)	Switchgears and Capacitors
5	SP-181 – 189 & 191(A) Industrial Area, Phase II, Neemrana, Alwar, Rajasthan	Motor and Pump Lighting & Fixture, Water Heater and Water Cooler
6	A/461-462, & SP – 215, 204 & 204(A) Matsya Industrial Area, Alwar, Rajasthan	Industrial & Domestic Cable
7	Plot No. 2A, Sector - 10, SIDCUL Industrial Area, Haridwar, Uttarakhand	Fan
8	SP1-133, Rico Industrial Area, Behror, Ghiloth, Alwar, Rajasthan-301706	Air Conditioner & Washing Machine

(p) Address for correspondence

The Company Secretary
Havells India Limited
(Secretarial Department)
QRG Towers, 2D, Sector – 126,
Expressway, Noida – (U.P.) Pin – 201304
Telephone No.: 0120 – 3331000
Fax No.: 0120 – 3332000
Email: investors@havells.com

Address for Correspondence with the Registrar and Transfer Agents
Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058
Telephone: 011-41410592,93, 011-49411000
Fax: 011-41410591
Email: delhi@linkintime.co.in

(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad

The Company has obtained the following Credit Ratings from CARE:-

Long-term Bank Facilities	CARE AAA (Triple A)
Short-term Bank Facilities	CARE A1+ (A One Plus)

The details on credit ratings are provided in the Directors Report and are also available on the website of the Company in the Investor Relations section and can be accessed at https://www.havells.com/en/discover-havells/investor-relation/credit-rating.html

During the year ended 31st March, 2022, there was no change in the above ratings by CARE.

(g) Other Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the financial year 2021-22, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with IND AS–24 are given in Note No. 6 of Other Notes on Accounts of the Annual Report.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

The Company has not been penalised, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

(c) Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

The Company has adopted a Whistle Blower Policy called 'Satark' which means alert/ vigilant empowering any person associated with the organisation to file a grievance if he/ she notices any irregularity. 'Satark' Policy is available on the website of the Company at https://www.havells.com/en/aboutus/corporate-governance.html

No person has been denied access to the Audit Committee for any grievance.

The Company has in addition to Whistle Blower Policy also adopted a policy named 'Idea' to promote a culture of innovative thinking, creativity and vigilance in all areas of its business. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspect that may benefit the Company.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can

be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(f) **Web link where policy on dealing with related party transactions**

The policy on dealing with related party transactions is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(g) **Disclosure of commodity price risks and commodity hedging activities**

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

Policy on Foreign Exchange Risk and Commodity Price Risk alongwith Foreign Currency exposure is given under Note No. 10 of Other Notes on Accounts of the Annual Report.

(h) **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

(i) **Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

On the basis of written representations/ declaration received from the directors, as on March 31, 2022, M/s MZ & Associates, Company Secretaries (Membership No. FCS 9184, CP No. 13875), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority and the same also forms part of this Report.

(j) **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof**

The Board accepted the recommendations of its Committees, wherever made, during the year.

(k) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:-

Type of Service	Amount (₹ in crores)
Audit Fee	1.35
Tax Audit Fee	0.04
Other Certification Fee	0.01
Reimbursement of expenses	0.05
TOTAL	**1.45**

Note: Out of Pocket expenses are reimbursed on actual basis.

(l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A Nirbhaya policy which is in line with the statutory requirements is in place.

a. number of complaints filed during the financial year – 0

b. number of complaints disposed off during the financial year – 0

c. number of complaints pending as on end of the financial year – 0

(h) Disclosure of the extent to which the Discretionary Requirements as specified in part e of schedule ii have been adopted

(a) The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

(b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html

(c) Modified opinion(s) in audit report: Auditors have raised no qualification on the financial statements.

(d) Separate posts of Chairperson and CEO: Presently, Shri Anil Rai Gupta is the Chairman and Managing Director of the Company. He is also the CEO of the Company.

(e) Reporting of Internal Auditor: The Company appointed E&Y as the Internal Auditors for conducting the internal audit for the financial year 2021-22, representatives whereof report to the Head, Risk Management and Governance Department who reports to the Director (Finance) and Group CFO and has direct access to the Audit Committee.

(i) Disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration signed by the Chief Executive Officer stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2022.

Anil Rai Gupta

Noida, May 4, 2022 Chairman and Managing Director

Compliance Certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report.

Disclosures with respect to demat suspense account/ unclaimed Suspense Account

The Company has 1,84,100 Equity Shares of Re. 1/- each in respect of 26 Shareholders, lying into one folio, namely, the Unclaimed Suspense A/c and in the demat account held with NSDL (IN30045014669162).Further, the dividend accruing on such Shares was also credited to Unpaid Dividend Account.

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year –30 (No. of shareholders) 2,10,100 (No. of shares) respectively.

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year -4 (No. of shareholders) 26,000 (No. of shares) respectively.

(c) Number of shareholders to whom shares were transferred from suspense account during the year –4 (No. of shareholders) 26,000 (No. of shares) respectively.

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year –26 (No. of shareholders) 1,84,100 (No. of shares) respectively.

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Other Useful Information for Shareholders

ECS Facility

The Company provides facility of "Electronic Clearing Service" (ECS) for payment of dividend to its shareholders. ECS facility assists in quick remittance of dividend without possible loss/delay in postal transit. Shareholders holding shares in physical form are requested to provide details of their bank account for availing ECS facility. However, if the shares are held in dematerialised form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

Updation of KYC Details

SEBI vide its Circular dated 3rd November, 2021, has laid down common and simplified norms for processing investor's service and effective 1st January, 2022, instructed the RTAs to not process any service requests or complaints received from either the security holder(s) or the claimant(s), till PAN, KYC and Nomination documents/details are received.

It is mandatory for all holders of physical securities to furnish their

- PAN,
- Nomination,
- Bank Details,
- Complete Postal address with PIN,
- Email,
- Mobile No. and
- Signatures

to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios and the Folios wherein even any one of the said details are not available on or after April 01, 2023, shall be frozen by the RTA.

SEBI has prescribed standardised Forms for updation of all the abovesaid details and the same are available on the website of the Company in the Shareholders' Corner.

Nomination is compulsory and in case a security holder does not wish to nominate, then a specific declaration for opting out of nomination has to be furnished in the prescribed Form.

Updation of Email address enables the Company to better service shareholder correspondence.

Shareholder(s) holding shares in dematerialised form are requested to notify change in their bank details / address / email Id etc. directly with their respective Depository Participants.

Encash Dividend Promptly

The shareholders are advised to encash their dividend promptly to avoid hassles of revalidation or losing

right to claim dividend owing to transfer of unclaimed dividends beyond seven years to the Investor Education and Protection Fund.

Unclaimed Dividend and Shares

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of 7 (Seven) years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) and such shares in respect of which dividend entitlements remained unclaimed for 7 (Seven) consecutive years or more are also required to be transferred by the Company to the Investor Education and Protection Fund, administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

Unclaimed Dividend in respect of the financial year 2014-15 and the shares in respect of which dividend entitlements remain unclaimed for 7 (Seven) consecutive years will be due for transfer to the IEPF on 19th August, 2022 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividends in respect of the financial year ended 31st March, 2015 or any subsequent year(s) are requested to lodge their claims with the Company.

A separate communication in this regard has already been sent to the Shareholders of the Company who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

In respect of Final Dividend for the financial year ended 31st March, 2015, it will not be possible to entertain claims which are received by the Company after 19th August, 2022.

Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for the same with the IEPF authority by making an application in the prescribed Web Form No. IEPF-5.

Financial Year	Dividend Type	Dividend Per Share (₹)	Date of Declaration	Due date of transfer to IEPF
2014-15	Final	3.00	13.07.2015	19.08.2022
2015-16	Interim	3.00	03.02.2016	12.03.2023
2015-16	Final	3.00	13.07.2016	19.08.2023
2016-17	Final	3.50	07.07.2017	14.08.2024
2017-18	Final	4.00	20.07.2018	26.08.2025
2018-19	Final	4.50	27.07.2019	31.08.2026
2019-20	Interim	4.00	06.03.2020	10.04.2027
2020-21	Interim	3.00	20.01.2021	24.02.2028
2020-21	Final	3.00	30.06.2021	06.08.2028
2021-22	Interim	3.00	20.10.2021	26.11.2028

Dematerialisation of Shares

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialisation of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

The Company periodically sends communications to all those Shareholders of the Company who have not yet dematerialised their physical share certificates, outlining the procedure for dematerialisation and benefits thereof.

Transfer / Transmission / Transposition of Shares

As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form.

Further SEBI Vide its circular dated 25th January, 2022 has directed that the Company while processing the below-mentioned requests also, shall issue the securities in dematerialised form only:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal / Exchange of securities certificate;
- Endorsement;
- Sub-division / Splitting of securities certificate;
- Consolidation of securities certificates/folios;
- Transmission;
- Transposition

Shareholders intending to lodge any of the abovesaid request are mandatorily required to do so in the specific Form specified by SEBI in this regard (Form ISR-4) along with the documents / details specified therein. The Form is hosted on the website of the Company in the Shareholders Corner of the Investor Relations section.

Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

Quote Folio No. / DP ID No.

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their E-mail IDs, Contact / Fax numbers for prompt reply to their correspondence.

For and on behalf of
Board of Directors of Havells India Limited

Anil Rai Gupta
Noida, May 4, 2022 Chairman and Managing Director

CEO'S/ CFO'S Certificate

We, Anil Rai Gupta, Chairman and Managing Director and Rajesh Kumar Gupta, Director (Finance) and Group CFO of Havells India Limited, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee, wherever applicable,

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Havells India Limited**

(Anil Rai Gupta)
Chairman and Managing Director

For **Havells India Limited**

(Rajesh Kumar Gupta)
Director (Finance) and Group CFO

Noida, May 4, 2022

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10)(I) Of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

To,
The Members of
HAVELLS INDIA LIMITED
904, 9th Floor, Surya Kiran Building,
KG Marg, Connaught Place, New Delhi 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Havells India Limited having CIN L31900DL1983PLC016304 and having registered office at 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Shri Anil Rai Gupta	00011892	30/09/1992
2	Shri Surjit Kumar Gupta	00002810	08/08/1983
3	Shri Ameet Kumar Gupta	00002838	22/12/2014
4	Shri Rajesh Kumar Gupta	00002842	21/03/1992
5	Shri Ashish Bharat Ram*	00671567	20/05/2021
6	Shri Mohandas Pai Tellicheery Venkataraman	00042167	22/12/2014
7	Shri Puneet Bhatia	00143973	22/12/2014
8	Shri Jalaj Ashwin Dani	00019080	16/08/2017
9	Shri Upendra Kumar Sinha	00010336	01/03/2018
10	Shri Siddhartha Pandit	03562264	29/05/2019
11	Shri Subhash Sheoratan Mundra	00979731	12/05/2020
12	Shri Bontha Prasada Rao	01705080	12/05/2020
13	Shri Vivek Mehra	00101328	12/05/2020
14	Smt Namrata Kaul	00994532	20/01/2021
15	Smt Pratima Ram#	03518633	28/07/2014

* Appointed as a Non-Executive –Independent Director w.e.f. May 20, 2021

#Ceased as a Non-Executive –Independent Director w.e.f June 30, 2021 on completion of term.

Ensuring the eligibility of every Director for the appointment/ continuity on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MZ & ASSOCIATES
Company Secretaries

CS Mohd Zafar
Partner
M No.: FCS 9184
CP: 13875
UDIN: F009184D000255771

New Delhi, May 2, 2022

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,
The Members of
HAVELLS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Havells India Limited, for the year ended March 31, 2022 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155
UDIN : 22056155AIJAXM5686

Noida, May 4, 2022

Independent Auditor's Report

To the Members of Havells India Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying Standalone financial statements of Havells India Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful life Refer Note 4 to the standalone financial statements. As at March 31, 2022, the standalone financial statements includes goodwill of ₹ 310.47 crores and intangible assets with indefinite useful lives of ₹ 1,029 crores pertaining to acquisition of Lloyd business in an earlier year. In accordance with the requirements of Indian Accounting Standard (Ind AS) - 36 'Impairment of Assets', the management has allocated the said goodwill and intangible assets to the underlying Cash Generating Unit (CGU), and tested the same for impairment using a Discounted Cash Flow (DCF) model factoring in the impact of COVID 19. Based on such test, the recoverable amount of the CGU is higher than the carrying amount of the said assets and accordingly no adjustment for impairment is necessary. We considered this as a key audit matter because of the significant carrying value of the above mentioned assets and high estimation uncertainty in assumptions used such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.	**Our audit procedures among others, included the following:** a. Understanding and evaluating the design and operating effectiveness of internal controls over the impairment assessment process, including preparation of the DCF model; b. Evaluating the Company's accounting policy in respect of impairment assessment of goodwill and intangible assets with indefinite useful lives; c. Understanding the cash flow projections and assumptions used in the DCF model, evaluating the mathematical accuracy and reading the report of the management expert; d. Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate that the recoverable amount of the CGU is within a reasonable range; and e. Testing related presentation and disclosures in the standalone financial statements. Based on the above procedures performed, the management's impairment assessment of the goodwill and intangible assets was found to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. The Standalone financial statements of the Company for the year ended March 31, 2021 were audited by another firm of chartered accountants under the Act who, vide their report dated May 20, 2021, expressed an unmodified opinion on those Standalone financial statements.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the Standalone financial statements.

    ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2022.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

    iv.(a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32(19) to the Standalone financial statements);

    (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32(19) to the Standalone financial statements); and

    (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

    v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155
UDIN: 22056155AIJASP9405

Place: Noida
Date: May 04, 2022

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' report of even date to the members of Havells India Limited on the Standalone Financial Statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Havells India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155
UDIN: 22056155AIJASP9405

Place: Noida
Date: May 04, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Havells India Limited on the standalone financial statements as of and for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold land in Delhi	15.89	Late Shri Qimat Rai Gupta, on behalf of M/s Guptajee & Company	Erstwhile Promoter/ Director	From March 31, 2011	Refer Note 3(viii) to the standalone financial statements.
Building in Bengaluru	0.04	Mrs. Shakrereh Shraddhanand	No	From April 01, 2012	

Further, the Company has taken the following immovable properties on lease, but the lease agreement has not been duly executed in favour of the Company:

Description of property	Gross carrying value (right-of-use asset) (₹ crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for lease agreement not executed with the Company
Building in Sahibabad	43.20	QRG Enterprises Limited	Promoter	From August 01, 2007	Refer Note 3(ix) to the standalone financial statements.
Building in Noida	96.79	QRG Enterprises Limited	Promoter	From July 01, 2008	

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii.(a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer Note 15(d) to the standalone financial statements).

iii. The Company has made investments in one company during the year. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clauses 3(iii)(a), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(iii)(b) In respect of the investments, the terms and conditions under which investments were made are not prejudicial to the Company's interest

iv. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Further, in our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it and the Company has not provided any loans, guarantees or security to the parties covered under Section 186 of the Act.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance and cess, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount of demand without netting-off amount paid under protest (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Disallowances and additions to taxable income and Penalty	0.27	0.13	2005-06	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income	19.21	9.55	2009-10 to 2013-14	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income	23.01	3.54	2009-10, 2014-15, 2016-17 and 2019-20	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income	0.01	0.01	2018-19	Assessing Officer, New Delhi
Central Excise Act, 1944	Excise duty demand/ disallowance of Cenvat credit on various items.	0.23	-	2007-08 to 2009-10	CESTAT, (Chandigarh)
Central Excise Act, 1944	Excise duty demand on various items.	15.96	0.60	2015-16 to 2017-18	CESTAT, (Karnataka)
The Custom Act,1944	Custom duty demand on various Matter	0.16	0.01	2019-20	Commissioner of customs (Appeals)
Bihar Value Added Tax Act, 2005	Sales tax demand on various matter	20.03	13.47	2007-08 to 2015-16	Tribunal Commercial Tax (Patna)
Bihar Value Added Tax Act, 2005	Sales tax demand on various matter	0.62	0.41	2016-17	Commissioner (Appeal) Patna
Haryana Value Added Tax Act, 2003	Sales tax demand on various matter	0.25	0.15	2003-04, 2005-06 to 2006-07	High Court (Punjab and Haryana)
Kerala Value Added Tax Act, 2003	Sales tax demand on various matter	0.33	0.28	2005-06	Appellate Tribunal, Commercial Tax, Ernakulam, (Kerala)

Name of the statute	Nature of dues	Amount of demand without netting-off amount paid under protest (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Tamil Nadu Value Added Tax Act, 2006	Sales tax demand on various matter	0.05	0.03	2007-08	Appellate Tribunal, Commercial Tax, (Tamil Nadu)
Orissa Entry Tax Act, 1999	Tax demand on various matter	0.77	0.30	2008-09 to 2011-12	High Court Orissa
Haryana Local Area Development Tax Act, 2000	Local Area Development Tax demand on various matter	0.12	0	2001-02	Joint Commissioner (Appeal), Faridabad
State Tax Act (Octroi Tax Act, Maharashtra)	Tax demand on various matter	0.03	0.03	2010-11	Nagpur Municipal Corporation
Goods and Services Tax Act, 2017	GST demand on various matter	0.46	0.46	2017-18	High Court (Uttar Pradesh)
Goods and Services Tax Act, 2017	GST demand on various matter	0.10	0.10	2019-20	Additional Commissioner (A), Noida, (Uttar Pradesh)
Goods and Services Tax Act, 2017	GST demand on various matter	0.11	-	2019-20	Additional Commissioner (A), Dehradun (Uttarakhand)
Goods and Services Tax Act, 2017	GST demand on various matter	0.58	0.06	2017-18	Commissioner of GST Appeals-Ghaziabad

The above amounts contain interest and penalty where included in the order issued by the department to the Company.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix.(a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans taken during the year have been applied for the purposes for which they were obtained. In respect of the term loans which were taken in the previous year, as reported by the predecessor auditor, those were applied for the purpose for which the loans were obtained. (Also refer Note 15(f) to the standalone financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle- blower complaints during the year which have been considered by us for any bearing on our audit and reporting.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24, "Related Party Disclosures" specified under Section 133 of the Act.

xiv.(a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi.(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 32(17) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.(a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects, to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Also refer Note 32(8) to the standalone financial statements.

xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155
UDIN: 22056155AIJASP9405

Place: Noida
Date: May 04, 2022

Balance Sheet

as at March 31, 2022

(₹ in crores)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	2,021.34	1,860.70
Capital work in progress	3	56.75	86.26
Goodwill	4	310.47	310.47
Other intangible assets	4	1,101.69	1,119.13
Intangible assets under development	4	0.46	3.65
Investment in subsidiaries	5	1.63	1.63
Contract assets	6(B)	38.83	49.79
Financial assets	7		
(i) Investments	7(A)	272.68	-
(ii) Trade receivables	7(B)	2.67	3.32
(iii) Other financial assets	7(C)	41.94	19.94
Other non-current assets	8	42.93	54.62
Non current tax assets (net)	9	26.54	23.56
Total Non current Assets		**3,917.93**	**3,533.07**
2 Current assets			
Inventories	10	2,968.08	2,619.89
Contract assets	6(B)	26.55	20.11
Financial assets	11		
(i) Investments	11(A)	153.42	306.30
(ii) Trade receivables	11(B)	764.83	560.31
(iii) Cash and cash equivalents	11(C)	763.70	326.57
(iv) Bank balances other than (iii) above	11(D)	1,772.14	1,298.17
(v) Other financial assets	11(E)	29.89	45.99
Other current assets	12	107.89	109.23
Total Current assets		**6,586.50**	**5,286.57**
Assets classified as held for sale	13	0.73	0.58
		6,587.23	**5,287.15**
Total assets		**10,505.16**	**8,820.22**
EQUITY AND LIABILITIES			
1 Equity	14		
Equity share capital	14(A)	62.63	62.60
Other equity	14(B)	5,926.01	5,101.85
Total equity		**5,988.64**	**5,164.45**
2 Liabilities			
Non-current liabilities			
Contract liabilities	6(C)	4.99	4.57
Financial liabilities	15		
(i) Borrowings	15(A)	272.57	393.65
(ii) Lease liabilities	15(B)	178.82	101.51
(iii) Other financial liabilities	15(C)	3.96	1.31
Provisions	16	76.25	58.43
Deferred tax liabilities (Net)	17	350.62	339.11
Total Non Current Liabilities		**887.21**	**898.58**
Current liabilities			
Contract liabilities	6(C)	16.69	9.54
Financial liabilities	18		
(i) Borrowings	18(A)	122.96	98.55
(ii) Lease liabilities	18(B)	42.05	29.15
(iii) Trade payables	18(C)		
a) Total outstanding dues of micro enterprise and small enterprises; and		114.08	188.78
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,265.33	1,408.00
(iv) Other financial liabilities	18(D)	525.46	570.43
Other current liabilities	21	226.66	120.93
Provisions	19	253.23	257.55
Current tax liabilities (net)	20	62.85	74.26
Total Current Liabilities		**3,629.31**	**2,757.19**
Total liabilities		**4,516.52**	**3,655.77**
Total equity and liabilities		**10,505.16**	**8,820.22**
Summary of significant accounting policies	2		
Commitments and contingencies	31		
Other notes on accounts	32		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Ameet Kumar Gupta
Director
DIN: 00002838

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ In crores)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
I INCOME			
Revenue from operations	22	13,888.53	10,427.92
Other income	23	160.42	187.82
Total Income		**14,048.95**	**10,615.74**
II EXPENSES			
Cost of raw materials and components consumed	24	7,772.06	5,390.51
Purchase of traded goods	25	1,831.48	1,615.46
Change in inventories of finished goods, traded goods and work in progress	26	(219.48)	(531.07)
Employee benefits expense	27	1,014.65	885.33
Finance costs	28	53.41	72.64
Depreciation and amortization expenses	29	260.83	248.86
Other expenses	30	1,732.21	1,502.43
Total expenses		**12,445.16**	**9,184.16**
III Profit before tax		1,603.79	1,431.58
IV Income tax expense	17		
Current tax		397.55	339.35
Deferred tax charge / (credit) {(refer note 17(d)}		11.51	52.59
Total tax expense		**409.06**	**391.94**
V Profit for the year		**1,194.73**	**1,039.64**
VI Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
i) Re-measurement gains / (loss) on defined benefit plans {refer note 32(4)}		7.38	(2.70)
ii) Income tax effect on above {refer note no 17(b)}		(1.86)	0.68
Other comprehensive income/(loss) for the year, net of tax		**5.52**	**(2.02)**
VII Total comprehensive income for the year, net of tax		**1,200.25**	**1,037.62**
VIII Earnings per equity share (EPS) {refer note no. 32 (12)} (nominal value of share ₹1/-)			
Basic EPS (₹)		19.08	16.61
Diluted EPS (₹)		19.08	16.61
Summary of significant accounting policies	2		
Commitments and contingencies	31		
Other notes on accounts	32		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

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Director (Finance) and Group CFO
DIN: 00002842

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Statement of Changes in Equity

for the year ended March 31, 2022

A) Equity Share Capital

Particulars	Numbers	Amount (₹ in crores)
As at April 1, 2020	**62,58,02,834**	**62.58**
Add: Exercise of employee stock purchase plan–proceeds received	2,10,172	0.02
As at March 31, 2021	**62,60,13,006**	**62.60**
Add: Exercise of employee stock purchase plan–proceeds received	2,90,061	0.03
As at Mar 31, 2022	**62,63,03,067**	**62.63**

B) Other Equity

(₹ in crores)

Particulars	Reserves and surplus					Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	
As at April 1, 2020	**7.63**	**80.58**	**722.72**	**0.64**	**3,430.66**	**4,242.23**
Profit for the year	-	-	-	-	1,039.64	1,039.64
Other comprehensive income for the year						
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	(2.02)	(2.02)
Total Comprehensive income for the year						**1,037.62**
Transaction with owners in their capacity as owners:						
Interim Dividend paid during the year	-	-	-	-	(187.80)	(187.80)
Equity shares issued under employee stock purchase plan	-	9.80	-	-	-	9.80
Options recognized during the year				0.50		0.50
Options vested and exercised during the year	-	-	-	(0.50)		(0.50)
As at March 31, 2021	**7.63**	**90.38**	**722.72**	**0.64**	**4,280.48**	**5,101.85**
Profit for the period	-	-	-	-	1,194.73	1,194.73
Other comprehensive income for the year						
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	5.52	5.52
Total Comprehensive income for the year						**1,200.25**
Transaction with owners in their capacity as owners:						
Final and Interim Dividend paid during the year {refer note 14(B)(e)}					(407.10)	(407.10)
Equity shares issued under employee stock purchase plan	-	31.12	-	-	-	31.12
Options recognized during the year				1.15		1.15
Options vested and exercised during the year				(1.26)		(1.26)
As at March 31, 2022	**7.63**	**121.50**	**722.72**	**0.53**	**5,073.63**	**5,926.01**
Summary of significant accounting policies	2					
Commitments and contingencies	31					
Other notes on accounts	32					

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Statement of Cash Flows

for the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,603.79	1,431.58
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	260.83	248.86
Loss /(gain) on disposal of property, plant and equipment (net)	1.43	(40.39)
Unrealized foreign exchange loss /(gain) (net)	(5.55)	1.30
Impairment allowance for trade receivables and other assets–credit impaired	2.39	24.48
Impairment of investment in subsidiary company/Joint Venture	-	1.10
Bad debts written off	10.39	1.43
Unwinding of discount on long term provisions	6.24	4.21
Discounting of long term warranty provision	(5.79)	(6.24)
Lease rent concession	(0.49)	(2.54)
Interest received	(103.76)	(99.42)
Interest expenses on borrowings and income tax	32.11	58.29
Interest on lease liability	14.89	9.68
Liabilities no longer required written back	(0.15)	(4.49)
Operating Profit before working capital changes	**1,816.33**	**1,627.85**
Movement in working capital		
(Increase)/ Decrease in trade receivables and contract assets	(210.77)	(329.20)
(Increase)/ Decrease in financial assets	14.80	2.82
(Increase)/ Decrease in non-financial assets	5.44	33.58
(Increase)/ Decrease in inventories	(348.19)	(748.01)
Increase/ (Decrease) in trade payables	787.52	181.44
Increase/ (Decrease) in financial liabilities	(40.68)	81.25
Increase/ (Decrease) in non financial liabilities and contract liabilities	113.30	9.91
Increase/ (Decrease) in provisions	20.43	69.73
Cash generated from operations	**2,158.18**	**929.37**
Income tax paid (net of refunds)	(413.80)	(271.44)
Net Cash flow from Operating Activities (A)	**1,744.38**	**657.93**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(258.28)	(249.89)
Receipt of grant related to assets	3.72	30.90
Proceeds from sale of property, plant and equipment	5.56	96.32
Investment in fixed deposits with the bank and financial institutions made during the year	(605.13)	(729.64)
Interest on fixed deposit and investment received	94.92	89.42
Net Cash flow used in Investing Activities (B)	**(759.21)**	**(762.89)**

Statement of Cash Flows

for the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employee stock purchase plan–share capital	0.03	0.02
Proceeds from exercise of employee stock purchase plan–security premium received	31.12	9.80
Payment of principal portion of lease liabilities	(34.54)	(27.19)
Payment of interest portion of lease liabilities	(14.89)	(9.68)
Proceeds from issue of Commercial Paper	-	488.25
Proceeds from short term borrowing	-	500.00
Proceeds from long term borrowing	0.04	500.00
Repayment of short term borrowings	-	(500.00)
Repayment of long term borrowings	(97.35)	(49.50)
Repayment of Commercial Paper	-	(488.25)
Interest paid	(24.46)	(45.88)
Final and interim Dividend paid during the year	(407.10)	(187.80)
Net Cash Flow from Financing Activities (C)	**(547.15)**	**189.77**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**438.02**	**84.81**
Cash and cash equivalents at the beginning of the year	326.57	242.09
Net foreign exchange differences on cash and cash equivalents held in foreign currency	(0.89)	(0.33)
Cash and Cash Equivalents at the end of the period	**763.70**	**326.57**

Notes :

1 The above Cash flow statement has been prepared under the Indirect Method as set out in Indian Accounting Standard-7, Statement of Cash Flows.

2 Components of cash and cash equivalents :-

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks:		
Current accounts	24.72	20.11
Cash credit accounts	114.02	32.09
Fixed deposits account with a original maturity of less than three months	624.72	274.27
Cash on hand	0.24	0.10
	763.70	**326.57**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Ameet Kumar Gupta
Director
DIN: 00002838

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Notes to Financial Statements

for the year ended March 31, 2022

1 Corporate Information

Havells India Limited ('the Company') is a public limited Company domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The Company is listed on BSE Limited and National Stock Exchange of India Limited.

The Company is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Solar Products, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Coolers and Domestic Appliances, Personal Grooming , Air Purifier ,Water Purifier, Air conditioner, Television, Washing machine and Refrigerator covering the entire range of household, commercial and industrial electrical needs.

The Company's manufacturing facilities are located at Faridabad in Haryana, Alwar, Ghiloth and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad in Uttar Pradesh, Baddi in Himachal Pradesh. The research and development facilities are located at Noida (Uttar Pradesh) and Bangalore.

These standalone financial statements were approved for issue in accordance with a resolution of the directors on May 04, 2022.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) Standalone financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

These standalone financial statement are separate financial statements including Havells Employees Welfare Trust prepared in accordance with Ind AS-27 "Separate Financial Statements".

New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2.01 Basis of preparation of Standalone Financial Statements

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These standalone financial statements are presented in INR and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i) Certain financial assets and liabilities that is measured at fair value

ii) Assets held for sale-measured at fair value less cost to sell

iii) Defined benefit plans-plan assets measured at fair value

iv) Share based payments

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to Financial Statements
for the year ended March 31, 2022

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.03 Property, plant and equipment

Freehold Land is carried at historical cost. All other items of Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The historical cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30 and 60
Plant and Equipment	15
Moulds and Dies	6
Furniture and Fixtures	10
Vehicles	8 and 10
R &D Equipment	5 and15
Office Equipment	3 and 5
Mobile Phones	3
Electric Fans and Installations	3 and 10
Computers	3
Laptops	4

The useful lives of all the assets except moulds and dies, mobile phones and laptops have been determined as those specified by part 'C' of Schedule II to the Companies Act, 2013. In respect of moulds and dies and mobile phones and laptops, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years and 4 years respectively, in order to reflect the actual usage of assets. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their lease term unless the entity expects to use the asset beyond the lease term.

Leasehold land is amortized on a straight line basis over the unexpired period of their respective lease ranging from 90-99 years.

2.04 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful lives and assessed

Notes to Financial Statements
for the year ended March 31, 2022

for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Company has assessed indefinite life for such brand considering the expected usage, expected investment on brand, business forecast and challenges to establish a premium electronic segment. These are carried at historical cost and tested for impairment annually.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under

Assets	Useful life (in years)
Computer Software	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7
Brand and Trademarks	Indefinite

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Trademarks

Brand and Trademarks acquired in business combination are initially recognized at fair value at the date of acquisition. Following initial recognition, brand and trademark are carried at the above recognized value less accumulated amortization and accumulated impairment losses, if any. These Brand and trademarks have been in existence for considerable period and Company intends to continue use this intangible assets. Consequently it is believed that they have an indefinite life and are not amortized. Instead impairment testing is performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount.

Distributor/ Dealer Network

Distributor/ Dealer Network acquired in business combination are initially recognized at fair value at the date of acquisition. Following initial recognition, Distributor/ Dealer Network are carried at the above recognized value less accumulated amortization and accumulated impairment losses, if any. They are amortized on a straight line basis over their estimated useful life of 8 years assessed by the management.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For

Notes to Financial Statements
for the year ended March 31, 2022

the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or earlier, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.05 Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

"Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired."

2.06 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to Financial Statements
for the year ended March 31, 2022

(i) **Financial Assets**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

"The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling."

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

a) **Business Model Test :** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) **Business Model Test :** The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and

b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed

Notes to Financial Statements
for the year ended March 31, 2022

in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value changes recognized in OCI is reclassified from the equity to profit or loss.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Embedded Derivatives
A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition
A financial asset (or ,where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets
In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; Trade receivables which are held to collect and sale basis accounted for as FVTPL
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Company does not track changes in credit risk. Rather , it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at amortized cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(b) **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortized cost is recognized in other comprehensive income as the accumulated impairment amount.

(ii) **Financial liabilities:**
Initial recognition and measurement
Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss

(ii) Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortized cost (Loans and borrowings)
After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Notes to Financial Statements
for the year ended March 31, 2022

Trade Payables
These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments
Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/ financial liabilities
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

2.07 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

(iii) Hedges of a net investment in a foreign operation

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) **Fair value hedges**
The change in the fair value of a hedging instrument is recognized in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit and loss as finance costs.

Notes to Financial Statements
for the year ended March 31, 2022

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss."

(ii) **Cash flow hedges**
The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss. The ineffective portion relating to foreign currency contracts is recognized in finance costs and the ineffective portion relating to commodity contracts is recognized in other income or expenses. Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.08 Investment in Subsidiaries and joint venture

The investment in subsidiary and Joint venture are carried at cost as per IND AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

2.09 Inventories

a) **Basis of valuation:**

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

ii) Inventory of scrap materials have been valued at net realizable value.

b) **Method of Valuation:**

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.10 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is considered highly probable. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs

Notes to Financial Statements
for the year ended March 31, 2022

to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Company treats sale of the asset to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset

ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.11 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

a) Current income tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognized in profit or loss.

2.12 Revenue from contract with customers

The Company manufactures/ trades and sells a range of consumer electrical and electronic products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery of goods. The Company also provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. The Company recognizes these service revenue from sales of services over a period of time, because the customer simultaneously receives and consumes the benefits provided by the Company. The Company has objective evidence that all criterion for acceptance has been satisfied. A receivable is recognized when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers.

(a) Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Company considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company allocates a portion of the transaction price to different performance obligations goods bases on its relative standalone prices and also considers the following:-

(i) Variable consideration

The Company recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Warranty obligations

The Company generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). However, in certain non-standard contracts in respect of sale of consumer durable goods, the Company provides extended warranties and such warranties are termed as service-type warranties and therefore, accounted for as separate performance obligations to which the Company allocates

Notes to Financial Statements
for the year ended March 31, 2022

a portion of the transaction price. Revenue from service-type warranties is recognized over the period in which the service is provided based on the time elapsed

(iii) Significant Financing Components
In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. In respect of long term contracts, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance).

(b) Sale of services
The Company provides installation, annual maintenance and extended warranty services that are sold separately. The Company recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from services related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

(c) Contract balances
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Company satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Company's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

(d) Income from Service Concession Arrangement
Revenue related to Street Lights Upgrade services provided under service concession arrangement is recognized as per the agreement with the grantor. The Company recognizes a financial asset arising from the service concession agreement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the upgrade services provided. Such financial assets are measured at fair value upon initial recognition.

2.13 Other Income

(a) Interest Income
For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.14 Other Operating Revenues

(a) Export benefit
Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme, Remission of duties and taxes on exported product scheme are recognized on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(b) Government Grants
Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognized at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

Notes to Financial Statements
for the year ended March 31, 2022

2.15 Retirement and other employee benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post employment
a) Gratuity
The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Bajaj Allianz Life Insurance Co.Ltd. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

(iii) Other employee benefits
The Company provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(a) Havells Employee Stock Purchase Plan: The fair value of options granted under this option plan is recognized as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments when grant is made. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

(b) Havells Employees Long term Incentive plan : These are in nature of employee benefit wherein employees (including senior executives) of the Company purchase shares of the Company at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognized at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period.

2.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company's lease asset classes primarily comprise of lease for land and building. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets (ROU)
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted

Notes to Financial Statements
for the year ended March 31, 2022

for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

The Company classifies ROU assets as part of Property, plant and equipment in Balance Sheet and lease liability in " Financial Liability".

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.17 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment.

The operating segments have been identified on the basis of the nature of products/services. Further:

1 Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter–segment revenue.

2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

3 Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

4 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

2.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.19 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short–term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.21 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.22 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to seven years.

Provision for E-Waste/Plastic-Waste

Provision for E-Waste/Plastic-Waste management costs are recognized when the liability in respect of products sold to customer is established in accordance with E-waste Management Rules, 2016 as notified by Government of India. Initial recognition is based on liability computed based on Extended Producer Responsibility as promulgated in said Rules including cost to comply the said regulation and as reduced by expected realisation of collectable waste. The Company has assessed the liability to arise on year to year basis.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more

Notes to Financial Statements
for the year ended March 31, 2022

uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.23 Dividend Distributions

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.24 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Business Combinations

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. For each business combination, the Company elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

(ii) Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

Notes to Financial Statements
for the year ended March 31, 2022

c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves/ capital reserves.

2.26 Significant accounting judgments, estimates and assumptions

The preparation of these standalone financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) **Leases**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

b) **Taxes**

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 17)

c) **Gratuity benefit**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 32(4).

d) **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use , the estimated future cash flows are estimated based on past trend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

Notes to Financial Statements

for the year ended March 31, 2022

e) **Provision for warranty**

Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The assumptions are consistent with prior years. (Refer Note 19)

f) **Provision for expected credit losses (ECL) of trade receivables and contract assets**

"The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 32(10)"

g) **Property, Plant and Equipment and intangible assets**

Property, Plant and Equipment represent significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Company's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

2.27 Standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.28 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

(a) The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (Extract)	March 31, 2021 (as previously reported	Increase/ Decrease	March 31, 2021 (restated)
Other Financial Liabilities (Current)	668.98	(98.55)	570.43
Current Borrowings	-	98.55	

Notes to Financial Statements

for the year ended March 31, 2022

3 Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Moulds and Dies	Furniture and fixtures	Vehicles	R & D Equipment	Office Equipment	Electrical Installations	Right to use asset: Leasehold Land	Right to use asset: Leasehold Building	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)															
At April 01, 2020	**27.28**	**791.74**	**13.38**	**829.61**	**225.63**	**46.64**	**12.82**	**38.05**	**107.61**	**46.12**	**217.80**	**153.18**	**2,509.86**	**82.77**	**2,592.63**
Additions	-	35.57	1.45	41.81	79.56	10.03	-	4.08	12.12	3.19	39.58	56.96	284.35	143.34	427.69
Recognition of grant related to assets	-	(0.21)	-	(3.08)	(2.83)	(0.69)	-	-	(1.17)	(0.26)	(17.71)	-	(25.95)	-	(25.95)
Disposals/Adjustments	-	(52.02)	(1.67)	(9.15)	(6.91)	(2.45)	(0.08)	-	(2.01)	(2.23)	(11.39)	(27.64)	(115.55)	(139.85)	(255.40)
At March 31, 2021	**27.28**	**775.08**	**13.16**	**859.19**	**295.45**	**53.53**	**12.74**	**42.13**	**116.55**	**46.82**	**228.28**	**182.50**	**2,652.71**	**86.26**	**2,738.97**
Additions	0.50	16.37	2.02	129.51	79.45	20.67	6.19	5.11	12.31	4.18	1.87	132.69	410.87	243.32	654.19
Recognition of grant related to assets	-	(0.47)	-	(1.59)	(1.41)	(0.05)	-	-	(0.10)	(0.10)	-	-	(3.72)	-	(3.72)
Disposals/ Adjustments**	(0.01)	(1.09)	(0.06)	(11.20)	(1.31)	(0.77)	(2.75)	(0.91)	(9.51)	(0.15)	-	(13.13)	(40.89)	(272.83)	(313.72)
At March 31, 2022	**27.77**	**789.89**	**15.12**	**975.91**	**372.18**	**73.38**	**16.18**	**46.33**	**119.25**	**50.75**	**230.15**	**302.06**	**3,018.97**	**56.75**	**3,075.72**
Accumulated Depreciation															
At April 01, 2020	**-**	**129.69**	**5.97**	**241.40**	**85.59**	**16.31**	**6.71**	**10.35**	**58.50**	**17.59**	**2.16**	**36.15**	**610.42**	**-**	**610.42**
Charge for the year	-	30.44	1.73	76.82	39.92	5.12	1.41	6.17	20.92	5.29	2.44	32.48	222.74	-	222.74
Disposals/Adjustments	-	(11.56)	(0.84)	(8.29)	(5.66)	(1.28)	(0.07)	-	(1.62)	(1.92)	(0.89)	(9.02)	(41.15)	-	(41.15)
At March 31, 2021	**-**	**148.57**	**6.86**	**309.93**	**119.85**	**20.15**	**8.05**	**16.52**	**77.80**	**20.96**	**3.71**	**59.61**	**792.01**	**-**	**792.01**
Charge for the year	-	29.93	1.60	76.52	48.85	6.34	1.10	6.68	17.11	3.91	2.53	39.24	233.81	-	233.81
Disposals/Adjustments	-	(0.81)	(0.04)	(6.93)	(1.08)	(0.53)	(2.59)	(0.76)	(8.78)	(0.13)	-	(6.54)	(28.19)	-	(28.19)
At March 31, 2022	**-**	**177.69**	**8.42**	**379.52**	**167.62**	**25.96**	**6.56**	**22.44**	**86.13**	**24.74**	**6.24**	**92.31**	**997.63**	**-**	**997.63**
Net carrying amount															
At April 01, 2020	**27.28**	**662.05**	**7.41**	**588.21**	**140.04**	**30.33**	**6.11**	**27.70**	**49.11**	**28.53**	**215.64**	**117.03**	**1,899.44**	**82.77**	**1,982.21**
At March 31, 2021	**27.28**	**626.51**	**6.30**	**549.26**	**175.60**	**33.38**	**4.69**	**25.61**	**38.75**	**25.86**	**224.57**	**122.89**	**1,860.70**	**86.26**	**1,946.96**
At March 31, 2022	**27.77**	**612.20**	**6.70**	**596.39**	**204.56**	**47.42**	**9.62**	**23.89**	**33.12**	**26.01**	**223.91**	**209.75**	**2,021.34**	**56.75**	**2,078.09**

Notes:-

(i) Right of Use asset includes:-
(a) "Leasehold Land" represents land obtained on long term lease from various Government authorities.
(b) Leasehold Building represents properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 32(3)

(ii) Capital work in progress as at March 31, 2022 includes assets under construction at various plants including water heater, cable and wires and switch gears, etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iii) Plant and machinery, generators, furniture and fixtures, electric fans and installations has been pledged/hypothecated as security by the company {refer note 31(C)}.

(iv) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 31(B).

(v) The grant related to assets incudes:
(a) RIICO Land Back-end subsidy of ₹ NIL (March 31, 2021 ₹ 17.71 crores) on leasehold land situated at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan on account of reasonable certainty for fulfilment of conditions related to grant.
(b) Subsidy of ₹ 3.72 crores (March 31, 2021 ₹ 8.41 crores) on account of Modified Special Incentive Package (MSIP) scheme for making capital investment at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan.

(vi) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
* Disposal includes assets held for sale amounting to ₹ 0.73 crores (March 31, 2021 ₹ 0.58 crores)
** It includes Transfers in relation to Capital work in progress

Notes to Financial Statements
for the year ended March 31, 2022

(vii) Capital work-in-progress ("CWIP") Ageing schedule

As at March 31, 2022

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	53.58	3.17	-	-	56.75
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54.33	31.86	0.07	-	86.26
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Capital Work in progress where the completion is overdue or has exceeded its cost compared to its original plan.

(viii) Title deeds of Immovable Property not held in the name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Property held	Reason for lease agreement not executed with the Company
Property, plant and equipment	Freehold land in Delhi	15.89	Late Shri Qimat Rai Gupta, on behalf of M/s Guptajee & Company	Erstwhile Promoter/ Director	From March 31, 2011	The possession and original agreement to sale, of the property, is in the name of Company. Further, title deeds will be registered in the name of the Company once State government's policy on registry is changed.
Property, plant and equipment	Building in Bengaluru	0.04	Shakereh Shraddhanand	No	From April 01, 2012	The possession and original agreement to sale, of the property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority,

(ix) Property where Company is a lessee but agreements are not executed

Relevant line item in the Balance Sheet*	Description of item of property	Gross carrying value of Right to Use Assets	Held in the name of	Whether promoter, director or their relative or employee	Property held	Reason for lease agreement not executed with the Company
Property, plant and equipment	Building in Sahibabad	43.20	QRG Enterprises Limited	Promoter {refer note 32(6)}	From August 01, 2007	Rent is being paid based on mutual understanding and the monthly invoice for usage charges raised by QRG Enterprises Limited.{refer note 32(6)}
Property, plant and equipment	Building in Noida	96.79	QRG Enterprises Limited	Promoter {refer note 32(6)}	From July 01, 2008	

*Aggregate net carrying amount of Right-to-use asset prepared as per Ind AS 116 is ₹ 133.08 crores (March 31, 2021 ₹ 42.75 crores) and aggregate lease liability is ₹ 136.09 crores (March 31, 2021 ₹ 43.00 crores). As per Ind AS 116, amount accounted for as depreciation is ₹ 6.49 crores (March 31, 2021 ₹ 0.42 crores) and interest expense is ₹ 7.68 Crores (March 31, 2021 ₹ 0.89 Crores). Also refer note 32(6)(C)

Notes to Financial Statements
for the year ended March 31, 2022

4 Goodwill and Other Intangible Assets

(₹ in crores)

	Computer Software	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Intangibles assets under development	Total Intangible Asset
Gross carrying amount (at cost)									
At April 01, 2020	**49.09**	**8.58**	**1,029.00**	**82.40**	**58.50**	**1,227.57**	**310.47**	**3.36**	**1,541.40**
Additions	4.83	1.08	-	-	-	5.91	-	1.28	7.19
Recognition of grant related to assets	(0.17)	-	-	-	-	(0.17)		-	(0.17)
Disposals	(0.03)	-	-	-	-	(0.03)	-	(0.99)	(1.02)
At March 31, 2021	**53.72**	**9.66**	**1,029.00**	**82.40**	**58.50**	**1,233.28**	**310.47**	**3.65**	**1,547.40**
Additions	8.70	1.91	-	-	-	10.61	-	0.69	11.30
Disposals	(9.75)	(0.06)	-	-	-	(9.81)	-	(3.88)	(13.69)
At March 31, 2022	**52.67**	**11.51**	**1,029.00**	**82.40**	**58.50**	**1,234.08**	**310.47**	**0.46**	**1,545.01**
Accumulated amortization									
At April 01, 2020	**29.65**	**4.29**	**-**	**29.90**	**24.22**	**88.06**	**-**	**-**	**88.06**
Charge for the year	6.19	1.27	-	10.30	8.36	26.12	-	-	26.12
Disposals	(0.03)	-	-	-	-	(0.03)	-	-	(0.03)
At March 31, 2021	**35.81**	**5.56**	**-**	**40.20**	**32.58**	**114.15**	**-**	**-**	**114.15**
Charge for the year	6.93	1.43	-	10.30	8.36	27.02	-	-	27.02
Disposals	(8.74)	(0.04)	-	-	-	(8.78)	-	-	(8.78)
At March 31, 2022	**34.00**	**6.95**	**-**	**50.50**	**40.94**	**132.39**	**-**	**-**	**132.39**
Net carrying amount									
At April 01, 2020	**19.44**	**4.29**	**1,029.00**	**52.50**	**34.28**	**1,139.51**	**310.47**	**3.36**	**1,453.34**
At March 31, 2021	**17.91**	**4.10**	**1,029.00**	**42.20**	**25.92**	**1,119.13**	**310.47**	**3.65**	**1,433.25**
At March 31, 2022	**18.67**	**4.56**	**1,029.00**	**31.90**	**17.56**	**1,101.69**	**310.47**	**0.46**	**1,412.62**

Note:-

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Brand and Trademarks acquired on acquisition of Lloyd business having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumer which is also an operating and reportable segment, for impairment testing. The company has performed an annual impairment test to ascertain the recoverable amount of CGU. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and discounted pre tax cash flow projections based on financial budgets approved by management covering a 5 years period. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Further the management have factored the impact of COVID-19 on the cash flow projections used in assessment of recoverable amount of CGU. Management has determined following assumptions for impairment testing of CGU as stated Below :

Assumption	March 31, 2022	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	14.10%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis on overall economic growth rate, industry trend & expected long-term inflation in India.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of GGU of the company. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount.

Notes to Financial Statements
for the year ended March 31, 2022

Intangible assets under development

As at March 31, 2022

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.46	-	-	-	0.46
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	3.65	-	-	3.65
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

5 Investments in Subsidiaries - Financial Assets

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
Investments in equity instruments of subsidiary companies (unquoted) (valued at cost, unless stated otherwise) {refer note 32(1)(a)}				
Havells Holdings Limited	13.65		13.65	
17,37,362 (March 31, 2021 : 17,37,362) ordinary shares of 1 GBP each fully paid up				
Less: Provision for impairment	12.47	1.18	12.47	1.18
Havells Guangzhou International Limited				
(100% contribution fully paid in capital) (March 31, 2021: 100% contribution fully paid in capital)		0.45		0.45
Aggregate amount of unquoted investments		**1.63**		**1.63**
Aggregate amount of Impairment in value of investments		**12.47**		**12.47**

6 Contract Balances

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
(A) Trade Receivables {refer note (a) below and note 11(B)}	767.50	563.63
	767.50	**563.63**
(B) Contract Assets (Unsecured, considered good) {refer note (b)}	65.38	69.90
	65.38	**69.90**
Non-current portion	38.83	49.79
Current portion	26.55	20.11
(C) Contract Liability {refer note (c) and note 22(v)}	21.68	14.11
	21.68	**14.11**
Non-current portion	4.99	4.57
Current portion	16.69	9.54

Note

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

(b) During the earlier years, the Company had entered in to an agreement with customer wherein the Company had identified multiple performance obligations in contract as per Ind AS 115 "Revenue from contract with customers". The Company's right to receive consideration is conditional upon satisfaction of all performance obligations. Accordingly, the Company has recognized contract asset in respect of performance obligation satisfied during the year. Contract assets arises when Company satisfies a performance obligation but does not have an unconditional rights to consideration. Contract assets have decreased in the current year on account of change in the time frame for a "right to consideration" become unconditional.

(c) The Company has entered into the agreements with customers for sales of goods and services. The Company has identified these performance obligations and recognized the same as contract liabilities in respect of contracts, where the Company has obligation to deliver the goods and perform specified services to a customer for which the Company has received consideration. There has been no significant change in the contract liabilities.

7 Non-Current Financial Assets

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
(A) Non-Current Investment (valued at amortized cost)		
Unsecured, considered good		
Deposits account with financial institution having remaining maturity period of more than twelve months (refer note (a) below)	272.68	-
	272.68	**-**
(a) The deposits maintained by the Company with financial institution comprise of the time deposits and are made of varying periods between one year to two years depending on the cash requirements of the Company and earn interest at the respective deposit rates.		
(B) Trade Receivables (valued at amortized cost)		
Unsecured {refer note 11(B)}		
Trade receivables from contract with customers - considered good	2.67	3.32
	2.67	**3.32**
(C) Other Financial Assets (valued at amortized cost)		
Unsecured, considered good		
Earnest money and Security Deposits	21.74	19.94
Others		
Bank deposits with original and remaining maturity of more than twelve months {refer note (a)*}	20.20	-
	41.94	**19.94**

(a) Includes Fixed Deposit amounting ₹ 4.15 crores (March 21, 2021 ₹ Nil) related to Unspent CSR amount kept in separate bank account as per provision of 135(6) of Companies Act, 2013.

8 Other Non-Current Assets

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances	7.22	14.81
Others		
Prepaid expenses	5.82	6.17
Deposits with Statutory and Government authorities	29.89	33.64
	42.93	**54.62**

9 Non Current tax Assets (Net)

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Current tax assets net of provision for income tax	26.54	23.56
	26.54	**23.56**

Notes to Financial Statements
for the year ended March 31, 2022

10 Inventories

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components	754.89	635.71
Work-in-progress	202.06	167.53
Finished goods	1,359.07	1,211.73
Traded goods	581.31	542.66
Stores and spares	34.07	25.40
Loose tools	2.62	0.86
Packing materials	20.19	21.09
Scrap materials	13.87	14.91
	2,968.08	**2,619.89**

Notes:

(a)	The above includes goods in transit as under:		
	Raw materials	180.41	110.61
	Finished goods	234.65	136.37
	Traded goods	74.95	44.04
(b)	The stock of scrap materials have been taken at net realisable value.		
(c)	Inventories are hypothecated with the bankers against working capital limits. {refer note 31(C)}		

11 Current Financial Assets

(A) Current Investment (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured, considered good		
Deposits account with financial institution with original maturity of more than three months but less than twelve months {refer note (a)}	-	154.77
Deposits account with financial institution with original maturity of more than twelve months but expiring less than 12 months	153.42	151.53
	153.42	**306.30**
Aggregate amount of unquoted investments	153.42	306.30
Aggregate amount of impairment in the value of investments	-	-

Note:

(a) The deposits maintained by the Company with financial institution comprise of the time deposits and are made of varying periods between one year to two years depending on the cash requirements of the Company and earn interest at the respective deposit rates.

(B) Trade Receivables (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured		
Trade receivables from contract with customers - considered good	812.08	599.98
Trade receivables - Credit impaired	27.16	33.00
Trade receivables (gross)	**839.24**	**632.98**
Less : Impairment allowance for trade receivables	71.74	69.35
Trade receivables (net)	**767.50**	**563.63**
Current portion	764.83	560.31
Non - current portion {refer note 7(B)}	2.67	3.32

Notes to Financial Statements
for the year ended March 31, 2022

(I) Trade receivables ageing schedule as at March 31, 2022

Particulars		Outstanding for following periods from due date of payment					
	Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	-	524.44	162.10	44.97	61.18	16.58	2.81	**812.08**
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	0.00	0.05	2.64	1.80	7.17	15.50	**27.16**
Total	**-**	**524.44**	**162.15**	**47.61**	**62.98**	**23.75**	**18.31**	**839.24**
Less : Allowance for trade receivables	-	(0.01)	(0.50)	(4.43)	(24.74)	(23.75)	(18.31)	**(71.74)**
Total	**-**	**524.43**	**161.65**	**43.18**	**38.24**	**-**	**-**	**767.50**

(II) Trade receivables ageing schedule as at March 31, 2021

Particulars		Outstanding for following periods from due date of payment					
	Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good		421.55	103.40	46.07	21.18	2.35	5.43	**599.98**
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	0.80	1.79	12.72	4.58	13.11	**33.00**
Total	**-**	**421.55**	**104.20**	**47.86**	**33.90**	**6.93**	**18.54**	**632.98**
Less : Allowance for trade receivables	-	-	(0.80)	(23.18)	(19.91)	(6.93)	(18.54)	**(69.35)**
Total	**-**	**421.55**	**103.40**	**24.68**	**13.99**	**-**	**-**	**563.63**

Notes:

(a) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

(b) Neither trade nor other receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to Financial Statements
for the year ended March 31, 2022

(C) Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Balances with banks:		
Current accounts (net) {refer note (d)}	24.72	20.11
Cash credit accounts	114.02	32.09
Deposits with a original maturity of less than three months {refer note (b)}	624.72	274.27
Cash on hand	0.24	0.10
	763.70	**326.57**

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) Short-term deposits are made of varying periods between one day to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposits rates.

(c) Includes amount of ₹ 0.15 crores related to Unspent CSR amount kept in separate bank account as per provision of 135(6) of Companies Act, 2013.

(d) Includes Fixed Deposit amounting ₹ 0.96 crores related to Havells Employees Welfare Trust.

(e) Change in liabilities arising from financing activities

(₹ in crores)

	Long Term Borrowing		Short Term Borrowing		Lease Liability	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	492.20	40.50	-	-	130.66	121.61
Addition on account of new leases during the year {refer Note 32(3)}	-	-	-	-	131.92	56.84
Deletion on account of termination of leases during the year {refer Note 32(3)}	-	-	-	-	(6.68)	(18.06)
Lease rent concession					(0.49)	(2.54)
Cash inflow from borrowings	0.04	500.00	-	500.00	-	-
Cash inflow from issue of commercial paper {refer note (a)} below	-	-	-	488.25	-	-
Cash outflows	(97.35)	(49.50)	-	(988.25)	(34.54)	(27.19)
Interest expense	25.10	25.04	-	22.04	14.89	9.68
Interest paid	(24.46)	(23.84)	-	(22.04)	(14.89)	(9.68)
Closing balance	**395.53**	**492.20**	**-**	**-**	**220.87**	**130.66**
Non-current Borrowing {refer note 15 (A)}	272.57	393.65	-	-	-	-
Non-current lease liability {refer note 15 (B)}	-	-	-	-	178.82	101.51
Current maturity of long term borrowing {refer note 18 (A)}	122.96	98.55	-	-	-	-
Current maturity of long term lease liability {refer note 18 (B)}	-	-	-	-	42.05	29.15

Notes:

(a) During FY 20-21, the Company had issued unsecured Commercial Paper (CP) worth ₹ 500 crores at the issue price of ₹ 488.25 crores having maturity date of March 26, 2021. These were fully repaid on due date including interest thereon.

(b) During FY 20-21, the Company had availed working capital loan of ₹ 200 crores from HSBC Bank Ltd. for general business purpose for a period of 90 days and the same was rolled over for further 90 days.The same was repaid on due date including interest thereon.

(c) During FY 20-21, company had availed unsecured working capital loan of ₹ 300 crores from DBS bank Ltd. which was repayable on demand and the same was repaid fully during FY 20-21 including interest thereon.

(d) For term loan {refer note 15(A)}

(D) Other Bank Balances

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Deposits account with original maturity of more than three months but expiring less than twelve months {refer note (a) and (e)}	72.07	384.62
Deposits account with original maturity of more than twelve months {refer note (b) and (d)}	1,697.39	910.68
Unpaid dividend account {refer note (c)}	2.68	2.87
	1,772.14	**1,298.17**

Notes to Financial Statements
for the year ended March 31, 2022

Notes:

(a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

(b) Fixed deposit with original maturity of more than twelve months but remaining maturity of less twelve months have been disclosed under other bank balances.

(c) The Company can utilise the balance towards settlement of unclaimed dividend.

(d) Includes Fixed Deposit amounting ₹ 4.14 crores (March 21, 2021 ₹ Nil) related to Unspent CSR amount kept in separate bank account as per provision of 135(6) of Companies Act, 2013.

(e) Includes Fixed Deposit amounting ₹ 4.82 crores related to Havells Employees Welfare Trust.

(E) Other Financial Assets (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured, considered good		
Earnest money and security deposits	3.32	3.91
Retention money	-	1.67
Contractual claims and other receivables {refer note (a)}	26.57	23.14
Consideration Receivable {refer note (b)}	-	17.27
	29.89	**45.99**

Note :

(a) Contractual claims and other receivables includes claims in accordance with contract with vendors.

(b) During the year, the Company's joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", has been liquidated vide order dated February 08, 2022. The Company has received an agreed consideration of ₹ 18.43 crores

12 Other Current Assets

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	19.14	16.49
Others		
Prepaid expenses	26.50	23.25
Duty free licenses in hand	2.40	0.19
Government grant receivable	9.34	23.02
Balance with Statutory and Government authorities/Others	50.51	46.28
	107.89	**109.23**
Movement of Government grant receivable		
Opening balance	23.02	71.18
Accrual of grant related to income (credited to statement of profit and loss account) (refer note 22)	10.66	9.87
Accrual of grant related to assets	-	8.41
Grant related to asset realized	(3.72)	(30.90)
Grant related to income realized	(20.62)	(35.54)
Closing Balance	**9.34**	**23.02**

Note: Government grant receivable includes export incentives, Budgetary support for refund of Goods and Service Tax and investment subsidy.

13 Assets Classified as Held for Sale

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Property, plant and equipment		
Assets retired from active use	0.73	0.58
	0.73	**0.58**

Notes to Financial Statements
for the year ended March 31, 2022

14 Equity

(A) Share capital

a) Authorized Share Capital

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
1,032,000,000 equity shares of ₹ 1/- each (March 31,2021: 1,032,000,000 equity shares of ₹ 1/- each)	103.20	103.20
5,50,000 preference shares of ₹ 10/- each (March 31,2021: 5,50,000 preference shares of ₹ 10/- each)	0.55	0.55
	103.75	**103.75**

b) Issued, subscribed and fully paid-up

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
626,303,067 equity shares of ₹ 1/- each (March 31, 2021: 626,013,006 equity shares of ₹ 1/- each)	**62.63**	**62.60**

c) Reconciliation of the shares outstanding at the beginning and at the end of the period/ year

	March 31, 2022		March 31, 2021	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	626,013,006	62.60	625,802,834	62.58
Add: Exercise of employee stock purchase plan - proceeds received {refer note 32(7)}	290,061	0.03	210,172	0.02
	626,303,067	**62.63**	**626,013,006**	**62.60**

d) Shareholding of promoters

S. No	Shares held by promoters at the end of the year	As at 31 March, 2022		As at 31 March, 2021		% change during the year
	Promoter Name	No. of equity shares	% of Total shares	No. of equity shares	% of Total shares	
1	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	77,425,200	12.36%	77,425,200	12.37%	0.01%
2	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	36,432,180	5.82%	36,432,180	5.82%	0.00%
3	QRG Investments and Holdings Limited	68,741,660	10.98%	68,741,660	10.98%	0.00%
4	QRG Enterprises Limited	189,858,880	30.31%	189,858,880	30.33%	0.02%
	Total	**372,457,920**	**59.47%**	**372,457,920**	**59.50%**	

e) Terms/rights attached to equity shares

The Company has only one class of issued share capital i.e. equity shares having a par value of ₹ 1/- per share (March 31,2021 : ₹ 1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements
for the year ended March 31, 2022

f) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.36	77,425,200	12.37
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	36,432,180	5.82	36,432,180	5.82
QRG Enterprises Limited	189,858,880	30.31	189,858,880	30.33
QRG Investments and Holdings Limited	68,741,660	10.98	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

g) Shares reserved for issue under Employee stock purchase plan

Information relating to Employee stock purchase plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 32 (7).

(B) Other Equity

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Capital reserve	7.63	7.63
Securities premium	121.50	90.38
Share option outstanding account	0.53	0.64
General reserve	722.72	722.72
Retained earnings	5,073.63	4,280.48
Total other equity	**5,926.01**	**5,101.85**
a) Capital reserve	**7.63**	**7.63**
b) Securities premium		
Opening balance	90.38	80.58
Add: Exercise of Employee stock purchase plan - proceeds received	31.12	9.80
Closing balance	**121.50**	**90.38**
c) Stock options outstanding account		
Opening balance	0.64	0.64
Add : Options recognized during the year	1.15	0.50
Less : Options vested and exercised during the year	(1.26)	(0.50)
Closing balance	**0.53**	**0.64**
d) General reserve	**722.72**	**722.72**
e) Retained earnings		
Opening balance	4,280.48	3,430.66
Net profit for the year	1,194.73	1,039.64
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	5.52	(2.02)
Dividends		
Final Dividend of ₹ 3.50 per share for FY 2020-21 (₹ Nil per share for FY 2019-20)	(219.21)	-
Interim dividend of ₹ 3.00 per share for FY 2021-22 (₹ 3.00 per share for FY 2020-21)	(187.89)	(187.80)
Closing balance	**5,073.63**	**4,280.48**

(C) Nature and Purpose of Reserves

(a) Capital reserve

During amalgamation/ merger approved by Honourable court, the excess of net assets taken over the consideration paid, if any, is treated as capital reserve. This capital reserve has arisen as a result of scheme of amalgamation in the past periods.

Notes to Financial Statements
for the year ended March 31, 2022

(b) **Securities premium**
Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) **General reserve**
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with scheme of Amalgamation in earlier years. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

(d) **Share options outstanding account**
The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock purchase plan.

Net of shares 41,960 (March 31, 2021: 41,960) held by employee welfare trust included in the financial statements

(e) **Retained earnings**
Retained Earnings are profits that the Company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

15 Non Current Financial Liabilities

(A) Borrowings (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Term loans from bank (secured) {refer note (a) to (d) below}	395.49	492.20
Term loans others (secured)	0.04	-
	395.53	**492.20**
Less : Current maturity of long term borrowing {refer note 18 (A)}	121.12	97.35
Less: Interest accrued (included in current borrowing)	1.84	1.20
Non-current portion	272.57	393.65

Notes:

(a) The company has availed secured loan of ₹ 250 crores, carrying interest rate of (3 months TBill rate plus (288–488 base points)) (March 31, 2021: ₹ 250 crores) against the sanctioned term loan amount of ₹ 250 crores (March 31, 2021:₹ 250 crores) from CITI Bank N.A.The current outstanding amount against the loan is ₹ 203.13 Crores (March 31, 2021: ₹ 250 crores).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the company during the previous year. The term loan is repayable in 16 equated quarterly instalments commencing from 15th month from first drawdown date of April 21, 2020. This term loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future situated at (i) SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India (ii) Unit-1 Village Dharampur,Sai Road,Baddi,Dist Solan,Himachal Pradesh,(iii) Unit-II Village Gulerwala,Dist Solan ,Baddi,Himachal Pradesh,(iv) Unit-I,Sector -10,Plot No 2A,BHEL Complex,Haridwar (v) Unit-II, Plot No 2A and 2D/1 Sector-10,Sidcul Industrial Area,Haridwar, Uttarakhand.

(b) The company has availed secured loan of ₹ 250 Crores carrying interest rate of 4–6 %, (March 31, 2021 : ₹ 250 crores) against the sanctioned amount of ₹ 350 crores (March 31, 2021: ₹ 350 crores) from HDFC Bank Limited. The current outstanding amount against the loan is ₹ 190.52 Crores (March 31 ,2021: ₹ 241 crores).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the company during 12 months of first drawdown date of May 29, 2020. The term loan is repayable in quarterly instalments over the period of 5 years as per terms of agreement starting from [1st Loan of ₹ 120 Crores (June 2020- May 2025) and 2nd Loan of ₹ 130 Crores (April 2021- May 2025)]. This loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets, plant and machinery and all movable properties both present and future situated at (i) A-461/462,SP-215 and 204 & 204A ,Matsya Industrial Area, Alwar, Rajasthan and (ii) SP-1-133,General Zone ,RIICO Industrial Area, Ghiloth.

(c) The Company is required to maintain the Debt Covenants i.e., Fixed assets coverage ratio, Debt service coverage ratio, Gearing Ratio, Leverage Ratio & Interest coverage ratio and Company has complied with all the debt covenants in both the year i.e., March 31, 2022 and March 31, 2021.

(d) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The Company has complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022 and March 31, 2021.

Notes to Financial Statements
for the year ended March 31, 2022

(e) As on the Balance sheet date there is no default in repayment of loans and interest.

(f) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loans were obtained.

(g) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period. .

(B) Lease Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Lease Liability {refer note 32(3)}	178.82	101.51
	178.82	**101.51**

(C) Other Financial Liabilities (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Employees payable pursuant to employee stock purchase plan	0.56	0.58
Long Term Employee Retention scheme	0.66	0.73
Other Liabilities	2.74	-
	3.96	**1.31**

16 Non Current Provisions

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Product warranties and E-waste {Refer note 19(a)}	76.25	58.43
	76.25	**58.43**

17 Income Taxes

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(a) Income tax expense in the statement of profit and loss comprises:

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current income tax charge	407.80	346.73
Adjustment in respect of current income tax of previous year	(10.25)	(7.38)
Total current income tax	**397.55**	**339.35**
Deferred Tax charge / (credit)		
Relating to origination and reversal of temporary differences	11.51	52.59
Income tax expense reported in the statement of profit or loss	**409.06**	**391.94**

(b) Other Comprehensive Income

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current income tax related to items recognized in OCI during the year:		
Current income tax on re-measurement loss on defined benefit plans	(1.86)	0.68
Income tax related to items recognized in OCI during the year	**(1.86)**	**0.68**

Notes to Financial Statements
for the year ended March 31, 2022

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Accounting Profit before tax	1,603.79	1,431.58
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	**403.64**	**360.30**
Expense not allowed for tax purpose	5.69	8.68
Additional allowances for tax	(0.03)	(0.05)
Impact of amendment in income tax law pursuant to Finance Act, 2021 on deferred tax liability	-	32.96
Utilisation of previously unrecognized tax losses	(0.24)	(9.95)
Income tax charged to Statement of Profit and Loss at effective rate of 25.51% (March 31, 2021: 27.38%) {Refer Note (ii) below}	**409.06**	**391.94**

(d) Deferred tax liabilities comprises:

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2022	As at March 31,2021	Year ended March 31, 2022	Year ended March 31,2021
Accelerated Depreciation for Tax purposes	382.72	368.63	14.09	53.16
Right of Use as per Ind AS 116	52.79	30.93	21.86	1.48
Lease liability as per Ind AS 116	(55.59)	(32.88)	(22.71)	(2.27)
Expenses allowable on payment basis	(12.69)	(11.65)	(1.04)	5.93
Allowance for doubtful debts	(18.04)	(17.45)	(0.59)	(6.16)
Other Items giving rise to temporary differences	1.43	1.53	(0.10)	0.45
Deferred tax liabilities (net)	**350.62**	**339.11**	**11.51**	**52.59**

(e) Deferred tax liabilities (net)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Opening balance as per last Balance Sheet	339.11	286.52
Deferred tax charged/(credited) to profit and loss account during the year	3.10	52.59
Adjustment in respect of deferred tax of previous year	8.41	-
Closing balance	**350.62**	**339.11**

Notes:

(i) The Company has unabsorbed capital loss of ₹ 369.61 crores as on March 31, 2022 (March 31, 2021: ₹ 342.05 crores) out of which capital loss of ₹ 219.75 crores will expire in financial year 2023-24, capital loss of ₹ 122.30 crores will expire in financial year 2025-26 and capital loss of ₹ 27.55 crores will expire in financial year 2029-30, on which no deferred tax asset has been created by the management due to lack of probability of future capital gain against which such deferred tax assets can be realized. If the Company were able to recognise all unrecognized deferred tax assets, the profit after tax would have increased by ₹ 84.56 crores (March 31, 2021: ₹ 78.26 Crore).

(ii) Effective tax rate has been calculated on profit before tax.

18 Current Financial Liabilities

(A) Short Term Borrowings

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current maturities of long term borrowings (Refer note 15(A))	121.12	97.35
Add: Interest accrued	1.84	1.20
	122.96	**98.55**

Notes to Financial Statements
for the year ended March 31, 2022

(B) Lease Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current maturities of Lease liability {refer note 32 (3)}	42.05	29.15
	42.05	**29.15**

(C) Trade Payables

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Total outstanding dues of micro enterprise and small enterprises; and	114.08	188.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,265.33	1,408.00
	2,379.41	**1,596.78**

Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	112.68	1.40	-	-	-	114.08
(ii) Others	83.02	1,971.00	206.63	3.29	-	-	2,263.94
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	1.39	1.39
Total	**83.02**	**2083.68**	**208.03**	**3.29**	**0.00**	**1.39**	**2379.41**

Trade payables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	178.96	9.82	-	-	-	**188.78**
(ii) Others	-	1,194.68	209.07	2.32	0.06	0.48	**1406.61**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	1.39	**1.39**
Total	**-**	**1,373.64**	**218.89**	**2.32**	**0.06**	**1.87**	**1596.78**

Notes:

(i) Trade Payables include due to related parties ₹ 16.92 crores (March 31, 2021 : ₹ 15.85 crores) {refer note 32(6)(D)}

(ii) The amounts are unsecured and non interest-bearing and are usually on varying trade term.

(iii) For terms and conditions with related parties. {refer to note 32(6)}

(iv) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

Notes to Financial Statements
for the year ended March 31, 2022

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	March 31, 2022	March 31, 2021
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 as at the end of each accounting year		
Principal	114.08	188.78
Interest	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (March 31, 2021 : ₹ Nil)	-	-

(D) Other Financial Liabilities (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unpaid dividend {refer note (a)}	2.68	2.87
Other payables		
Employees payable pursuant to employee stock purchase plan	2.06	3.18
Creditors for capital goods	21.47	31.25
Deposits from customers	45.55	42.41
Retention money	9.43	8.55
Other liabilities		
Employee benefit obligations	110.25	90.72
Payable to banks against receivable buyout facilities (refer note (b))	-	28.03
Interest accrued	5.94	11.53
Sales incentives payable	319.29	293.05
Others {refer note (c)}	8.79	58.84
	525.46	**570.43**

Notes:

a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred ₹ 0.26 crores (March 31,2021 : ₹ 0.14 crores) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act, 2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Other includes amount against E-waste liability {refer note 19(a)(ii)}.

19 Current Provisions

i) Provision for employee benefits

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Gratuity {refer note no. 32(4)}	8.65	18.25
(A)	**8.65**	**18.25**

Notes to Financial Statements
for the year ended March 31, 2022

ii) Other provisions

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Product warranties {refer note (a)}	237.30	226.37
Litigations {refer note (b)}	7.28	12.93
(B)	**244.58**	**239.30**
(A) + (B)	**253.23**	**257.55**

a) Provision for warranties and E-waste

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within seven years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on one to seven years warranty period for all products sold and are consistent with those in the prior years. The assumptions made in relation to the current year are consistent with those in the prior year.

(ii) The table below gives information about movement in Warranty and E-waste provisions:

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
As at April 01, 2021	284.80	212.51
Charged/(credited) to profit or loss		
- additional provisions recognized (refer note 30)	211.27	243.37
- unused amounts reversed	-	-
- unwinding of discount {refer note no. 28}	6.24	4.21
Amounts used during the year	(188.76)	(175.29)
As at March 31, 2022	**313.55**	**284.80**
Current portion	237.30	226.37
Non-current portion {refer note no. 16}	76.25	58.43

b) Provision for litigations

Provision for litigation amounting to ₹ 7.28 Crores (March 31, 2021: ₹ 12.93 Crores) is created against demands raised in various ongoing litigations in ordinary course of business. Based on the facts of the case and legal precedents, the management believes there would be a probable outflow of resources and accordingly, has created a provision in books of account.

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
As at April 01, 2021	12.93	13.99
Charged/(credited) to profit or loss	-	-
Amounts used during the year	(5.65)	(1.06)
As at March 31, 2022	**7.28**	**12.93**
Current portion	7.28	12.93
Non-current portion	-	-

Note: No additional provisions were recognized during the year

20 Current Tax Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current tax liabilities (net of advance tax and tax deducted at source amounting to ₹ 346.86 crores (March 31, 2021 ₹ 276.86 crores)	62.85	74.26
	62.85	**74.26**

Notes to Financial Statements
for the year ended March 31, 2022

21 Other Current Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Advances from customers	37.61	25.17
Others		
Goods and Services Tax Payable	123.45	40.07
Other statutory dues payable	65.60	55.69
	226.66	**120.93**

22 Revenue from Operations

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contract with customers:			
Sale of products		13,706.50	10,300.19
Sales of services		79.00	53.16
	(A)	**13,785.50**	**10,353.35**
Other operating revenues			
Export Incentive		10.66	9.87
Scrap sales		92.37	64.70
	(B)	**103.03**	**74.57**
Total revenue from operations	**(A) + (B)**	**13,888.53**	**10,427.92**
(i) Timing of revenue recognition			
Goods transferred at a point in time		13,798.87	10,364.89
Services transferred over the time		79.00	53.16
Total revenue from contract with customers		**13,877.87**	**10,418.05**
Add : Export Incentive		10.66	9.87
Total revenue from operations		**13,888.53**	**10,427.92**
(ii) Disaggregation of revenue based on product or service			
Switchgears		1,781.35	1,454.51
Cables		4,642.77	3,178.88
Lighting and fixtures		1,370.71	1,084.29
Electrical consumer durables		3,064.11	2,375.28
Lloyd Consumer*		2,260.21	1,688.61
Others		758.72	636.48
Total revenue from contract with customers**		**13,877.87**	**10,418.05**
* Includes revenue from installation services and service-type warranties.			
** Excludes export incentive of ₹ 10.66 crores (March 31, 2021 : ₹ 9.87 crores)			
(iii) Revenue by location of customers			
India		13,373.43	10,057.53
Outside India		504.44	360.52
Total revenue from contract with customers		**13,877.87**	**10,418.05**
Add : Export Incentive		10.66	9.87
Total revenue from operations		**13,888.53**	**10,427.92**
(iv) Reconciliation of revenue recognized in statement of profit and loss with contracted price			
Revenue as per contracted price		13,964.90	10,493.13
Less: Cash discount		(87.03)	(75.08)
Total revenue from contract with customers		**13,877.87**	**10,418.05**
Add : Export Incentive		10.66	9.87
Total revenue from operations		**13,888.53**	**10,427.92**

Notes to Financial Statements
for the year ended March 31, 2022

(v) Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Company provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2022 and expected time to recognise the same as revenue is as follows:-

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Within one year	16.69	9.54
More than one year	4.99	4.57
	21.68	**14.11**

Note: The remaining performance obligation expected to be recognized in more than one year relates to amounts received from customer against which performance obligation is to be satisfied over the period of one to seven years. All other remaining performance obligation are expected to be recognized within one year. During the year ended March 31, 2022, revenue recognized from amount included in contract liability at the beginning of year is ₹ 9.54 crores (March 31, 2021: ₹ 15.22 crores).

(vi) Disclosure pursuant to Appendix D of Ind AS 115

The Company was awarded a contract for replacement of existing conventional street/ park lights with LED street/ park lights by a Municipal Corporation in April 2017. As per the agreement, the Company shall also be responsible for the operation and maintenance of LED street/ park lights for a period of 7 years after installation. The consideration received by the Company under the contract is based on the energy savings resulting from the LED street/ park lights. The revenue recognized during the year and the contract assets balance as at year-end from such contract amounts to ₹ 45.43 Crores (March 31, 2021: ₹ 44.52 crores) and ₹ 56.83 Crores (March 31, 2021: ₹ 67.09 crores) respectively.

23 Other Income

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest received on financial assets carried at amortized cost:		
Deposits with banks	80.74	83.89
Investment	15.26	15.53
Others - unwinding of discounting on security deposits and provisions	7.76	8.10
Other non-operating income		
Exchange fluctuations (net)	33.48	24.05
Liabilities no longer required written back	0.15	4.49
Gain on disposal of property, plant and equipment (net)	-	40.39
Lease rent concession {refer note 32(3)}	0.49	2.54
Profit on sale of Investments	0.97	-
Discount on License utilized	8.65	-
Subsidy Income	4.83	-
Miscellaneous income	8.09	8.83
	160.42	**187.82**

Notes to Financial Statements
for the year ended March 31, 2022

24 Cost of Raw Materials and Components Consumed

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Copper	2,604.08	1,830.22
Aluminium	922.07	514.16
General plastic and Engineering Plastic	365.51	238.98
Paints and chemicals	486.41	311.46
Steel	217.59	166.56
Packing materials	307.53	231.51
Other material	2,868.87	2,097.62
	7,772.06	**5,390.51**

25 Purchase of Traded Goods

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Switchgears	157.37	87.82
Lighting and fixtures	308.75	252.37
Electrical consumer durables	440.69	357.97
Lloyd Consumer	681.95	695.03
Cables	0.77	0.73
Others	241.95	221.54
	1,831.48	**1,615.46**

26 Change in Inventories of Finished Goods, Traded Goods and Work-In-Progress

(₹ in crores)

	As at March 31, 2022	As at March 31,2021	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	1,359.07	1,211.73	(147.34)
Traded goods	581.31	542.66	(38.65)
Work in progress	202.06	167.53	(34.53)
Scrap materials	13.87	14.91	1.04
	2,156.31	**1,936.83**	**(219.48)**

(₹ in crores)

	As at March 31, 2022	As at March 31,2021	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	1,211.73	836.99	(374.74)
Traded goods	542.66	459.30	(83.36)
Work in progress	167.53	100.52	(67.01)
Scrap materials	14.91	8.95	(5.96)
	1,936.83	**1,405.76**	**(531.07)**

27 Employee Benefits Expenses

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, bonus, commission and other benefits	922.01	819.68
Contribution towards Provident Fund, Family Pension and ESI	40.45	36.17
Employee stock purchase plan expense {refer note no. 32(7)}	26.76	7.59
Gratuity expense {refer note no. 32(4)}	16.03	15.55
Staff welfare expenses	9.40	6.34
	1,014.65	**885.33**

Notes to Financial Statements
for the year ended March 31, 2022

28 Finance Costs

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on borrowings	25.10	47.08
Interest on income tax	7.01	11.21
Interest on lease liability {refer note no. 32(3)}	14.89	9.68
Miscellaneous financial expenses	0.17	0.46
Total interest expense	**47.17**	**68.43**
Unwinding of discount on long term provisions {refer note no. 19(a)(ii)}	6.24	4.21
Total Finance cost	**53.41**	**72.64**

29 Depreciation and Amortization Expenses

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment {refer note 3}	192.04	187.82
Amortization of intangible assets {refer note 4}	27.02	26.12
Depreciation of Right of use assets (refer note 3)	41.77	34.92
	260.83	**248.86**

30 Other Expenses

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	54.68	48.74
Power and fuel	99.57	84.32
Job work and service charges	279.10	246.91
Rent	23.76	31.22
Repairs and maintenance:		
Plant and machinery	15.35	9.55
Buildings	3.60	2.85
Others	52.57	45.38
Rates and taxes	2.58	4.54
Insurance	25.23	20.86
Trade mark fee and royalty	0.39	0.21
Travelling and conveyance	66.54	40.98
Communication expenses	6.59	6.83
Legal and professional charges	32.72	20.52
Payment to Auditors		
As Auditors:		
Audit fee	1.35	1.35
Tax audit fee	0.04	0.05
Certification fee	0.01	0.04
Reimbursement of expenses	0.05	0.01
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 32(8)}	23.66	20.97
Directors sitting fees	0.45	0.45
Freight and forwarding expense	431.21	361.54
Advertisement and sales promotion	246.82	132.55
Secondary sales promotion expense	-	33.88
Commission on sales	98.30	73.99
Product warranties and after sales services (net of reversals)	211.27	243.37
Bank Charges	13.34	17.33
Loss on sale/ discard of property, plant and equipment (net)	1.43	-
Bad debts written off	10.39	1.43
Impairment allowance for trade receivables considered doubtful	2.39	24.48
Impairment of Investment in subsidiary company /Joint Venture	-	1.10
Miscellaneous expenses	28.82	26.98
	1,732.21	**1,502.43**

Notes to Financial Statements
for the year ended March 31, 2022

31 Commitments and Contingencies

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

		As At March 31,2022	As At March 31,2021
a	Claims / Suits filed against the Company not acknowledged as debts (Refer point (i))	7.07	6.86
b	Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 29.13 crores (March 31, 2021: ₹ 31.86 crores, included in "Deposit with Statutory and Government authorities" in note no. 8) {refer point (ii)}	74.88	64.16

Notes:

i) Claims / suits filed against the Company not acknowledged as debts which represents various legal cases filed against the company. The Company has disclaimed the liability and defending the action. The Company has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.

ii) The various disputed tax litigations are as under:

(₹ in crores)

Sl.	Description {refer note below}	Period to which relates	Disputed amount As At March 31,2022	Period to which relates	Disputed amount As At March 31,2021
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2009-10, 2015-16 to 2017-18 and 2019-20	16.34	2007-08 to 2009-10, 2015-16 and 2019-20	0.40
b)	**Income Tax***				
	Disallowances / additions made by the income tax department.	2005-06, 2009-10 to 2014-15, 2016-17,2018-19 and 2019-20	38.78	2005-06, 2009-10 to 2013-14	42.21
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 and 2019-20	1.26	2017-18 and 2019-20	1.26
d)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department.	2005-06 to 2016-17	18.35	2005-06 to 2016-17	20.14
e)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			74.88		**64.16**

Notes:

The Company is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for these tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

*Based on favourable decisions in similar cases, the Company does not expect any liability against these matters in accordance with principles of Ind AS -12 'Income taxes' read with Ind AS -37; Provisions, Contingent Liabilities and Contingent Assets' and hence no provision has been considered in the books of accounts except for provision created in respect of few years {refer note 19(ii)}.

The above amounts contain interest and penalty where included in the order issued by the department to the Company

B Commitments

(₹ in crores)

	As At March 31,2022	As At March 31,2021
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances amounting to ₹ 7.45 crores (March 31, 2021: ₹ 6.33 crores))	59.27	112.04
	59.27	**112.04**

Notes to Financial Statements
for the year ended March 31, 2022

C Undrawn committed borrowing facility

(a) During the year, the Company has availed fund and non fund based unsecured working capital limit amounting to ₹ 902 Crores under multiple banking arrangements from IDBI Bank Limited, Yes Bank Limited, Standard Chartered Bank Limited, HSBC Bank, ICICI Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, DBS Bank Limited and CITI Bank N.A. An amount of ₹ 598.44 crores remain undrawn as at Mach 31, 2022.

(b) The Company has availed fund based and non fund based working capital limits amounting to ₹ 235 crores (March 31, 2021 : ₹ 235.00 crores) from banks under consortium of Canara Bank, IDBI Bank Limited, Standard Chartered Bank, Axis Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ Nil crores remain undrawn as at March 31, 2022 (March 31, 2021 : ₹ 217.12 crores). Further, the limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire paid stocks consisting of raw material, work in progress, finished goods kept at Company's godown, factories and book debts along with receivables of the Company, both present and future.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with consortium banks by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which 1st charge is held with term lenders.

D Other Litigations

The Company has some sales tax and other tax related litigation of ₹ 7.28 crores (March 31, 2021: ₹ 12.93 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E The Company has outstanding obligation amounting to ₹ 0.52 crores (March 31, 2021: ₹ 0.80 crores) in respect of bonds given to central tax department against import of goods at concessional rate of basic custom duty. The Company expects to fulfil the obligation in due course of time.

F The Company has export obligation of ₹ 34.95 crores (March 31, 2021: ₹ 10.18 crores) on account of import duty exemption of ₹ 1.50 crores (March 31, 2021: ₹ 0.50 crore) on capital goods under the Export Promotion Capital Goods (EPCG) and ₹ 0.24 crores Advance Authorisation scheme laid down by the Government of India. The Company expects to fulfil the obligation in due course of time.

32 Other Notes on Accounts

1. Investment in subsidiaries and joint ventures

(a) The Company 's investments in subsidiaries are as under:

(₹ in crores)

Name of the subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2022	Portion of ownership interest as at March 31, 2021	Method used to account for the investment
Havells Holdings Limited	Isle of Man	100%	100%	At cost
Havells Guangzhou International Limited	China	100%	100%	At cost

(b) The Company's investment in Joint venture is as under:

(₹ in crores)

Name of the Joint venture	Country of incorporation	Portion of ownership interest as at March 31, 2022	Portion of ownership interest as at March 31, 2021	Method used to account for the investment
Jiangsu Havells Sylvania Lighting Co. Limited {refer note 11(E)(b)}*	China	-	50%	At cost

*During the year, the Company's joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", has been liquidated vide order dated February 08, 2022.

Notes to Financial Statements
for the year ended March 31, 2022

2. During the year, the Company has capitalised the following expenses directly relatable to the cost of property, plant and equipment, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed	11.35	9.48
Employee benefits expense*	6.61	2.27
Other expenses	0.56	0.74
	18.52	**12.49**

*Employee benefits expense includes overheads

3 Leases

(i) The Company's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(ii) Following is carrying value of right of use assets and the movements thereof :

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 1, 2020	**215.64**	**117.03**	**332.67**
Additions during the year	39.58	56.96	96.54
Recognition of grant related to assets	(17.71)		(17.71)
Deletion during the year	(10.50)	(18.62)	(29.12)
Depreciation of Right of use assets (refer note 29)	(2.44)	(32.48)	(34.92)
Balance as at March 31, 2021	**224.57**	**122.89**	**347.46**
Additions during the year	1.87	132.69	134.56
Recognition of grant related to assets	-	-	-
Deletion during the year	-	(6.59)	(6.59)
Depreciation on Right of use assets (refer note 29)	(2.53)	(39.24)	(41.77)
Balance as at March 31, 2022	**223.91**	**209.75**	**433.66**

(iii) The following is the carrying value of lease liability and movement thereof :

(₹ in crores)

Particulars	Amount
Balance as at April 1, 2020	**121.61**
Additions during the year	56.84
Finance cost accrued during the year	9.68
Deletion during the year	(18.06)
Lease rent concession	(2.54)
Payment of lease liabilities including interest	(36.87)
Balance as at March 31, 2021	**130.66**
Additions during the year	131.92
Finance cost accrued during the year	14.89
Deletion during the year	(6.68)
Lease rent concession	(0.49)
Payment of lease liabilities including interest	(49.43)
Balance as at March 31, 2022	**220.87**
Current maturities of Lease liability {refer note 18 (B)}	42.05
Non-Current Lease Liability {refer note 15 (B)}	178.82
	220.87

Notes to Financial Statements
for the year ended March 31, 2022

(iv) The maturity analysis of lease liabilities are disclosed in Note 32(10).

(v) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.5%

(vi) Amounts recognized in the statement of profit and loss during the year

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation charge of right-of-use assets - leasehold building	39.24	32.48
Depreciation charge of right-of-use assets - leasehold land	2.53	2.44
Finance cost accrued during the year (included in finance cost) (refer note 28)	14.89	9.68
Expense related to short term leases (included in other expense) (refer note 30)	23.76	31.22

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Company has received the Covid-19-related rent concessions for lessees amounting to ₹ 0.49 crores (March 31, 2021: ₹ 2.54 crores) and on the basis of practical expedient as per Ind AS 116 "Leases", the same is not considered to be lease modification, hence the income towards rent concession is recognized in "Other Income" in the statement of profit and loss account.

(ix) The Company has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

(x) **Non-cash investing activities during the year:**

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Acquisition of right of use assets	134.56	56.96
Recognition of grant related to assets	-	(17.71)
Disposals of right of use assets	(6.59)	(18.62)

4 Gratuity and other post-employment benefit plans

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below:

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's Contribution towards Provident Fund (PF) and NPS	40.12	35.80
Employer's Contribution towards Employee State Insurance (ESI)	0.33	0.37
	40.45	**36.17**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Bajaj Allianz Life Insurance Co. Ltd. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summaries the components of net benefit expense recognized in the statement of profit or loss, the funded status and amounts recognized in the balance sheet for the respective plans:

Notes to Financial Statements
for the year ended March 31, 2022

a) Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Present value of Defined Benefit obligation at the beginning of the year	129.22	108.26
Opening obligation transferred to group companies	-	-
Interest Expense	8.51	7.15
Current Service Cost	15.41	14.90
Benefit paid	(6.68)	(4.75)
Remeasurement of (gain)/loss recognized in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	(5.06)	4.04
Actuarial changes arising from changes in experience adjustments	(1.11)	(0.38)
Present value of Defined Benefit obligation at year end	**140.29**	**129.22**

b) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets at beginning of the year	110.97	89.18
Expected return on plan assets	7.89	6.50
Employer contribution	18.25	19.08
Remeasurement of gain/(loss) in other comprehensive income		
Return on plan assets excluding interest income	1.21	0.96
Benefits paid	(6.68)	(4.75)
Fair value of plan assets at year end	**131.64**	**110.97**

c) Net defined benefit asset/ (liability) recognized in the balance sheet

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets	131.64	110.97
Present value of defined benefit obligation	(140.29)	(129.22)
Amount recognized in Balance Sheet- Asset / (Liability)	**(8.65)**	**(18.25)**
Current portion {refer note 19(i)}	(8.65)	(18.25)
Non-current portion	-	-

d) Net defined benefit expense (recognized in the Statement of profit and loss for the year)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	15.41	14.90
Interest cost (net)	0.62	0.65
Net defined benefit expense debited to statement of profit and loss	**16.03**	**15.55**

e) Remeasurement (gain)/ loss recognized in other comprehensive income

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial changes arising from changes in financial assumptions	(5.06)	4.04
Actuarial changes arising from changes in experience adjustments	(1.11)	(0.38)
Return on Plan assets excluding amounts included in net interest expense	(1.21)	(0.96)
Recognized in other comprehensive income	**(7.38)**	**2.70**

f) Broad categories of plan assets as a percentage of total assets

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Insurer managed funds	100%	100%

Notes to Financial Statements
for the year ended March 31, 2022

g) Principal assumptions used in determining defined benefit obligation

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	7.23%	6.76%
Salary Escalation	9.00%	9.00%
Attrition Rate	7.00%	7.00%

h) Quantitative sensitivity analysis for significant assumptions is as below:

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 0.50%	(4.90)	(4.37)
Decrease by 0.50%	5.59	5.03
Salary increase		
Increase by 0.50%	5.49	4.90
Decrease by 0.50%	(4.91)	(4.36)
Attrition rate		
Increase by 0.50%	(0.57)	(0.70)
Decrease by 0.50%	0.65	0.80

i) Maturity profile of defined benefit obligation

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Within the next 12 months (next annual reporting period)	10.22	8.73
Between 2 and 5 years	65.53	57.65
More than 5 years	198.35	173.52
Total expected payments	**274.10**	**239.90**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 21.66 years (March 31, 2021: 21.98 years)

k) The Company expects to contribute ₹ 8.65 crores (March 31, 2021 : ₹ 18.25 crores) to the plan during the next financial year.

l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

o) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to Financial Statements
for the year ended March 31, 2022

5 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Company is organized into business units based on its products and services and has six reportable segments as follows:

a) Operating Segments

Switchgears	: Domestic and Industrial switchgears, electrical wiring accessories and capacitors.
Cables	: Domestic cables and Industrial underground cables.
Lighting and Fixtures	: Energy Saving Lamps (LED, Fixtures) and luminaries.
Electrical Consumer Durables	: Fans, Water Heaters, Coolers, and Domestic Appliances
Lloyd Consumer	: Air Conditioner, Television, Refrigerator and Washing Machine
Others	: Industrial motors, Pump, Water purifier, Solar, Personal Grooming

b) Identification of Segments:

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues.

g) No operating segments have been aggregated to form the above reportable operating segments.

Summary of Segmental Information

A. Revenue from operations

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment Revenue (Sales and other operating revenue)		
Switchgears	1,786.40	1,460.88
Cables	4,645.08	3,180.17
Lighting and fixtures	1,370.88	1,084.60
Electrical consumer durables	3,066.85	2,376.99
Lloyd Consumer	2,260.59	1,688.75
Others	758.73	636.53
	13,888.53	**10,427.92**
Inter Segment Sale	-	-
Total segment revenue	**13,888.53**	**10,427.92**

Notes to Financial Statements
for the year ended March 31, 2022

B. Results

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment results		
Switchgears	490.75	404.69
Cables	540.26	403.78
Lighting and fixtures	257.63	204.09
Electrical consumer durables	457.55	403.68
Lloyd Consumer	(71.10)	74.12
Others	56.71	30.98
Segment profit	**1,731.80**	**1,521.34**
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Other unallocable expenses net off	235.02	204.94
Other unallocable income	(160.42)	(187.82)
Operating Profit	**1,657.20**	**1,504.22**
Finance Costs {refer note 29}	(53.41)	(72.64)
Profit before tax	**1,603.79**	**1,431.58**
Income tax expense {refer note 17}	(409.06)	(391.94)
Profit after tax	**1,194.73**	**1,039.64**

C. Reconciliations to amounts reflected in the financial statements

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment Assets		
Switchgears	611.98	685.41
Cables	1,126.47	1,085.62
Lighting and fixtures	612.07	584.52
Electrical consumer durables	1,240.26	978.01
Lloyd Consumer	3,076.03	2,831.14
Others	239.43	259.74
Segment operating assets	**6,906.24**	**6,424.44**
Reconciliation of segment operating assets to total assets		
Cash and bank balance {refer note ,7(C), 11(C) and (D)}	2,556.04	1,624.74
Fixed deposits with financial institutions {refer note 7(A) and 11(A)}	426.10	306.30
Investment in Subsidiaries{refer note 5}	1.63	1.63
Other unallocable assets	615.15	463.11
Total assets	**10,505.16**	**8,820.22**
Segment Liabilities		
Switchgears	336.80	335.47
Cables	742.99	377.63
Lighting and fixtures	254.37	246.19
Electrical consumer durables	681.57	620.58
Lloyd Consumer	911.84	620.57
Others	124.07	122.50
Segment operating liabilities	**3,051.64**	**2,322.94**
Reconciliation of segment operating liabilities to total liabilities		
Borrowings {refer note 15(A) and 18(A)}	395.53	492.20
Lease Liabilities{refer note 15(B) and 18(B)}	220.87	130.66
Deferred tax liability {refer note 17(d)}	350.62	339.11
Current tax liabilities (net){refer note 20}	62.85	74.26
Other unallocable liabilities	435.01	296.60
Total liabilities	**4,516.52**	**3,655.77**

Notes to Financial Statements
for the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Other non-current assets		
Switchgears	0.62	5.42
Cables	4.11	2.46
Lighting and fixtures	0.01	0.01
Electrical consumer durables	0.66	3.63
Lloyd Consumer	0.35	5.73
Others	0.10	0.43
	5.85	**17.68**
Unallocable assets	37.08	36.94
	42.93	**54.62**
Capital Expenditure		
Switchgears	37.43	25.89
Cables	21.04	26.98
Lighting and fixtures	13.33	1.94
Electrical consumer durables	70.18	35.92
Lloyd Consumer	78.38	91.03
Others	7.43	4.22
	227.79	**185.98**
Unallocable capital expenditure	28.30	24.98
	256.09	**210.96**
Depreciation and Amortization Expenses		
Switchgears	47.29	48.75
Cables	61.01	65.36
Lighting and fixtures	17.45	18.98
Electrical consumer durables	49.23	46.95
Lloyd Consumer	74.30	56.62
Others	11.55	12.20
	260.83	**248.86**
Non-cash expenses (net) other than depreciation		
Switchgears	0.40	0.55
Cables	(1.07)	(0.58)
Lighting and fixtures	12.23	24.15
Electrical consumer durables	0.43	1.17
Lloyd Consumer	2.14	0.39
Others	0.08	0.24
	14.21	**25.92**
Impairment allowance on other assets	-	1.10
	14.21	**27.02**

Note: Non cash expenses other than depreciation includes loss on disposal of property, plant and equipment, bad debts and Impairment allowance for trade receivables and other assets considered doubtful.

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment Revenue by location of customers		
The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	13,384.09	10,067.40
Revenue-Overseas Market	504.44	360.52
	13,888.53	**10,427.92**
Geographical Segment assets		
Within India	10,443.61	8,744.87
Outside India	61.55	75.35
	10,505.16	**8,820.22**

Notes to Financial Statements
for the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Geographical Non-current assets		
Within India	3,532.41	3,427.19
Outside India	1.23	7.64
	3,533.64	**3,434.83**

Non Current assets for this purpose excludes investment in subsidiaries, Contract assets, non current financial assets and non current tax assets

Notes:

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed at company level.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at company level

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets

(iv) There is no single external customer accounting to 10 per cent or more of an Company's revenues

6 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", {under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)}, as disclosed below:-

(A) Names of related parties and description of relationship:

(i) Related party where control exists

Subsidiary Companies	**Relationship**
1 Havells Holdings Limited	Wholly Owned Subsidiary (WOS)
2 Havells Guangzhou International Limited	Wholly Owned Subsidiary (WOS)

(ii) Erstwhile Joint Venture

Jiangsu Havells Sylvania Lighting Co. Limited (liquidated on February 08, 2022) — 50% ownership interest held by Company.

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises having significant influence over company
QRG Enterprises Limited

(ii) Enterprises in which directors are having significant influence
QRG Foundation
Guptajee & Company
QRG Medicare limited (till November 26, 2021)
Aartas Care Private Limited
SRF Limited
Manipal Health Enterprises Pvt. Ltd

(iii) Employee benefit trust for the benefited employees
Havells India Limited Employees Gratuity Trust

(iv) Key Management Personnel
Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Wholetime Director
Shri Siddhartha Pandit, Wholetime Director
Shri Sanjay Kumar Gupta, Company Secretary
Non Executive Directors
Shri Vijay Kumar Chopra (retired w.e.f April 1 ,2020)
Dr. Adarsh Kishore (retired w.e.f April 1,2020)
Shri Surender Kumar Tuteja (retired w.e.f April 1,2020)

(iv) Non Executive Directors (Contd.)
Smt. Pratima Ram (retired w.e.f June 30, 2021)
Shri Vellayan Subbiah (resigned on October 22, 2020)
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani
Shri U K Sinha
Shri B P Rao (appointed w.e.f. May 12, 2020)
Shri S S Mundra (appointed w.e.f. May 12, 2020)
Shri Vivek Mehra (appointed w.e.f. May 12, 2020)
Smt Namrata Kaul (appointed w.e.f. January 20, 2021)
Shri Ashish Bharat Ram (appointed w.e.f. May 20, 2021)

(v) Other Related Parties
Shri Rakesh Mehrotra
- Associate Director (appointed w.e.f Jun 01,2020)
- HKHR Ventures LLP (Partner)
Shri Yogesh Kumar Gupta
- Associate Director (appointed w.e.f Jun 01,2020)
- Eastern Distributors (Partner)
- Gupta Enterprise (Partner)
- YKG Enterprises (Partner)
- O.P. Gupta & Co.(Partner)
- OPG Travels (Partner)

Notes to Financial Statements
for the year ended March 31, 2022

(C) Transactions during the year

(i) Commission paid on purchase

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Subsidiaries / Step down Subsidiaries		
Havells Guangzhou International Ltd.	2.14	9.21
	2.14	**9.21**

(ii) Sale of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
Aartas Care Private Limited	-	0.02
QRG Medicare limited	-	0.04
Manipal Health Enterprises Pvt. Ltd	0.01	-
Other Related Parties		
OP Gupta and Company	0.77	1.78
	0.78	**1.84**

(iii) Sale Return of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
QRG Medicare limited	-	0.14
	-	**0.14**

(iv) Purchase of goods and stores & spares

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
SRF Limited	3.93	-
	3.93	**-**

(v) Commission on sales (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
Guptajee and Company	16.18	11.84
Other Related Parties		
Eastern Distributors	16.24	12.70
Gupta Enterprise	2.23	1.51
YKG Enterprises	2.95	3.40
HKHR Ventures LLP	31.85	26.82
	69.45	**56.27**

(vi) Rent / Usage Charges Paid

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises having significant influence over company		
QRG Enterprises Limited	**27.07**	**21.41**

Notes to Financial Statements
for the year ended March 31, 2022

(vii) Reimbursement of expenses paid

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises having significant influence over company		
QRG Medicare limited	0.02	0.01
Other Related Parties		
OPG Travels	0.45	0.17
	0.47	**0.18**

viii) CSR Contribution

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises having significant influence over company		
QRG Foundation	3.63	2.23
	3.63	**2.23**

(ix) Contribution to post employee benefit plan

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Havells India Limited Employees Gratuity Trust	**18.25**	**19.08**

(x) Managerial remuneration

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Key Management Personnel		
Salaries, wages, bonus, commission and other benefits	53.20	47.45
Contribution towards PF, Family Pension and ESI	1.82	1.62
Post-employment benefits	1.00	-
ESPP expense	15.16	2.86
Non-Executive Directors		
Director sitting fees	0.45	0.45
Commission	0.93	0.90
Remuneration to other Related Parties		
Salaries, wages, bonus, commission and other benefits	3.00	2.50
	75.56	**55.78**

(D) Balances at the year end

(i) Amount Payables

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Enterprises in which directors are interested		
Guptajee & Company	1.68	3.27
QRG Foundation	-	0.27
Aartas Care Private Limited	-	0.00
SRF Limited	1.25	-
Other Related Parties		
Eastern Distributors	4.51	3.89
Gupta Enterprise	0.71	0.64
OP Gupta and Company	0.03	0.00
HKHR Ventures LLP	8.73	6.90
OPG Travels	0.01	-
Subsidiaries / Step down Subsidiaries		
Havells Guangzhou International Ltd.	-	0.88
	16.92	**15.85**

Notes to Financial Statements
for the year ended March 31, 2022

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) As at March 31, 2022 , the Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person (March 31, 2021: Nil),

c) Transactions with related parties are reported gross of Goods and Service Tax.

7 Share based payments

The Company has in place following employee stock purchase plan approved by shareholders of the Company in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2021 :

(a) **Havells Employee Long Term Incentive Plan 2014 :** In accordance with this scheme, 68,356 (March 31, 2021 : 110,949) share options of Re. 1 each were granted, out of which 68,356 (March 31, 2021: 109,259) share options of Re. 1 each were vested and allotted on June 05, 2021 (March 31, 2021 : April 14, 2020) to eligible employees at ₹ 1,074.10 (March 31, 2021: ₹ 467.35) per share as contributed by these employees. As per the scheme, 50% of the shares are under lock in period of 13 months and balance 50% for 2 years. Also as per the scheme, the Company is obliged to pay 50% of the contribution made by eligible employees as retention bonus over a period of two years in equal instalments. Accordingly, a sum of ₹ 2.94 crores (March 31, 2021 : ₹ 2.88 crores) has been recognized as employee stock purchase plan expense in note 27.

(b) **Havells Employee Stock Purchase Plan 2015 :** In accordance with this scheme, 210,000 (March 31, 2021: 90,000) share options of Re. 1 each were granted, vested and allotted on June 05,2021 (March 31, 2021: April 14, 2020) at ₹ 1,074.10 (March 31, 2021: ₹ 467.35) per share to eligible employees as contributed by the Company. As per the scheme, 78% of the shares are under lock in period of 13 months and remaining 22% are under lock in period for 2 years. Accordingly, a sum of ₹ 22.56 crores (March 2021 :₹ 4.21 crores) has been recognized as employee stock purchase plan expenses in note 27.

(c) **Havells Employee Stock Purchase Plan 2016 :** In accordance with the said scheme, 8,454 (March 31, 2021: 13,157) share options of ₹ 1 each were granted to eligible employees with graded vesting in three years starting from 2021. During the year, 11705 equity shares of ₹ 1 each (March 31, 2021 : 10913 equity shares) were allotted at ₹ 1,074.10 (March 31, 2021 : ₹ 467.35) per share on June 05, 2021. Accordingly, a sum of ₹ 1.26 crores (March 31,2021: 0.50 crores) has been recognized as employee stock purchase plan expense in note 27 and balance outstanding of ₹ 0.53 crores (March 31, 2021 : 0.64 crores) in note 14.

(i) Set out below is a summary of options granted and vested during the year under the plan

Summary of Stock Options	2021-22		2020-21	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	13,274	-	11,030	-
Options granted during the year	286,810	1,074.10	214,106	467.35
Options vested and exercised during the year	290,061	1,074.10	210,172	467.35
Options lapsed during the year	-	-	1,690	467.35
Options outstanding at the end of the year	**10,023**	**-**	**13,274**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 1074.10 per share (March 31, 2021 : ₹ 467.35). For share options outstanding at the end of the year, exercise price ranges from 467.35 to 1074.10.

Notes to Financial Statements
for the year ended March 31, 2022

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Particulars	March 31, 2022		March 31, 2021	
Grant date	May 22, 2021	March 31, 2020	March 31, 2020	May 28, 2019
Expiry date	2022-23 and 2023-24	2022-23	2021-22 and 2022-23	2021-22
Outstanding share options	5636	4387	8773	4501
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	1 year	2 years	1 year

The fair value at grant date of options granted during the year ended March 31, 2022 was within range of ₹ 1059.27 to ₹ 1073.90 per share (March 31, 2021 was ₹ 458.69 per share). The fair value at the grant date is determined using Black Scholes valuation model which takes into account the exercise price , the terms of the options , the share price at grant date and expected price volatility of the underlying shares , the expected dividend yield and the risk free interest rate for the term of the option.

(iii) The Model inputs for options granted:

(₹ in crores)

Particulars	March 31, 2022	March 31,2021
Expected Price volatility of the company's share	10.69% - 14.16%	29.55%
Expected Dividend Yield	0.68%	0.75%
Share price at the grant date	₹ 1074.10	₹ 467.35
Risk free interest rate	6.20%	6.73%

(iv) The expected price volatility is based on the historical volatility (based on remaining life of the options), adjusted for any expected change to future volatility due to publically available information.

(v) Expense arising from shared based payment transactions.

(₹ in crores)

Particulars	March 31, 2022	March 31,2021
Havells Employees Long Term Incentive Plan 2014	2.94	2.88
Havells Employees Stock Purchase Plan 2015	22.56	4.21
Havells Employees Stock Purchase Plan 2016	1.26	0.5
Total expense recognized in the statement of profit and loss account as a part of employee benefit expense:	**26.76**	**7.59**

8 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.Details are as under:

Details of CSR Expenditure:

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Reimagining Higher Education Foundation for building educational infrastructure	11.00	
Contribution to QRG Foundation for providing mid day meal and promotion of sanitation and hygiene	3.63	2.23
Contribution to Aga Khan Foundation for protection of national heritage	4.12	
Contribution to Ashoka University for building educational infrastructure	-	4.00
Others: for development of healthcare infrastructure, tree plantation, etc.	4.13	4.24
Accrual towards unspent obligation in relation to	-	
Ongoing Project	-	12.00
Other than ongoing Project	-	-
Total	**22.88**	**22.47**
Add : Carried forward from previous year	1.50	-
Less: Excess spent during the year to be carry forward to next year	0.72	1.50
Amount recognized in Statement of Profit and Loss	**23.66**	**20.97**

Notes to Financial Statements
for the year ended March 31, 2022

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent as per section 135 of the Act	23.66	20.97
Amount approved by the Board to be spent during the year	23.66	20.97
Amount spent during the year on	-	-
(i) Construction/ acquisition of assets	-	0.52
(ii) Contribution to Trust/Universities/Society	15.19	4.00
(iii) On purpose other than above	7.69	5.95
Total Amount Spent	**22.88**	**10.47**
Excess spent from previous year utilized during the current year	1.50	-
Amount yet to be spent	-	12.00
Total	**24.38**	**22.47**
Less: Excess spent during the year to be carry forward to FY 2022-23	0.72	1.50
Total	**23.66**	**20.97**

Details of ongoing CSR projects under Section 135(6) of the Act

Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With the Company	In Separate CSR Unspent A/c		From Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
FY 2020-21	-	-	16.00	4.00	-	12.00	-
FY 2021-22	-	12.00	0.00	0.00	4.00	0.00	8.00

Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects

Year	Opening Balance unspent	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance unspent
FY 2020-21	-	-	6.47	6.47	-
FY 2021-22	-	-	23.66	23.66	-

Details of excess CSR expenditure under Section 135(5) of the Act

Year	Opening balance excess spent	Amount required to be spent during the year	Amount spent during the year	Closing balance excess spent
FY 2020-21	-	20.97	22.47	1.50
FY 2021-22	1.50	23.66	22.88	0.72

9 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ In crores)

	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31,2021	As at March 31, 2022	As at March 31,2021
Financial instruments by category				
Financial assets valued at amortized cost				
Investments with financial institution	426.10	306.30	426.10	306.30
Cash and bank balances (Current)	2,535.84	1,624.74	2,535.84	1,624.74
Trade Receivables	767.50	563.63	767.50	563.63
Other Financial assets (Current)	29.89	45.99	29.89	45.99
Other Financial assets (Non-current)	41.94	19.94	41.94	19.94
	3,801.27	**2,560.60**	**3,801.27**	**2,560.60**
Financial Liabilities valued at amortized cost				
Trade Payables	2,379.41	1,596.78	2,379.41	1,596.78

Notes to Financial Statements
for the year ended March 31, 2022

(₹ In crores)

	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31,2021	As at March 31, 2022	As at March 31,2021
Borrowings (current and non-current)	395.53	492.20	395.53	492.20
Lease Liability (current and non current)	220.87	130.66	220.87	130.66
Other financial liabilities (non-current)	3.96	1.31	3.96	1.31
Other financial liabilities (current)	525.46	570.43	525.46	570.43
	3,525.23	**2,791.38**	**3,525.23**	**2,791.38**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the other financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows (DCF model) using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

3) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

4) **Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognized and measured at Fair value

b) Measured at amortized cost and for which fair value is disclosed in financial statements

Notes to Financial Statements
for the year ended March 31, 2022

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022

	Carrying Value March 31, 2022	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (Non-current)	41.94	-	-	41.94
Other Financial assets (Current)	29.89	-	-	29.89
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current and non-current)	395.53	-	-	395.53
Lease Liability (current and non current)	220.87	-	-	220.87
Other financial liabilities (non-current)	3.96	-	-	3.96
Other financial liabilities (current)	525.46	-	-	525.46

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2021

	Carrying Value March 31, 2021	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (non-current)	19.94	-	-	19.94
Other Financial assets (current)	45.99	-	-	45.99
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (non-current)	393.65			393.65
Lease Liability (current and non current)	130.66	-	-	130.66
Other financial liabilities (non-current)	1.31	-	-	1.31
Other financial liabilities (current)	570.43	-	-	570.43

10 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments , and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial

Notes to Financial Statements
for the year ended March 31, 2022

assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD,EUR, JPY, CNY and other currencies including KES,NPR, CHF, LKR ,MWK,AED,SLL and GBP exchange rates, with all other variables held constant. The impact on the Company profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognized by the Company that have not been hedged by a derivative instrument or otherwise are as under:

in Crores

Currency	Currency Symbol	March 31, 2022		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	5% increase	5% decrease
United States Dollar	USD	$ (4.22)	(319.78)	(15.99)	15.99
EURO	EUR	€ (0.06)	(5.02)	(0.25)	0.25
Arab Emirates Dirham	AED	AED (0.01)	(0.12)	(0.01)	0.01
Japanese Yen	JPY	JPY (0.57)	(0.35)	(0.02)	0.02
Chinese RMB\CNY	CNY	CNY (0.55)	(6.51)	(0.33)	0.33
Other currencies		(0.02)	(0.03)	(0.00)	0.00

in Crores

Currency	Currency Symbol	March 31, 2021		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	5% increase	5% decrease
United States Dollar	USD	$ (3.06)	(224.87)	(11.24)	11.24
EURO	EUR	€ (0.12)	(10.73)	(0.54)	0.54
Arab Emirates Dirham	AED	AED 0.02	0.38	0.02	(0.02)
Japanese Yen	JPY	JPY (0.41)	(0.27)	(0.01)	0.01
Chinese RMB\CNY	CNY	CNY (1.80)	(20.11)	(1.01)	1.01
Other currencies		(4.50)	(0.06)	(0.00)	0.00

Note:

Figures in bracket represents payables

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's borrowings outstanding as at March 31, 2022 and March 31,2021 comprise of long term loans.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

Notes to Financial Statements
for the year ended March 31, 2022

	March 31, 2022		March 31, 2021	
	Increase/ decrease in basis points	Impact on profit before tax and Equity	Increase/ decrease in basis points	Impact on profit before tax and Equity
Term Loan	+0.50	(1.97)	+0.50	(2.46)
	-0.50	1.97	-0.50	2.46

(iii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. To mitigate the risk of supply and price fluctuations, Domestic and overseas sources are bench-marked to Optimize the allocation of business share among various sources. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company mitigated the risk of price volatility by entering Long Term & Short term contracts for the Purchase of these commodities basis estimated annual requirements.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables and Contract Assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Investment with financial institution	426.10	306.30
Cash and cash equivalents (Current)	763.70	326.57
Bank balances other than above (Current)	1,772.14	1,298.17
Others Non Current financial assets	41.94	19.94
Others Current financial assets	29.89	45.99
	3,033.77	**1,996.97**

Notes to Financial Statements
for the year ended March 31, 2022

Financial assets for which allowance is measured using Lifetime Expected Credit Loss Method (ECL)

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Trade Receivables	767.50	563.63
	767.50	**563.63**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

The ageing analysis of trade receivables has been considered from the date the invoice falls due

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Not past due	524.43	421.55
0 to 180 days due past due date	161.65	103.40
More than 180 days past due date	81.42	38.68
Total Trade Receivables	**767.50**	**563.63**

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
As at the beginning of year	69.35	44.87
Addition and utilization during the year	2.39	24.48
As at the end of year	**71.74**	**69.35**

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term loans, short term commercial papers and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	139.40	289.23	-	428.63
Other non current financial liabilities	-	3.96	-	3.96
Trade payables	2,379.41	-	-	2,379.41
Lease Liability (undiscounted)	60.07	148.29	140.62	348.98
Other current financial liabilities	360.45	-	-	360.45

As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	98.55	393.65	-	492.20
Other non current financial liabilities	-	1.31	-	1.31
Trade payables	1,596.78	-	-	1,596.78
Lease Liability (undiscounted)	37.52	90.55	95.10	223.17
Other current financial liabilities	541.28	-	-	541.28

Notes to Financial Statements
for the year ended March 31, 2022

11 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and borrowings **	428.63	492.20
Cash and cash equivalents {refer note 11(C)}	(763.70)	(326.57)
Net Debt	**(335.07)**	**165.63**
Equity / Net Worth	5,988.64	5,164.45
Total Capital	**5,988.64**	**5,164.45**
Capital and Net Debt	**5,653.57**	**5,330.08**
Gearing ratio (Net Debt/Capital and Net Debt)	**NA***	**3.11%**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021

* This ratio is not relevant for the current year as the Cash and cash equivalents exceed the Loans and Borrowings.

** Borrowings does not includes Lease liabilities

12 Earnings per share

a) Basic Earnings per share

		Year ended March 31, 2022	Year ended March 31, 2021
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	**1194.73**	**1039.64**
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	626,250,618	626,005,520
Earnings per share-Basic (one equity share of Re. 1/- each)	₹	**19.08**	**16.61**

b) Diluted Earnings per share

		Year ended March 31, 2022	Year ended March 31, 2021
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	**1194.73**	**1039.64**
Denominator for earnings per share			
Weighted average number of equity shares for basic earning per share	(Numbers)	626,250,618	626,005,520
Effect of dilution			
Share options	(Numbers)	10,610	13,380
Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	**626,261,228**	**626,018,900**
Earnings per share- Diluted (one equity share of Re. 1/- each)	₹	**19.08**	**16.61**

Notes to Financial Statements
for the year ended March 31, 2022

13 Dividend Paid and Proposed

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Dividend declared and paid during the year:		
Final Dividend of ₹ 3.50 per share for FY 2020-21 (₹ Nil per share for FY 2019-20)	219.21	-
Interim Dividend of ₹ 3.00 per share for FY 2021-22 (₹ 3.00 per share for FY 2020-21)	187.89	187.80
	407.10	**187.80**
Proposed Dividends on equity shares:		
Final Dividend recommended by the board of directors for the year ended March 31, 2022 ₹ 4.50 per share of Re 1 each (March 31, 2021: ₹ 3.50 per share of Re 1 each) subject to approval of shareholders in the ensuing annual general meeting.	281.84	219.10
	281.84	**219.10**

Note: Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as liability as at reporting date.

14 Disclosure required under Section 186 (4) of the Companies Act, 2013

Particulars of Investments made:		As at March 31, 2022		As at March 31, 2021	
Sl. No	Name of the Investee	Investment made	Outstanding Balance	Investment made	Outstanding Balance
1	Havells Holdings Limited	-	1.18	-	1.18
2	Jiangsu Havells Sylvania Lighting Co. Limited*	-	-	-	17.27
3	Havells Guangzhou International Limited	-	0.45	-	0.45

*During the year, the Company's joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", has been liquidated vide order dated February 08, 2022. The Company has received an agreed consideration of ₹ 18.43 Crores

15 The Company has made an assessment of the impact of the continuing COVID-19 pandemic on its current and future operations, liquidity position and cash flow giving due consideration to the internal and external factors. The Company is continuously monitoring the situation and does not foresee any significant impact on its operations and the financials position as at March 31, 2022.

16 The Company has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.

17 Analytical ratio

Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
(a) Current Ratio (times) = Current assets/ Current liabilities	March 31, 2022: 6586.50 (March 31, 2021 : 5286.57)	March 31, 2022: 3629.31 (March 31, 2021 : 2757.19)	1.81	1.92	-5.35%	Not Applicable
(b) Debt-Equity Ratio (times) = Total Borrowings/ Shareholder's equity*	March 31, 2022 : 395.53 (March 31, 2021 : 492.2)	March 31, 2022 : 5988.64 (March 31, 2021 : 5164.45)	0.07	0.10	-30.70%	Debt repayment
(c) Debt Service Coverage Ratio = Earnings available for debt service/ Debt service {refer note 15(A)(c)} {refer note i}	March 31, 2022 : 1491.43 (March 31, 2021 : 1306.17)	March 31, 2022 : 171.24 (March 31, 2021 : 132.25)	8.71	9.88	-11.82%	Not Applicable
(d) Return on Equity Ratio % = Net Profits after taxes/ Average shareholder's equity	March 31, 2022 : 1194.73 (March 31, 2021 : 1039.64)	March 31, 2022 : 5576.55 (March 31, 2021 : 4734.63)	21.42%	21.96%	-2.43%	Not Applicable

Notes to Financial Statements
for the year ended March 31, 2022

Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
(e) Inventory turnover ratio (times) = Revenue from operations/ Average inventory	March 31, 2022 : 13877.87 (March 31, 2021 : 10418.05)	March 31, 2022:2793.99 (March 31, 2021 :2245.89)	4.97	4.64	7.08%	Not Applicable
(f) Trade receivables turnover ratio (times) = Net credit revenue from operations/ Average trade receivables	March 31, 2022: 13,877.87 (March 31, 2021 : 10418.05)	March 31, 2022 : 665.57 (March 31, 2021 : 406.26)	20.85	25.64	-18.69%	Not Applicable
(g) Trade payables turnover ratio (times) = Net credit purchases/ Average trade payables	March 31, 2022: 9773.06 (March 31, 2021 : 7256.74)	March 31, 2022: 1988.10 (March 31, 2021 : 1505.43)	4.92	4.82	1.98%	Not Applicable
(h) Net capital turnover ratio (times) = Revenue from operations/ Working capital	March 31, 2022 : 13,877.87 (March 31, 2021 : 10,418.05)	March 31, 2022: 2957.19 (March 31, 2021 : 2529.38)	4.69	4.12	13.94%	Not Applicable
(i) Net profit ratio % = Net profit/ Revenue from operations	March 31, 2022: 1194.73 (March 31, 2021 : 1039.64)	March 31, 2022 : 13877.87 (March 31, 2021 : 10418.05)	8.61%	10%	-13.73%	Not Applicable
(j) Return on capital employed % = EBIT/ Capital employed {refer note ii}	March 31, 2022 : 1496.78 (March 31, 2021 : 1316.4)	March 31, 2022: 6734.79 (March 31, 2021 : 5995.76	22.22%	21.96%	1.23%	Not Applicable
(k) Return on investment %= EBIT/ Average total assets	March 31, 2022 : 1496.78 (March 31, 2021 : 1316.4)	March 31, 2022 : 9662.69 (March 31, 2021 : 7934.04)	15.49%	16.59%	-6.64%	Not Applicable

Notes:

(i) Debt service = Interest & Lease Payments + Principal Repayments

(ii) Capital Employed = Tangible Net Worth + Total Borrowings + Deferred Tax Liability

(iii) Tangible Net worth is computed as Total Assets - Total Liabilities

*Borrowings does not includes Lease liabilities.

18 Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2022 (Nos.)	Balance outstanding as at March 31, 2021 (Nos.)	Relation with struck off Company
Manilal Patel Private Limited (CIN: U17110MH1947PTC005911)	Shares held by struck off company	35 number of shares of ₹ 1/- each	35 number of shares of ₹ 1/- each	Shareholder
Ghuge Aditya Solar Industries Pvt. Ltd (CIN: U74900PN2015PTC154262)	Sales of Goods	-	-	Customer

Notes to Financial Statements
for the year ended March 31, 2022

19 Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Details of Benami property: No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium: The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(viii) The company has not granted any loans or advances in the nature of loans either repayable on demand.

20 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

21 Note No.1 to 32 form integral part of the Standalone Balance Sheet and Standalone Statement of Profit and Loss.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Independent Auditor's Report

To the Members of Havells India Limited

Report on the audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Havells India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 30B to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph 16 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful life	**Our audit procedures among others, included the following:**
Refer Note 4 to the consolidated financial statements. As at March 31, 2022, the consolidated financial statements includes goodwill of ₹ 310.47 crores and intangible assets with indefinite useful lives of ₹ 1,029 crores pertaining to acquisition of Lloyd business in an earlier year. In accordance with the requirements of Indian Accounting Standard (Ind AS) - 36 'Impairment of Assets', the management has allocated the said goodwill and intangible assets to the underlying Cash Generating Unit (CGU), and tested the same for impairment using a Discounted Cash Flow (DCF) model factoring in the impact of COVID 19. Based on such test, the recoverable amount of the CGU is higher than the carrying amount of the said assets and accordingly no adjustment for impairment is necessary. We considered this as a key audit matter because of the significant carrying value of the above mentioned assets and high estimation uncertainty in assumptions used such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.	a. Understanding and evaluating the design and operating effectiveness of internal controls over the impairment assessment process, including preparation of the DCF model; b. Evaluating the Group's accounting policy in respect of impairment assessment of goodwill and intangible assets with indefinite useful lives; c. Understanding the cash flow projections and assumptions used in the DCF model, evaluating the mathematical accuracy and reading the report of the management expert; d. Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate that the recoverable amount of the CGU is within a reasonable range; and e. Testing related presentation and disclosures in the consolidated financial statements. Based on the above procedures performed, the management's impairment assessment of the goodwill and intangible assets was found to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. The consolidated financial statements of the Company for the year ended March 31, 2021 were audited by another firm of chartered accountants under the Act who, vide their report dated May 20, 2021, expressed an unmodified opinion on those consolidated financial statements.

15. We did not audit the financial statements of one subsidiary located outside India whose financial statements reflect total assets of ₹ 4.45 crores and net assets of ₹ 4.10 crores as at March 31, 2022, total revenue of ₹ Nil, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 0.25 crores and net cash outflows amounting to ₹ 17.92 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

16. The financial statements of one subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 15.23 crores and net assets of ₹ 11.78 crores as at March 31, 2022, total revenue of ₹ 51.94 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2.15 crores and net cash inflows amounting to ₹ 2.01 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in its country and has been audited by other auditors under generally accepted auditing standards applicable in its country. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in its country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO report in respect of the standalone financial statements of the Holding Company which are included in these Consolidated Financial Statements.

    In our opinion, and according to the information and explanations given to us, CARO 2020 is not applicable to the subsidiary companies included in these Consolidated Financial Statements, hence, this report does not contain a statement on the matter specified in paragraph 3(xxi) of CARO 2020 in relation to the subsidiary companies.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 30A to the consolidated financial statements.

    ii. The Group was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2022.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year.

    iv. (a) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (b) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

    v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

19. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/ E-300009

Avijit Mukerji
Partner
Membership Number: 056155
UDIN: 22056155AIJAUI9842

Place: Noida
Date: May 4, 2022

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Havells India Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Havells India Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two subsidiary companies as they are not incorporated in India namely Havells Holdings Limited and Havells Guangzhou International Limited.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/ E-300009

Avijit Mukerji
Partner
Membership Number: 056155

Place: Noida
Date: May 4, 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in crores)

	Notes	As AT March 31, 2022	As AT March 31, 2021
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	2,021.45	1,860.83
Capital work in progress	3	56.75	86.26
Goodwill	4	310.47	310.47
Other intangible assets	4	1,101.69	1,119.13
Intangible assets under development	4	0.46	3.65
Contract assets	5(B)	38.83	49.79
Financial assets	6		
(i) Investments	6(A)	272.68	-
(ii) Trade receivables	6(B)	2.67	3.32
(iii) Other financial assets	6(C)	42.18	20.17
Other non-current assets	7	42.93	54.62
Non current tax assets (net)	8	26.54	23.56
Total Non current Assets		**3,916.65**	**3,531.80**
2 Current assets			
Inventories	9	2,968.08	2,619.89
Contract assets	5(B)	26.55	20.11
Financial assets	10		
(i) Investments	10(A)	153.42	306.30
(ii) Trade receivables	10(B)	766.26	563.73
(iii) Cash and cash equivalents	10(C)	775.84	354.62
(iv) Bank balances other than (iii) above	10(D)	1,772.14	1,298.17
(v) Other financial assets	10(E)	29.89	45.99
Other current assets	11	113.65	111.07
Total Current assets		**6,605.83**	**5,319.88**
Assets classified as held for sale	12	0.73	0.58
		6,606.56	**5,320.46**
Total assets		**10,523.21**	**8,852.26**
EQUITY AND LIABILITIES			
1 Equity	13		
Equity share capital	13(A)	62.63	62.60
Other equity	13(B)	5,940.26	5,113.70
Total equity		**6,002.89**	**5,176.30**
2 Liabilities			
Non-current liabilities			
Contract liabilities	5(C)	4.99	4.57
Financial liabilities	14		
(i) Borrowings	14(A)	272.57	393.65
(ii) Lease liabilities	14(B)	178.82	101.51
(iii) Other financial liabilities	14(C)	3.96	1.31
Provisions	15	76.25	58.43
Deferred tax liabilities (Net)	16	350.62	339.11
Total Non Current Liabilities		**887.21**	**898.58**
Current liabilities			
Contract liabilities	5(C)	16.69	9.54
Financial liabilities	17		
(i) Borrowings	17(A)	122.96	98.55
(ii) Lease liabilities	17(B)	42.05	29.15
(iii) Trade payables	17(C)		
a) Total outstanding dues of micro enterprise and small enterprises; and		114.08	188.78
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,265.94	1,408.36
(iv) Other financial liabilities	17(D)	525.48	588.81
Other current liabilities	20	229.85	122.38
Provisions	18	253.23	257.55
Current tax liabilities (net)	19	62.83	74.26
Total Current Liabilities		**3,633.11**	**2,777.38**
Total liabilities		**4,520.32**	**3,675.96**
Total equity and liabilities		**10,523.21**	**8,852.26**
Summary of significant accounting policies	2		
Commitments and contingencies	30A		
Other notes on accounts	31		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Ameet Kumar Gupta
Director
DIN: 00002838

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head - Finance and Accounts

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ In crores)

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
I	**INCOME**			
	Revenue from operations	21	13,938.48	10,457.30
	Other income	22	160.44	187.36
	Total Income		**14,098.92**	**10,644.66**
II	**EXPENSES**			
	Cost of raw materials and components consumed	23	7,770.07	5,381.95
	Purchase of traded goods	24	1,871.40	1,638.82
	Change in inventories of finished goods, traded goods and work in progress	25	(219.48)	(531.07)
	Employee benefits expense	26	1,020.69	890.63
	Finance costs	27	53.41	72.68
	Depreciation and amortization expenses	28	260.89	248.91
	Other expenses	29	1,735.38	1,505.19
	Total expenses		**12,492.36**	**9,207.11**
III	**Profit before tax**		**1,606.56**	**1,437.55**
IV	**Income tax expense**	16		
	Current tax		398.58	340.65
	Deferred tax charge / (credit) {(refer note 16(d)}		11.51	52.59
	Total tax expense		**410.09**	**393.24**
V	**Profit for the year**		**1,196.47**	**1,044.31**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss in subsequent periods			
	i) Re-measurement gains / (loss) on defined benefit plans {refer note 31(3)}		7.38	(2.70)
	ii) Income tax effect on above {refer note no 16(b)}		(1.86)	0.68
	Other comprehensive income/(loss) for the year, net of tax		**5.52**	**(2.02)**
	Items will be reclassified to profit or loss in subsequent periods			
	(i) Exchange difference on translation of financial statements of foreign operations		0.66	0.43
	(ii) Income tax effect on above		-	-
			0.66	**0.43**
	Other comprehensive income/(loss) for the year, net of tax		**6.18**	**(1.59)**
VII	**Total comprehensive income for the year, net of tax**		**1,202.65**	**1,042.72**
	Profit for the year attributable to			
	Equity holders of the parent company		**1,196.47**	**1,044.31**
	Non controlling interests		-	-
			1,196.47	**1,044.31**
	Other comprehensive income / (loss) for the year attributable to			
	Equity holders of the parent company		6.18	(1.59)
	Non controlling interests		-	-
			6.18	**(1.59)**
	Total Comprehensive income for the year attributable to			
	Equity holders of the parent company		1,202.65	1,042.72
	Non controlling interests		-	-
			1,202.65	**1,042.72**
VIII	**Earnings per equity share (EPS) {refer note no. 31 (11)} (nominal value of share ₹ 1/-)**			
	Basic EPS (₹)		19.11	16.68
	Diluted EPS (₹)		19.10	16.68
	Summary of significant accounting policies	2		
	Commitments and contingencies	30A		
	Other notes on accounts	31		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Ameet Kumar Gupta
Director
DIN: 00002838

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head - Finance and Accounts

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A) Equity Share Capital

Particulars	Numbers	Amount (₹ in crores)
As at April 1, 2020	**625,802,834**	**62.58**
Add: Exercise of employee stock purchase plan - proceeds received	210,172	0.02
As at March 31, 2021	**626,013,006**	**62.60**
Add: Exercise of employee stock purchase plan - proceeds received	290,061	0.03
As at Mar 31, 2022	**626,303,067**	**62.63**

B) Other Equity

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company						Total
	Reserves and surplus					Items of OCI	
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	
As at April 1, 2020	**7.63**	**80.58**	**722.72**	**0.64**	**3,437.60**	**(0.19)**	**4,248.98**
Profit for the year	-	-	-	-	1,044.31	-	1,044.31
Other comprehensive income for the year							
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	(2.02)	-	(2.02)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	-	0.43	0.43
Total Comprehensive income for the year							**1,042.72**
Transaction with owners in their capacity as owners:							
Interim Dividend paid during the year	-	-	-	-	(187.80)	-	(187.80)
Equity shares issued under employee stock purchase plan	-	9.80	-	-	-	-	9.80
Options recognized during the year				0.50		-	0.50
Options vested and exercised during the year	-	-	-	(0.50)		-	(0.50)
As at March 31, 2021	**7.63**	**90.38**	**722.72**	**0.64**	**4,292.09**	**0.24**	**5,113.70**
Profit for the period	-	-	-	-	1,196.47		1,196.47
Other comprehensive income for the year							
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	5.52		5.52
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	-	0.66	0.66
Total Comprehensive income for the year							**1,202.65**

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company						Total
	Reserves and surplus					Items of OCI	
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	
Transaction with owners in their capacity as owners:							
Final and Interim Dividend paid during the year {refer note 13(B)(e)}					(407.10)	-	(407.10)
Equity shares issued under employee stock purchase plan	-	31.12	-	-	-	-	31.12
Options recognized during the year				1.15		-	1.15
Options vested and exercised during the year				(1.26)		-	(1.26)
As at Mar 31, 2022	**7.63**	**121.50**	**722.72**	**0.53**	**5,086.98**	**0.90**	**5,940.26**

Summary of significant accounting policies	2
Commitments and contingencies	30A
Other notes on accounts	31

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head - Finance and Accounts

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,606.56	1,437.55
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	260.89	248.91
Loss /(gain) on disposal of property, plant and equipment (net)	1.43	(40.39)
Unrealized foreign exchange loss /(gain) (net)	(5.55)	1.30
Exchange difference on translation of financial statements foreign operations	0.66	(0.43)
Impairment allowance for trade receivables and other assets - credit impaired	2.39	24.48
Impairment of investment in subsidiary company/Joint Venture	-	1.10
Bad debts written off	10.39	1.43
Unwinding of discount on long term provisions	6.24	4.21
Discounting of long term warranty provision	(5.79)	(6.24)
Lease rent concession	(0.49)	(2.54)
Interest received	(104.45)	(99.46)
Interest expenses on borrowings and income tax	32.11	58.29
Interest on lease liability	14.89	9.68
Liabilities no longer required written back	(0.15)	(4.49)
Operating Profit before working capital changes	**1,819.13**	**1,633.40**
Movement in working capital		
(Increase)/ Decrease in trade receivables and contract assets	(208.78)	(331.88)
(Increase)/ Decrease in financial assets	14.91	2.82
(Increase)/ Decrease in non-financial assets	1.52	32.46
(Increase)/ Decrease in inventories	(348.19)	(748.01)
Increase/ (Decrease) in trade payables	787.65	182.05
Increase/ (Decrease) in financial liabilities	(59.03)	81.70
Increase/ (Decrease) in non financial liabilities and contract liabilities	115.04	10.80
Increase/ (Decrease) in provisions	20.43	69.73
Cash generated from operations	**2,142.68**	**933.07**
Income tax paid (net of refunds)	(414.85)	(272.74)
Net Cash flow from Operating Activities (A)	**1,727.83**	**660.33**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(258.32)	(249.89)
Receipt of grant related to assets	3.72	30.90
Proceeds from sale of property, plant and equipment	5.56	96.32
Investment in fixed deposits with the bank and financial institutions made during the year	(605.13)	(729.64)
Interest on fixed deposit and investment received	95.61	89.46
Net Cash flow used in Investing Activities (B)	**(758.56)**	**(762.85)**

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employee stock purchase plan - share capital	0.03	0.02
Proceeds from exercise of employee stock purchase plan - security premium received	31.12	9.80
Payment of principal portion of lease liabilities	(34.54)	(27.19)
Payment of interest portion of lease liabilities	(14.89)	(9.68)
Proceeds from issue of Commercial Paper	-	488.25
Proceeds from short term borrowing	-	500.00
Proceeds from long term borrowing	0.04	500.00
Repayment of short term borrowings	-	(500.00)
Repayment of long term borrowings	(97.35)	(49.50)
Repayment of Commercial Paper	-	(488.25)
Interest paid	(24.46)	(45.88)
Final and interim Dividend paid during the year	(407.10)	(187.80)
Net Cash Flow from Financing Activities (C)	**(547.15)**	**189.77**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**422.12**	**87.25**
Cash and cash equivalents at the beginning of the year	354.62	267.70
Net foreign exchange differences on cash and cash equivalents held in foreign currency	(0.90)	(0.33)
Cash and Cash Equivalents at the end of the period	**775.84**	**354.62**

Notes :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :-

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks:		
Current accounts	36.86	26.06
Cash credit accounts	114.02	32.09
Fixed deposits account with a original maturity of less than three months	624.72	296.37
Cash on hand	0.24	0.10
	775.84	**354.62**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head - Finance and Accounts

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

1 Corporate Information

The consolidated financial statements comprise financial statements of Havells India Limited ("the Parent Group") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2022. Havells India Limited ('the Parent Group') is a public limited Group domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The parent Group is listed on BSE Limited and National Stock Exchange of India Limited.

The Group is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Solar Products, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Coolers and Domestic Appliances, Personal Grooming, Air Purifier ,Water Purifier, Air conditioner, Television, Washing machine and Refrigerator covering the entire range of household, commercial and industrial electrical needs

The Group's manufacturing facilities are located at Faridabad in Haryana, Alwar, Ghiloth and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad in Uttar Pradesh, Baddi in Himachal Pradesh. The research and development facilities are located at Noida (Uttar Pradesh) and Bangalore.

The Group along with its subsidiaries and its joint venture has been collectively hereinafter referred to as "the Group". These consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 04, 2022.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) consolidated financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

New and amended standards adopted by the Group The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2.01 Basis of preparation of consolidated Financial Statements

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i) Certain financial assets and liabilities that is measured at fair value

ii) Assets held for sale-measured at fair value less cost to sell

iii) Defined benefit plans-plan assets measured at fair value

iv) Share based payments

2.02 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.03 Basis of Consolidation

The consolidated financial statements comprises the financial statement of the Havells India Limited ('the Parent company') and subsidiaries (collectively ""the Group) as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

2.04 Consolidation Procedure

(A) Subsidiaries:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(i) Derecognizes the assets (including goodwill) and liabilities of the subsidiary

(ii) Derecognizes the carrying amount of any non-controlling interests

(iii) Derecognizes the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration receive

(v) Recognises the fair value of any investment retained

(vi) Recognises any surplus or deficit in profit or loss

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(B) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment less cost to sell is recognized in profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(C) Business combination and goodwill

Business combinations other than those under common control transactions are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. In respect to the business combination for acquisition of subsidiary, the Group has opted to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter

(i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

(ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

(iii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

(iv) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale" and Discontinued Operations are measured in accordance with that standard.

(v) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

(D) Change in ownership interest

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

2.05 Property, plant and equipment

Freehold Land is carried at historical cost. All other items of Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The historical cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30 and 60
Plant and Equipment	15
Moulds and Dies	6
Furniture and Fixtures	10
Vehicles	8 and 10
R &D Equipment	5 and15
Office Equipment	3 and 5
Mobile Phones	3
Electric Fans and Installations	3 and 10
Computers	3
Laptops	4

The useful lives of all the assets except moulds and dies, mobile phones and laptops have been determined as those specified by part 'C' of Schedule II to the Companies Act, 2013. In respect of moulds and dies and mobile phones and laptops, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years and 4 years respectively, in order to reflect the actual usage of assets. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their lease term unless the entity expects to use the asset beyond the lease term.

Leasehold land is amortized on a straight line basis over the unexpired period of their respective lease ranging from 90-99 years.

2.06 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group has assessed indefinite life for such brand considering the expected usage, expected investment on brand, business forecast and challenges to establish a premium electronic segment. These are carried at historical cost and tested for impairment annually.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed of.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Assets	Useful life (in years)
Computer Software	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7
Brand and Trademarks	Indefinite

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Trademarks

Brand and Trademarks acquired in business combination are initially recognized at fair value at the date of acquisition. Following initial recognition, brand and trademark are carried at the above recognized value less accumulated amortization and accumulated impairment losses, if any. These Brand and trademarks have been in existence for considerable period and Group intends to continue use these intangible assets. Consequently it is believed that they have an indefinite life and are not amortized. Instead impairment testing is performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount.

Distributor/ Dealer Network

Distributor/ Dealer Network acquired in business combination are initially recognized at fair value at the date of acquisition. Following initial recognition, Distributor/ Dealer Network are carried at the above recognized value less accumulated amortization and accumulated impairment losses, if any. They are amortized on a straight line basis over their estimated useful life of 8 years assessed by the management.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or earlier, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.07 Impairment of non- financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.08 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

'financial asset' is measured at the amortized cost if both the following conditions are met:

a) **Business Model Test :** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) **Business Model Test :** The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and

b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value changes recognized in OCI is reclassified from the equity to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognized by an

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Embedded Derivatives
A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition
A financial asset (or ,where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets
In accordance with IND AS 109, the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; Trade receivables which are held to collect and sale basis accounted for as FVTPL
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Group does not track changes in credit risk. Rather , it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at amortized cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(b) **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortized cost is recognized in other comprehensive income as the accumulated impairment amount.

(ii) **Financial liabilities:**

Initial recognition and measurement
Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss

(ii) Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortized cost (Loans and borrowings)
After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Trade Payables
These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments
Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/ financial liabilities
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

2.09 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

(iii) Hedges of a net investment in a foreign operation

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) **Fair value hedges**
The change in the fair value of a hedging instrument is recognized in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss."

(ii) **Cash flow hedges**
The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss. The ineffective portion relating to foreign currency contracts is recognized in finance costs and the ineffective portion relating to commodity contracts is recognized in other income or expenses.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.10 Inventories

a) **Basis of valuation:**
   i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.
   ii) Inventory of scrap materials have been valued at net realizable value.

b) **Method of Valuation:**
   i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
   ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.
   iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
   iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.11 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is considered highly probable. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Group treats sale of the asset to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset

ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.12 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

a) Current income tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognized in profit or loss.

2.13 Revenue from contract with customers

The Group manufactures/ trades and sells a range of consumer electrical and electronic products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery of goods. The Group also provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. The Group recognizes these service revenue from sales of services over a period of time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group has objective evidence that all criterion for acceptance has been satisfied. A receivable is recognized when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers.

(a) Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Group considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group allocates a portion of the transaction price to different performance obligations goods bases on its relative consolidated prices and also considers the following:-

(i) Variable consideration

The Group recognizes revenue from the sale of goods measured at the consolidated selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Warranty obligations

The Group generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). However, in certain non-standard contracts in respect of sale of consumer durable goods, the Group provides extended warranties and such warranties are termed as service-type warranties and therefore, accounted for as separate performance obligations to which the Group allocates a portion of the transaction price. Revenue from service-type warranties is recognized over the period in which the service is provided based on the time elapsed

(iii) Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. In respect of long term contracts, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance)."

(b) Sale of services

The Group provides installation, annual maintenance and extended warranty services that are sold separately. The Group recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from services related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

(c) Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables,

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

(d) Income from Service Concession Arrangement
Revenue related to Street Lights Upgrade services provided under service concession arrangement is recognized as per the agreement with the grantor. The Group recognizes a financial asset arising from the service concession agreement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the upgrade services provided. Such financial assets are measured at fair value upon initial recognition.

2.14 Other Income

(a) Interest Income
For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.15 Other Operating Revenues

(a) Export benefit
Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme, Remission of duties and taxes on exported product scheme are recognized on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(b) Government Grants
Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognized at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.16 Retirement and other employee benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post employment

a) Gratuity
The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Bajaj Allianz Life Insurance Co.Ltd. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund
Retirement benefit in the form of provident fund is a defined contribution scheme. the Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

(iii) Other employee benefits
The parent company (''Havells India Limited") provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(a) Havells Employee Stock Purchase Plan: The fair value of options granted under this option plan is recognized as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments when grant is made. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

(b) Havells Employees Long term Incentive plan: These are in nature of employee benefit wherein employees (including senior executives) of the Group purchase shares of the Group at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognized at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period.

2.17 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group's lease asset classes primarily comprise of lease for land and building. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets (ROU)
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

The Group classifies ROU assets as part of Property plant and equipment in Balance Sheet and lease liability in " Financial Liability".

ii) Lease Liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments)

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.18 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment.

The operating segments have been identified on the basis of the nature of products/services. Further:

1 Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue.

2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

3 Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

4 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

2.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.20 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.22 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Group Companies

On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (INR) are translated to the presentation currency (INR) in the following manner:

a) Assets and liabilities are translated at the rate of exchange prevailing at the reporting date

b) Their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions

c) All resulting exchange differences arising on translation of financial statement of foreign operations for consolidation are recognized in other comprehensive income.

d) On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

e) Any Goodwill arising on the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

f) Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

2.23 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to seven years.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Provision for E-Waste/Plastic-Waste
Provision for E-Waste/Plastic-Waste management costs are recognized when the liability in respect of products sold to customer is established in accordance with E-waste Management Rules, 2016 as notified by Government of India. Initial recognition is based on liability computed based on Extended Producer Responsibility as promulgated in said Rules including cost to comply the said regulation and as reduced by expected realisation of collectable waste. The Company has assessed the liability to arise on year to year basis.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.24 Dividend Distributions
The Group recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.25 Fair value measurement
The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.26 Business Combinations

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

(ii) Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

b) No adjustments are made to reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves/ capital reserves.

2.27 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompany disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) **Leases**
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

b) **Taxes**
Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 16)

c) **Gratuity benefit**
The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 31(3).

d) **Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use , the estimated future cash flows are estimated based on past trend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

e) **Provision for warranty**

Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The assumptions are consistent with prior years. (Refer Note 18)

f) **Provision for expected credit losses (ECL) of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 31(9)

g) **Property, Plant and Equipment and intangible assets**

Property, Plant and Equipment represent significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

2.28 Standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.29 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021

(a) The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (Extract)	March 31, 2021 (as previously reported	Increase/ Decrease	March 31, 2021 (restated)
Other Financial Liabilities (Current)	687.36	(98.55)	588.81
Current Borrowings	-	98.55	

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

3 Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Moulds and Dies	Furniture and fixtures	Vehicles	R & D Equipment	Office Equipment	Electrical Installations	Right to use asset: Leasehold Land	Right to use asset: Leasehold Building	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)															
At April 01, 2020	27.28	791.74	13.38	829.61	225.63	46.64	12.82	38.05	108.00	46.12	217.80	153.18	2,510.25	82.77	2,593.02
Additions	-	35.57	1.45	41.81	79.56	10.03	-	4.08	12.12	3.19	39.58	56.96	284.35	143.34	427.69
Recognition of grant related to assets	-	(0.21)	-	(3.08)	(2.83)	(0.69)	-	-	(1.17)	(0.26)	(17.71)	-	(25.95)	-	(25.95)
Disposals	-	(52.02)	(1.67)	(9.15)	(6.91)	(2.45)	(0.08)	-	(1.98)	(2.23)	(11.39)	(27.64)	(115.52)	(139.85)	(255.37)
At March 31, 2021	**27.28**	**775.08**	**13.16**	**859.19**	**295.45**	**53.53**	**12.74**	**42.13**	**116.97**	**46.82**	**228.28**	**182.50**	**2,653.13**	**86.26**	**2,739.39**
Additions	0.50	16.37	2.02	129.51	79.45	20.67	6.19	5.11	12.35	4.18	1.87	132.69	410.91	243.32	654.23
Recognition of grant related to assets	-	(0.47)	-	(1.59)	(1.41)	(0.05)	-	-	(0.10)	(0.10)	-	-	(3.72)	-	(3.72)
Disposals	(0.01)	(1.09)	(0.06)	(11.20)	(1.31)	(0.77)	(2.75)	(0.91)	(9.51)	(0.15)	-	(13.13)	(40.89)	(272.83)	(313.72)
At March 31, 2022	**27.77**	**789.89**	**15.12**	**975.91**	**372.18**	**73.38**	**16.18**	**46.33**	**119.71**	**50.75**	**230.15**	**302.06**	**3,019.43**	**56.75**	**3,076.18**
Accumulated Depreciation															
At April 01, 2020	-	129.69	5.97	241.40	85.59	16.31	6.71	10.35	58.74	17.59	2.16	36.15	610.66	-	610.66
Charge for the year	-	30.44	1.73	76.82	39.92	5.12	1.41	6.17	20.97	5.29	2.44	32.48	222.79	-	222.79
Disposals	-	(11.56)	(0.84)	(8.29)	(5.66)	(1.28)	(0.07)	-	(1.62)	(1.92)	(0.89)	(9.02)	(41.15)	-	(41.15)
At March 31, 2021	-	**148.57**	**6.86**	**309.93**	**119.85**	**20.15**	**8.05**	**16.52**	**78.09**	**20.96**	**3.71**	**59.61**	**792.30**	-	**792.30**
Charge for the year	-	29.93	1.60	76.52	48.85	6.34	1.10	6.68	17.17	3.91	2.53	39.24	233.87	-	233.87
Disposals	-	(0.81)	(0.04)	(6.93)	(1.08)	(0.53)	(2.59)	(0.76)	(8.78)	(0.13)	-	(6.54)	(28.19)	-	(28.19)
At March 31, 2022	-	**177.69**	**8.42**	**379.52**	**167.62**	**25.96**	**6.56**	**22.44**	**86.48**	**24.74**	**6.24**	**92.31**	**997.98**	-	**997.98**
Net carrying amount															
At April 01, 2020	**27.28**	**662.05**	**7.41**	**588.21**	**140.04**	**30.33**	**6.11**	**27.70**	**49.26**	**28.53**	**215.64**	**117.03**	**1,899.59**	**82.77**	**1,982.36**
At March 31, 2021	**27.28**	**626.51**	**6.30**	**549.26**	**175.60**	**33.38**	**4.69**	**25.61**	**38.88**	**25.86**	**224.57**	**122.89**	**1,860.83**	**86.26**	**1,947.09**
At March 31, 2022	**27.77**	**612.20**	**6.70**	**596.39**	**204.56**	**47.42**	**9.62**	**23.89**	**33.23**	**26.01**	**223.91**	**209.75**	**2,021.45**	**56.75**	**2,078.20**

Notes: -

(i) Right of Use asset includes:-

(a) "Leasehold Land" represents land obtained on long term lease from various Government authorities.

(b) Leasehold Building represents properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 31(2)

(ii) Capital work in progress as at March 31, 2022 includes assets under construction at various plants including water heater, cable and wires and switch gears, etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iii) Plant and machinery, generators, furniture and fixtures, electric fans and installations has been pledged/hypothecated as security by the Group {refer note [30(A)(c)]}.

(iv) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note [30(A((b)].

(v) The grant related to assets incudes:

(a) RIICO Land Back-end subsidy of ₹ NIL (March 31, 2021 ₹ 17.71 crores) on leasehold land situated at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan on account of reasonable certainty for fulfilment of conditions related to grant.

(b) Subsidy of ₹ 3.72 Crores (March 31, 2021 ₹ 8.41 crores) on account of Modified Special Incentive Package (MSIP) scheme for making capital investment at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan.

(vi) The Group has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

* Disposal includes assets held for sale amounting to ₹ 0.73 crores (March 31, 2021 ₹ 0.58 Cr)

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(vii) Capital work-in-progress ("CWIP") Ageing schedule

As at March 31, 2022

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	53.58	3.17	-	-	56.75
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54.33	31.86	0.07	-	86.26
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Capital Work in progress where the completion is overdue or has exceeded its cost compared to its original plan.

(viii) Title deeds of Immovable Property not held in the name of the Group

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Property held	Reason for lease agreement not executed with the Group
Property, plant and equipment	Freehold land in Delhi	15.89	Late Shri Qimat Rai Gupta, on behalf of M/s Guptajee & Group	Erstwhile Promoter/ Director	From March 31, 2011	The possession and original agreement to sale, of the property, is in the name of Group. Further, title deeds will be registered in the name of the Group once state government's policy on registry is changed.
Property, plant and equipment	Building in Bengaluru	0.04	Shakereh Shraddhanand	No	From April 01, 2012	The possession and original agreement to sale, of the property, is in the name of Group. Further, the Group is taking adequate legal steps to get the title deeds registered with appropriate authority,

(ix) Property where Group is a lessee but agreements are not executed

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value of Right to Use Assets	Held in the name of	Whether promoter, director or their relative or employee	Property held	Reason for lease agreement not executed with the Group
Property, plant and equipment	Building in Sahibabad	43.20	QRG Enterprises Limited	Promoter {refer note 31(5)}	From August 01, 2007	Rent is being paid based on mutual understanding and the monthly invoice for usage charges raised by QRG Enterprises Limited.{refer note 31(5)}
Property, plant and equipment	Building in Noida	96.79	QRG Enterprises Limited	Promoter {refer note 31(5)}	From July 01, 2008	

Aggregate net carrying amount of Right-to-use asset prepared as per Ind AS 116 is ₹ 133.08 Crores (March 31, 2021 ₹ 42.75 crores) and aggregate lease liability is ₹ 136.09 Crores (March 31, 2021 ₹ 43.00 crores). Aa per Ind AS 116, amount accounted for as depreciation is ₹ 6.49 crores (March 31, 2021 ₹ 0.42 crores) and interest expense is ₹ 7.68 Crores (March 31, 2021 ₹ 0.89 Crores).

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

4 Goodwill and Other Intangible Assets

(₹ in crores)

	Computer Software	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Intangibles assets under development	Total Intangible Asset
Gross carrying amount (at cost)									
At April 01, 2020	49.09	8.58	1,029.00	82.40	58.50	1,227.57	310.47	3.36	1,541.40
Additions	4.83	1.08	-	-	-	5.91	-	1.28	7.19
Recognition of grant related to assets	(0.17)	-	-	-	-	(0.17)		-	(0.17)
Disposals	(0.03)	-	-	-	-	(0.03)	-	(0.99)	(1.02)
At March 31, 2021	**53.72**	**9.66**	**1,029.00**	**82.40**	**58.50**	**1,233.28**	**310.47**	**3.65**	**1,547.40**
Additions	8.70	1.91	-	-	-	10.61	-	0.69	11.30
Disposals	(9.75)	(0.06)	-	-	-	(9.81)	-	(3.88)	(13.69)
At March 31, 2022	**52.67**	**11.51**	**1,029.00**	**82.40**	**58.50**	**1,234.08**	**310.47**	**0.46**	**1,545.01**
Accumulated amortization									
At April 01, 2020	29.65	4.29	-	29.90	24.22	88.06	-	-	88.06
Charge for the year	6.19	1.27	-	10.30	8.36	26.12	-	-	26.12
Disposals	(0.03)	-	-	-	-	(0.03)	-	-	(0.03)
At March 31, 2021	**35.81**	**5.56**	**-**	**40.20**	**32.58**	**114.15**	**-**	**-**	**114.15**
Charge for the year	6.93	1.43	-	10.30	8.36	27.02	-	-	27.02
Disposals	(8.74)	(0.04)	-	-	-	(8.78)	-	-	(8.78)
At March 31, 2022	**34.00**	**6.95**	**-**	**50.50**	**40.94**	**132.39**	**-**	**-**	**132.39**
Net carrying amount									
At April 01, 2020	**19.44**	**4.29**	**1,029.00**	**52.50**	**34.28**	**1,139.51**	**310.47**	**3.36**	**1,453.34**
At March 31, 2021	**17.91**	**4.10**	**1,029.00**	**42.20**	**25.92**	**1,119.13**	**310.47**	**3.65**	**1,433.25**
At March 31, 2022	**18.67**	**4.56**	**1,029.00**	**31.90**	**17.56**	**1,101.69**	**310.47**	**0.46**	**1,412.62**

Note:-

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Brand and Trademarks acquired on acquisition of Lloyd business having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumer which is also an operating and reportable segment, for impairment testing. The Group has performed an annual impairment test to ascertain the recoverable amount of CGU. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and discounted pre tax cash flow projections based on financial budgets approved by management covering a 5 years period. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Further the management have factored the impact of COVID-19 on the cash flow projections used in assessment of recoverable amount of CGU. Management has determined following assumptions for impairment testing of CGU as stated Below :

Assumption	March 31, 2022	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	14.10%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis on overall economic growth rate, industry trend & expected long-term inflation in India.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of GGU of the Group. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in its recoverable amount.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Intangible assets under development

As at March 31, 2022

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.46	-	-	-	0.46
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	3.65	-	-	3.65
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

5 Contract Balances

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(A)	**Trade Receivables {refer note (a) below and note 10(B)}**	768.93	567.05
		768.93	**567.05**
(B)	**Contract Assets (Unsecured, considered good) {refer note (b)}**	65.38	69.90
		65.38	**69.90**
	Non-current portion	38.83	49.79
	Current portion	26.55	20.11
(C)	**Contract Liability {refer note (c) and note 21(v)}**	21.68	14.11
		21.68	**14.11**
	Non-current portion	4.99	4.57
	Current portion	16.69	9.54

Note

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

(b) During the earlier years, the Group had entered in to an agreement with customer wherein the Group had identified multiple performance obligations in contract as per Ind AS 115 "Revenue from contract with customers". The Group's right to receive consideration is conditional upon satisfaction of all performance obligations. Accordingly, the Group has recognized contract asset in respect of performance obligation satisfied during the year. Contract assets arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. Contract assets have decreased in the current year on account of change in the time frame for a" right to consideration" become unconditional.

(c) The Group has entered into the agreements with customers for sales of goods and services. The Group has identified these performance obligations and recognized the same as contract liabilities in respect of contracts, where the Group has obligation to deliver the goods and perform specified services to a customer for which the Group has received consideration. There has been no significant change in the contract liabilities.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

6 Non-Current Financial Assets

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(A)	**Non-Current Investment (valued at amortized cost)**		
	Unsecured, considered good		
	Deposits account with financial institution having remaining maturity period of more than twelve months (refer note (a) below)	272.68	-
		272.68	**-**
	(a) The deposits maintained by the Group with financial institution comprise of the time deposits and are made of varying periods between one year to two years depending on the cash requirements of the Group and earn interest at the respective deposit rates.		
(B)	**Trade Receivables (valued at amortized cost)**		
	Unsecured {refer note 10(B)}		
	Trade receivables from contract with customers - considered good	2.67	3.32
		2.67	**3.32**
(C)	**Other Financial Assets (valued at amortized cost)**		
	Unsecured, considered good		
	Earnest money and Security Deposits	21.98	20.17
	Others		
	Bank deposits with original and remaining maturity of more than twelve months {refer note (a) below}	20.20	-
		42.18	**20.17**

(a) Includes Fixed Deposit amounting ₹ 4.15 crores (March 21, 2021 ₹ Nil) related to unspent CSR amount kept in separate bank account as per provision of 135(6) of Companies Act, 2013.

7 Other Non-Current Assets

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances	7.22	14.81
Others		
Prepaid expenses	5.82	6.17
Deposits with Statutory and Government authorities	29.89	33.64
	42.93	**54.62**

8 Non Current tax Assets (Net)

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Current tax assets net of provision for income tax	26.54	23.56
	26.54	**23.56**

9 Inventories

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components	754.89	635.71
Work-in-progress	202.06	167.53
Finished goods	1,359.07	1,211.73
Traded goods	581.31	542.66
Stores and spares	34.07	25.40
Loose tools	2.62	0.86
Packing materials	20.19	21.09
Scrap materials	13.87	14.91
	2,968.08	**2,619.89**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Notes:

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(a)	The above includes goods in transit as under:		
	Raw materials	180.41	110.61
	Finished goods	234.65	136.37
	Traded goods	74.95	44.04
(b)	The stock of scrap materials have been taken at net realisable value.		
(c)	Inventories are hypothecated with the bankers against working capital limits. {refer note 30A(c)}		

10 Current Financial Assets

(A) Current Investment (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured, considered good		
Deposits account with financial institution with original maturity of more than three months but less than twelve months {refer note (a)}	-	154.77
Deposits account with financial institution with original maturity of more than twelve months but expiring less than 12 months	153.42	151.53
	153.42	**306.30**
Aggregate amount of unquoted investments	**153.42**	**306.30**
Aggregate amount of impairment in the value of investments	-	-

Note:

(a) The deposits maintained by the Group with financial institution comprise of the time deposits and are made of varying periods between one year to two years depending on the cash requirements of the Group and earn interest at the respective deposit rates.

(B) Trade Receivables (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured		
Trade receivables from contract with customers - considered good	813.51	603.40
Trade receivables - Credit impaired	27.16	33.00
Trade receivables (gross)	**840.67**	**636.40**
Less : Impairment allowance for trade receivables	71.74	69.35
Trade receivables (net)	**768.93**	**567.05**
Current portion	766.26	563.73
Non - current portion {refer note 6 (B)}	2.67	3.32

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(I) Trade receivables ageing schedule as at March 31, 2022

Particulars		Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good		524.44	163.53	44.97	61.18	16.58	2.81	813.51
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	0.00	0.05	2.64	1.80	7.17	15.50	27.16
Total	**-**	**524.44**	**163.58**	**47.61**	**62.98**	**23.75**	**18.31**	**840.67**
Less : Allowance for trade receivables	-	(0.01)	(0.50)	(4.43)	(24.74)	(23.75)	(18.31)	(71.74)
Total	**-**	**524.43**	**163.08**	**43.18**	**38.24**	**-**	**-**	**768.93**

(II) Trade receivables ageing schedule as at March 31, 2021

Particulars		Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good		421.55	106.82	46.07	21.18	2.35	5.43	603.40
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	0.80	1.79	12.72	4.58	13.11	33.00
Total	**-**	**421.55**	**107.62**	**47.86**	**33.90**	**6.93**	**18.54**	**636.40**
Less : Allowance for trade receivables	-	-	(0.80)	(23.18)	(19.91)	(6.93)	(18.54)	(69.35)
Total	**-**	**421.55**	**106.82**	**24.68**	**13.99**	**-**	**-**	**567.05**

Notes:

(a) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

(b) Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(C) Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Balances with banks:		
Current accounts (net) {refer note (d)}	36.86	26.06
Cash credit accounts	114.02	32.09
Deposits with a original maturity of less than three months {refer note (b)}	624.72	296.37
Cash on hand	0.24	0.10
	775.84	**354.62**

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) Short-term deposits are made of varying periods between one day to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

(c) Includes amount of ₹ 0.15 crores related to unspent CSR amount kept in separate bank account as per provision of 135(6) of Companies Act, 2013.

(d) Includes Fixed Deposit amounting ₹ 0.96 crores related to Havells Employees Welfare Trust.

(e) Change in liabilities arising from financing activities

(₹ in crores)

	Long Term Borrowing		Short Term Borrowing		Lease Liability	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	492.20	40.50	-	-	130.66	121.61
Addition on account of new leases during the year {refer Note 31(2)}	-	-	-	-	131.92	56.84
Deletion on account of termination of leases during the year {refer Note 31(2)}	-	-	-	-	(6.68)	(18.06)
Lease rent concession					(0.49)	(2.54)
Cash inflow from borrowings	0.04	500.00	-	500.00	-	-
Cash inflow from issue of commercial paper {refer note (a)} below	-	-	-	488.25	-	-
Cash outflows	(97.35)	(49.50)	-	(988.25)	(34.54)	(27.19)
Interest expense	25.10	25.04	-	22.04	14.89	9.68
Interest paid	(24.46)	(23.84)	-	(22.04)	(14.89)	(9.68)
Closing balance	**395.53**	**492.20**	**-**	**-**	**220.87**	**130.66**
Non-current Borrowing {refer note 14 (A)}	272.57	393.65	-	-	-	-
Non-current lease liability {refer note 14 (B)}	-	-	-	-	178.82	101.51
Current maturity of long term borrowing {refer note 17 (A}	122.96	98.55	-	-	-	-
Current maturity of long term lease liability {refer note 17 (B)}	-	-	-	-	42.05	29.15

Notes:

(a) During FY 20-21, the Group had issued unsecured Commercial Paper (CP) worth ₹ 500 crores at the issue price of ₹ 488.25 crores having maturity date of March 26, 2021. These were fully repaid on due date including interest thereon.

(b) During FY 20-21, the Group had availed working capital loan of ₹ 200 crores from HSBC Bank Ltd. for general business purpose for a period of 90 days and the same was rolled over for further 90 days .The same was repaid on due date including interest thereon.

(c) During FY 20-21, Group had availed unsecured working capital loan of ₹ 300 crores from DBS bank Ltd. which was repayable on demand and the same was repaid fully during FY 20-21 including interest thereon.

(d) For term loan {refer note 14(A)}

(D) Other Bank Balances

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Deposits account with original maturity of more than three months but expiring less than twelve months {refer note (a) and (e)}	72.07	384.62
Deposits account with original maturity of more than twelve months {refer note (b) and (d)}	1,697.39	910.68
Unpaid dividend account {refer note (c)}	2.68	2.87
	1772.14	**1298.17**

Notes:

(a) The deposits maintained by the Group with banks comprise of the time deposits, which may be withdrawn by the Group at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(b) Fixed deposit with original maturity of more than twelve months but remaining maturity of less twelve months have been disclosed under other bank balances.

(c) The Group can utilize the balance towards settlement of unclaimed dividend.

(d) Includes Fixed Deposit amounting ₹ 4.14 crores (March 21, 2021 ₹ Nil) related to unspent CSR amount kept in separate bank account as per provision of 135(6) of Companies Act, 2013.

(e) Includes Fixed Deposit amounting ₹ 4.82 crores related to Havells Employees Welfare Trust.

(E) Other Financial Assets (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured, considered good		
Earnest money and security deposits	3.32	3.91
Retention money	-	1.67
Contractual claims and other receivables {refer note (a)}	26.57	23.14
Consideration Receivable {refer note (b)}	-	17.27
	29.89	**45.99**

Note :

(a) Contractual claims and other receivables includes claims in accordance with contract with vendors.

(b) During the year, the Group's joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", has been liquidated vide order dated February 08, 2022. The Group has received an agreed consideration of ₹ 18.43 crores

11 Other Current Assets

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	23.54	17.47
Others		
Prepaid expenses	27.86	24.11
Duty free licenses in hand	2.40	0.19
Government grant receivable	9.34	23.02
Balance with Statutory and Government authorities/Others	50.51	46.28
	113.65	**111.07**
Movement of Government grant receivable		
Opening balance	23.02	71.18
Accrual of grant related to income (credited to statement of profit and loss account) (refer note 21)	10.66	9.87
Accrual of grant related to assets	-	8.41
Grant related to asset realized	(3.72)	(30.90)
Grant related to income realized	(20.62)	(35.54)
Closing Balance	**9.34**	**23.02**

Note:- Government grant receivable includes export incentives, Budgetary support for refund of Goods and Service Tax and investment subsidy.

12 Assets Classified as Held for Sale

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Property, plant and equipment		
Assets retired from active use	0.73	0.58
	0.73	**0.58**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

13 Equity

(A) Share capital

a) Authorized Share Capital

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
1,032,000,000 equity shares of ₹1/- each (March 31, 2021: 1,032,000,000 equity shares of ₹1/- each)	103.20	103.20
5,50,000 preference shares of ₹10/- each (March 31, 2021: 5,50,000 preference shares of ₹10/- each)	0.55	0.55
	103.75	**103.75**

b) Issued, subscribed and fully paid-up

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
626,303,067 equity shares of ₹1/- each (March 31, 2021: 626,013,006 equity shares of ₹1/- each)	**62.63**	**62.60**

c) Reconciliation of the shares outstanding at the beginning and at the end of the period/ year

	March 31, 2022		March 31, 2021	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	626,013,006	62.60	625,802,834	62.58
Add: Exercise of employee stock purchase plan - proceeds received {refer note 31(6)}	290,061	0.03	210,172	0.02
	626,303,067	**62.63**	**626,013,006**	**62.60**

d) Shareholding of promoters

S. No	Shares held by promoters at the end of the year	As at 31 March, 2022		As at 31 March, 2021		% change during the year
	Promoter Name	No. of equity shares	% of Total shares	No. of equity shares	% of Total shares	
1	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	77,425,200	12.36%	77,425,200	12.37%	0.01%
2	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	36,432,180	5.82%	36,432,180	5.82%	0.00%
3	QRG Investments and Holdings Limited	68,741,660	10.98%	68,741,660	10.98%	0.01%
4	QRG Enterprises Limited	189,858,880	30.31%	189,858,880	30.33%	0.01%
	Total	**372,457,920**	**59.47%**	**372,457,920**	**59.50%**	

e) Terms/rights attached to equity shares

The Group has only one class of issued share capital i.e. equity shares having a par value of ₹1/- per share (March 31,2021: ₹1/- per share). Each holder of equity shares is entitled to one vote per shares. The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

f) Details of shareholders holding more than 5% shares in the Group is set out below (representing legal and beneficial ownership):

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.36	77,425,200	12.37
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	36,432,180	5.82	36,432,180	5.82
QRG Enterprises Limited	189,858,880	30.31	189,858,880	30.33
QRG Investments and Holdings Limited	68,741,660	10.98	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

g) Shares reserved for issue under Employee stock purchase plan

Information relating to Employee stock purchase plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 31 (6).

(B) Other Equity

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Capital reserve	7.63	7.63
Securities premium	121.50	90.38
Share option outstanding account	0.53	0.64
General reserve	722.72	722.72
Retained earnings	5,086.98	4,292.09
Foreign Currency translation reserves	0.90	0.24
Total other equity	**5,940.26**	**5,113.70**
a) Capital reserve	**7.63**	**7.63**
b) Securities premium		
Opening balance	90.38	80.58
Add: Exercise of Employee stock purchase plan - proceeds received	31.12	9.80
Closing balance	**121.50**	**90.38**
c) Stock options outstanding account		
Opening balance	0.64	0.64
Add : Options recognized during the year	1.15	0.50
Less : Options vested and exercised during the year	(1.26)	(0.50)
Closing balance	**0.53**	**0.64**
d) General reserve	**722.72**	**722.72**
e) Retained earnings		
Opening balance	4,292.09	3,437.60
Net profit for the year	1,196.47	1,044.31
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	5.52	(2.02)
Dividends		
Final Dividend of ₹ 3.50 per share for FY 2020-21 (₹ Nil per share for FY 2019-20)	(219.21)	-
Interim dividend of ₹ 3.00 per share for FY 2021-22 (₹ 3.00 per share for FY 2020-21)	(187.89)	(187.80)
Closing balance	**5,086.98**	**4,292.09**
f) Foreign Currency translation reserves		
Opening balance	0.24	(0.19)
Exchange difference on translation of financial statements of foreign operations	0.66	0.43
Transfer to statement of profit and loss account on account of liquidation of group companies	-	-
Closing balance	**0.90**	**0.24**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(C) Nature and Purpose of Reserves

(a) **Capital reserve**
During amalgamation/ merger approved by Honourable court, the excess of net assets taken over the consideration paid, if any, is treated as capital reserve. This capital reserve has arisen as a result of scheme of amalgamation in the past periods.

(b) **Securities premium**
Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) **General reserve**
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with scheme of Amalgamation in earlier years. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

(d) **Share options outstanding account**
The share option outstanding account is used to recognize the grant date fair value of options issued to employees under Employee stock purchase plan.

Net of shares 41,960 (March 31, 2021: 41,960) held by employee welfare trust included in the financial statements

(e) **Retained earnings**
Retained Earnings are profits that the Group has earned till date less transfer to General Reserve ,dividend or other distribution or transaction with shareholders.

(f) **Foreign currency translation reserve**
Exchange differences arising on translation of financial statements foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when net investment is disposed of / liquidated or classified as held for sale.

14 Non Current Financial Liabilities

(A) Borrowings (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Term loans from bank (secured) {refer note (a) to (d) below}	395.49	492.20
Term loans others (secured)	0.04	-
	395.53	**492.20**
Less : Current maturity of long term borrowing {refer note 17 (A)}	121.12	97.35
Less: Interest accrued (included in current borrowing)	1.84	1.20
Non-current portion	272.57	393.65

Notes:

(a) The Group has availed secured loan of ₹ 250 crores, carrying interest rate of (3 months TBill rate plus (288 - 488 base points)) (March 31, 2021: ₹ 250 crores) against the sanctioned term loan amount of ₹ 250 crores (March 31, 2021:₹ 250 crores) from CITI Bank N.A.The current outstanding amount against the loan is ₹ 203.13 Crores (March 31, 2021: ₹ 250 crores).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the Group during the previous year. The term loan is repayable in 16 equated quarterly instalments commencing from 15th month from first drawdown date of April 21, 2020. This term loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future situated at (i) SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India (ii) Unit-1 Village Dharampur,Sai Road,Baddi,Dist Solan,Himachal Pradesh,(iii) Unit-II Village Gulerwala,Dist Solan ,Baddi,Himachal Pradesh,(iv) Unit-I,Sector -10,Plot No 2A,BHEL Complex,Haridwar (v) Unit-II ,Plot No 2A and 2D/1 Sector-10,Sidcul Industrial Area,Haridwar, Uttarakhand

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(b) The Group has availed secured loan of ₹ 250 Crores carrying interest rate of 4 - 6 %, (March 31, 2021 : ₹ 250 crores) against the sanctioned amount of ₹ 350 crores (March 31, 2021: ₹ 350 crores) from HDFC Bank Limited. The current outstanding amount against the loan is ₹ 190.52 Crores (March 31 ,2021: ₹ 241 crores).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the Group during 12 months of first drawdown date of May 29, 2020. The term loan is repayable in quarterly instalments over the period of 5 years as per terms of agreement starting from [1st Loan of ₹ 120 Crores (June 2020- May 2025) and 2nd Loan of ₹ 130 Crores (April 2021- May-2025)]. This loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets, plant and machinery and all movable properties both present and future situated at (i) A-461/462,SP-215 and 204 & 204A ,Matsya Industrial Area, Alwar, Rajasthan and (ii) SP-1-133,General Zone ,RIICO Industrial Area, Ghiloth.

(c) The Group is required to maintain the Debt Covenants i.e., Fixed assets coverage ratio, Debt service coverage ratio, Gearing Ratio, Leverage Ratio was & Interest coverage ratio and Group has complied with all the debt covenants in both the year i.e., March 31, 2022 and March 31, 2021.

(d) The Group has borrowings from banks and financial institutions on the basis of security of current assets. The Group has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022 and March 31, 2021.

(e) As on the Balance sheet date there is no default in repayment of loans and interest.

(f) Utilisation of borrowings availed from banks and financial institutions: The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loans were obtained.

(g) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(B) Lease Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Lease Liability {refer note 31(2)}	178.82	101.51
	178.82	**101.51**

(C) Other Financial Liabilities (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Employees payable pursuant to employee stock purchase plan	0.56	0.58
Long Term Employee Retention scheme	0.66	0.73
Other Liabilities	2.74	-
	3.96	**1.31**

15 Non Current Provisions

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Product warranties and E-waste {Refer note 18(a)}	76.25	58.43
	76.25	**58.43**

16 Income Taxes

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(a) Income tax expense in the statement of profit and loss comprises:

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current income tax charge	408.83	348.03
Adjustment in respect of current income tax of previous year	(10.25)	(7.38)
Total current income tax	**398.58**	**340.65**
Deferred Tax charge / (credit)		
Relating to origination and reversal of temporary differences	11.51	52.59
Income tax expense reported in the statement of profit or loss	**410.09**	**393.24**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(b) Other Comprehensive Income

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current income tax related to items recognized in OCI during the year:		
Current income tax on re-measurement loss on defined benefit plans	(1.86)	0.68
Income tax related to items recognized in OCI during the year	**(1.86)**	**0.68**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Accounting Profit before tax	1,606.56	1,437.55
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	**404.34**	**361.80**
Expense not allowed for tax purpose	6.02	8.68
Additional allowances for tax	(0.03)	(0.25)
Impact of amendment in income tax law pursuant to Finance Act, 2021 on deferred tax liability	-	32.96
Utilisation of previously unrecognized tax losses	(0.24)	(9.95)
Income tax charged to Statement of Profit and Loss at effective rate of 25.52% (March 31, 2021: 27.35%) {Refer Note (ii) below}	**410.09**	**393.24**

(d) Deferred tax liabilities comprises:

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2022	As at March 31,2021	Year ended March 31, 2022	Year ended March 31,2021
Accelerated Depreciation for Tax purposes	382.72	368.63	14.09	53.16
Right of Use as per Ind AS 116	52.79	30.93	21.86	1.48
Lease liability as per Ind AS 116	(55.59)	(32.88)	(22.71)	(2.27)
Expenses allowable on payment basis	(12.69)	(11.65)	(1.04)	5.93
Allowance for doubtful debts	(18.04)	(17.45)	(0.59)	(6.16)
Other Items giving rise to temporary differences	1.43	1.53	(0.10)	0.45
Deferred tax liabilities (net)	**350.62**	**339.11**	**11.51**	**52.59**

(e) Deferred tax liabilities (net)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31,2021
Opening balance as per last balance sheet	339.11	286.52
Deferred tax charged/(credited) to profit and loss account during the year	3.10	52.59
Adjustment in respect of deferred tax of previous year	8.41	-
Closing balance	**350.62**	**339.11**

Notes:

(i) The Group has unabsorbed capital loss of ₹ 369.61 crores as on March 31, 2022 (March 31, 2021 ₹ 342.05 crores) out of which capital loss of ₹ 219.75 crores will expire in financial year 2023-24, capital loss of ₹ 122.30 crores will expire in financial year 2025-26 and capital loss of ₹ 27.55 crores will expire in financial year 2029-30, on which no deferred tax asset has been created by the management due to lack of probability of future capital gain against which such deferred tax assets can be realized. If the Group were able to recognize all unrecognized deferred tax assets, the profit after tax would have increased by ₹ 84.56 crores (March 31, 2021 ₹ 78.26 Crore).

(ii) Effective tax rate has been calculated on profit before tax.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

17 Current Financial Liabilities

(A) Short Term Borrowings

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current maturities of long term borrowings (Refer note 14(A))	121.12	97.35
Add : Interest accrued	1.84	1.20
	122.96	**98.55**

(B) Lease Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current maturities of Lease liability {refer note 31 (2)}	42.05	29.15
	42.05	**29.15**

(C) Trade Payables

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Total outstanding dues of micro enterprise and small enterprises; and	114.08	188.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,265.94	1,408.36
	2,380.02	**1,597.14**

Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	112.68	1.40	-	-	-	**114.08**
(ii) Others	83.02	1,971.00	207.24	3.29	-	-	**2,264.55**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	1.39	**1.39**
Total	**83.02**	**2,083.68**	**208.64**	**3.29**	**0.00**	**1.39**	**2,380.02**

Trade payables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	178.96	9.82	-	-	-	**188.78**
(ii) Others	-	1,194.68	209.43	2.32	0.06	0.48	**1406.97**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	1.39	**1.39**
Total	**-**	**1,373.64**	**219.25**	**2.32**	**0.06**	**1.87**	**1597.14**

Notes:

(i) Trade Payables include due to related parties ₹ 16.92 crores (March 31, 2021 : ₹14.98 crores) {refer note 31(5)(D)}

(ii) The amounts are unsecured and non interest-bearing and are usually on varying trade term.

(iii) For terms and conditions with related parties. {refer to note 31(5)}

(iv) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 as at the end of each accounting year

	March 31, 2022	March 31, 2021
Principal	114.08	188.78
Interest	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (March 31, 2021 : ₹ Nil).	-	-

(D) Other Financial Liabilities (valued at amortized cost)

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Unpaid dividend {refer note (a)}	2.68	2.87
Other payables		
Employees payable pursuant to employee stock purchase plan	2.06	3.18
Long Term Employee Retention Scheme		
Creditors for capital goods	21.47	31.25
Deposits from customers	45.55	42.41
Retention Money	9.43	8.55
Other liabilities		
Employee benefit obligations	110.25	90.72
Payable to banks against receivable buyout facilities (refer note (b))	-	28.03
Interest accrued	5.94	11.53
Claims Payable {refer note (d) below}	-	18.38
Sales incentives payable	319.29	293.05
Others {refer note (c)}	8.81	58.84
	525.48	**588.81**

Notes:

a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Group has transferred ₹ 0.26 crores (March 31,2021 : ₹0.14 crore) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act, 2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Other includes amount against E-waste liability {refer note 18(a)(ii)}.

d) Claims payable includes an amount of ₹ NIL (March 31, 2021 : ₹ 18.38 crores) payable by Group under its Global Sylvania business closure process.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

18 Current Provisions

i) Provision for employee benefits

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Gratuity {refer note no. 31(3)}	8.65	18.25
(A)	**8.65**	**18.25**

ii) Other provisions

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Product warranties {refer note (a)}	237.30	226.37
Litigations {refer note (b)}	7.28	12.93
(B)	**244.58**	**239.30**
(A) + (B)	**253.23**	**257.55**

a) Provision for warranties and E-waste

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within seven years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on one to seven years warranty period for all products sold and are consistent with those in the prior years. The assumptions made in relation to the current year are consistent with those in the prior year.

(ii) The table below gives information about movement in Warranty and E-waste provisions:

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
As at April 01, 2021	284.80	212.51
Charged/(credited) to profit or loss	-	-
- additional provisions recognized (refer note 29)	211.27	243.37
- unused amounts reversed	-	-
- unwinding of discount {refer note no. 27}	6.24	4.21
Amounts used during the year	(188.76)	(175.29)
As at March 31, 2022	**313.55**	**284.80**
Current portion	237.30	226.37
Non-current portion {refer note no. 15}	76.25	58.43

b) Provision for litigations

Provision for litigation amounting to ₹ 7.28 Crores (March 31, 2021: ₹12.93 Crores) is created against demands raised in various ongoing litigations in ordinary course of business. Based on the facts of the case and legal precedents ,the management believes there would be a probable outflow of resources and accordingly, has created a provision in books of account.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
As at April 01, 2021	12.93	13.99
Charged/(credited) to profit or loss		
Amounts used during the year	(5.65)	(1.06)
As at March 31, 2022	**7.28**	**12.93**
Current portion	7.28	12.93
Non-current portion	-	-

Note: No additional provisions were recognized during the year

19 Current Tax Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Current tax liabilities (net of advance tax and tax deducted at source amounting to ₹ 346.86 crores (March 31, 2021 ₹ 276.86 crores)	62.83	74.26
	62.83	**74.26**

20 Other Current Liabilities

(₹ in crores)

	As at March 31, 2022	As at March 31,2021
Advances from customers	40.34	26.18
Others		
Goods and Services Tax Payable	123.45	40.07
Other statutory dues payable	66.06	56.13
	229.85	**122.38**

21 Revenue from Operations

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contract with customers:			
Sale of products		13,756.45	10,329.57
Sales of services		79.00	53.16
	(A)	**13,835.45**	**10,382.73**
Other operating revenues			
Export Incentive		10.66	9.87
Scrap sales		92.37	64.70
	(B)	**103.03**	**74.57**
Total revenue from operations	(A) + (B)	**13,938.48**	**10,457.30**
(i) Timing of revenue recognition			
Goods transferred at a point in time		13,848.82	10,394.27
Services transferred over the time		79.00	53.16
Total revenue from contract with customers		**13,927.82**	**10,447.43**
Add : Export Incentive		10.66	9.87
Total revenue from operations		**13,938.48**	**10,457.30**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
(ii)	**Disaggregation of revenue based on product or service**		
	Switchgears	1,790.92	1,460.88
	Cables	4,642.77	3,180.17
	Lighting and fixtures	1,391.43	1,113.98
	Electrical consumer durables	3,071.20	2,376.99
	Lloyd Consumer*	2,272.78	1,688.75
	Others	758.72	636.53
	Total revenue from contract with customers**	**13,927.82**	**10,457.30**
	* Includes revenue from installation services and service-type warranties.		
	** Excludes export incentive of ₹ 10.66 Crore (March 31, 2021 : ₹ 9.87 Crores)		
(iii)	**Revenue by location of customers**		
	India	13,423.38	10,057.53
	Outside India	504.44	389.90
	Total revenue from contract with customers	**13,927.82**	**10,447.43**
	Add : Export Incentive	10.66	9.87
	Total revenue from operations	**13,938.48**	**10,457.30**
(iv)	**Reconciliation of revenue recognized in statement of profit and loss with contracted price**		
	Revenue as per contracted price	14,014.85	10,522.51
	Less: Cash discount	(87.03)	(75.08)
	Total revenue from contract with customers	**13,927.82**	**10,447.43**
	Add : Export Incentive	10.66	9.87
	Total revenue from operations	**13,938.48**	**10,457.30**

(v) Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Group provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2022 and expected time to recognize the same as revenue is as follows:-

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Within one year	16.69	9.54
More than one year	4.99	4.57
	21.68	**14.11**

Note: The remaining performance obligation expected to be recognized in more than one year relates to amounts received from customer against which performance obligation is to be satisfied over the period of one to seven years. All other remaining performance obligation are expected to be recognized within one year. During the year ended March 31, 2022, revenue recognized from amount included in contract liability at the beginning of year is ₹ 9.54 crores (March 31, 2021: ₹ 15.22 crores).

(vi) Disclosure pursuant to Appendix D of Ind AS 115

The Group was awarded a contract for replacement of existing conventional street/ park lights with LED street/ park lights by a Municipal Corporation in April 2017. As per the agreement, the Group shall also be responsible for the operation and maintenance of LED street/ park lights for a period of 7 years after installation. The consideration received by the Group under the contract is based on the energy savings resulting from the LED street/ park lights. The revenue recognized during the year and the contract assets balance as at year-end from such contract amounts to ₹ 45.43 Crores (March 31, 2021: ₹ 44.52 Crores) and ₹ 56.83 Crores (March 31, 2021: ₹ 67.09 Crores) respectively.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

22 Other Income

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest received on financial assets carried at amortized cost:		
Deposits with banks	81.43	83.93
Investment	15.26	15.53
Others - unwinding of discounting on security deposits and provisions	7.76	8.10
Other non-operating income		
Exchange fluctuations (net)	32.78	23.53
Liabilities no longer required written back	0.15	4.49
Gain on disposal of property, plant and equipment (net)	-	40.39
Lease rent concession {refer note 31(2)}	0.49	2.54
Profit on sale of Investments	0.97	-
Discount on License utilized	8.65	-
Subsidy Income	4.83	-
Miscellaneous income	8.12	8.85
	160.44	**187.36**

23 Cost of Raw Materials and Components Consumed

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Copper	2,604.08	1,830.22
Aluminium	922.07	514.16
General plastic and Engineering Plastic	365.51	238.98
Paints and chemicals	486.41	311.46
Steel	217.59	166.56
Packing materials	307.53	231.51
Other material	2,866.88	2,089.06
	7,770.07	**5,381.95**

24 Purchase of Traded Goods

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Switchgears	164.76	87.82
Lighting and fixtures	324.24	275.73
Electrical consumer durables	446.20	357.97
Lloyd Consumer	693.48	695.03
Cables	0.77	0.73
Others	241.95	221.54
	1,871.40	**1,638.82**

25 Change in Inventories of Finished Goods, Traded Goods and Work-In-Progress

(₹ in crores)

	As at March 31, 2022	As at March 31,2021	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	1,359.07	1,211.73	(147.34)
Traded goods	581.31	542.66	(38.65)
Work in progress	202.06	167.53	(34.53)
Scrap materials	13.87	14.91	1.04
	2,156.31	**1,936.83**	**(219.48)**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(₹ in crores)

	As at March 31, 2022	As at March 31,2021	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	1,211.73	836.99	(374.74)
Traded goods	542.66	459.30	(83.36)
Work in progress	167.53	100.52	(67.01)
Scrap materials	14.91	8.95	(5.96)
	1,936.83	**1,405.76**	**(531.07)**

26 Employee Benefits Expenses

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, bonus, commission and other benefits	928.05	824.98
Contribution towards Provident Fund, Family Pension and ESI	40.45	36.17
Employee stock purchase plan expense {refer note no. 31(6)}	26.76	7.59
Gratuity expense {refer note no. 31(3)}	16.03	15.55
Staff welfare expenses	9.40	6.34
	1,020.69	**890.63**

27 Finance Costs

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on borrowings	25.10	47.08
Interest on income tax	7.01	11.21
Interest on lease liability {refer note no. 31(2)}	14.89	9.68
Miscellaneous financial expenses	0.17	0.50
Total interest expense	**47.17**	**68.47**
Unwinding of discount on long term provisions {refer note no. 18(a)(ii)}	6.24	4.21
Total Finance cost	**53.41**	**72.68**

28 Depreciation and Amortization Expenses

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment {refer note 3}	192.10	187.87
Amortization of intangible assets {refer note 4}	27.02	26.12
Depreciation of Right of use assets (refer note 3)	41.77	34.92
	260.89	**248.91**

29 Other Expenses

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	54.68	48.74
Power and fuel	99.57	84.32
Job work and service charges	279.10	246.91
Rent	24.60	31.73
Repairs and maintenance:		
Plant and machinery	15.35	9.55
Buildings	3.60	2.85
Others	52.57	45.38
Rates and taxes	3.25	5.03

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Insurance	25.23	20.86
Trade mark fee and royalty	0.39	0.21
Travelling and conveyance	66.91	41.41
Communication expenses	6.66	6.87
Legal and professional charges	33.47	21.12
Payment to Auditors		
As Auditors:		
Audit fee	1.35	1.35
Tax audit fee	0.04	0.05
Certification fee	0.01	0.04
Reimbursement of expenses	0.05	0.01
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 31(7)}	23.66	20.97
Directors sitting fees	0.45	0.45
Freight and forwarding expense	431.27	361.70
Advertisement and sales promotion	246.82	132.55
Secondary sales promotion expense	-	33.88
Commission on sales	98.30	73.99
Product warranties and after sales services (net of reversals)	211.27	243.37
Bank Charges	13.51	17.41
Loss on sale/ discard of property, plant and equipment (net)	1.43	-
Bad debts written off	10.39	1.43
Impairment allowance for trade receivables considered doubtful	2.39	24.48
Impairment of Investment in subsidiary Group /Joint Venture	-	1.10
Miscellaneous expenses	29.06	27.43
	1,735.38	**1,505.19**

30A Commitments and Contingencies

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

		As At March 31,2022	As At March 31,2021
a	Claims / Suits filed against the Group not acknowledged as debts (Refer point (i))	7.07	6.86
b	Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 29.13 crores (March 31, 2021: ₹ 31.86 crores, included in "Deposit with Statutory and Government authorities" in note no. 7) {refer point (ii)}	74.88	64.16

Notes:

i) Claims / suits filed against the Group not acknowledged as debts which represents various legal cases filed against the Group. The Group has disclaimed the liability and defending the action. The Group has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

ii) The various disputed tax litigations are as under :

(₹ in crores)

Sl.	Description {refer note below}	Period to which relates	Disputed amount As At March 31,2022	Period to which relates	Disputed amount As At March 31,2021
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2009-10, 2015-16 to 2017-18 and 2019-20	16.34	2007-08 to 2009-10, 2015-16 and 2019-20	0.40
b)	**Income Tax***				
	Disallowances / additions made by the income tax department.	2005-06, 2009-10 to 2014-15, 2016-17, 2018-19 and 2019-20	38.78	2005-06, 2009-10 to 2013-14	42.21
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 and 2019-20	1.26	2017-18 and 2019-20	1.26
d)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department.	2005-06 to 2016-17	18.35	2005-06 to 2016-17	20.14
e)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			74.88		**64.16**

Notes:

The Group is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for these tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

*Based on favourable decisions in similar cases, the Group does not expect any liability against these matters in accordance with principles of Ind AS -12 'Income taxes' read with Ind AS -37 ;Provisions, Contingent Liabilities and Contingent Assets' and hence no provision has been considered in the books of accounts except for provision created in respect of few years {refer note 18 (ii)}.

The above amounts contain interest and penalty where included in the order issued by the department to the Company

B Commitments

(₹ in crores)

	As At March 31,2022	As At March 31,2021
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances amounting to ₹ 7.45 crores (March 31, 2021: ₹ 6.33 crores))	59.27	112.04
	59.27	**112.04**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

C Undrawn committed borrowing facility

(a) During the Year, the Group has availed fund and non fund based unsecured working capital limit amounting to ₹ 902 Crores under multiple banking arrangements from IDBI Bank Limited, Yes Bank Limited, Standard Chartered Bank Limited, HSBC Bank, ICICI Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, DBS Bank Limited, CITI Bank N.A. An amount of ₹ 598.44 crores remain undrawn as at Mach 31, 2022.

(b) The Group has availed fund based and non fund based working capital limits amounting to ₹ 235 crores (March 31, 2021 : ₹ 235.00 crores) from banks under consortium of Canara Bank, IDBI Bank Limited, Standard Chartered Bank, Axis Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ Nil crores remain undrawn as at March 31, 2021 (March 31, 2021 : ₹ 217.12 crores). Further, the limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire paid stocks consisting of raw material, work in progress, finished goods kept at Group's godown, factories and book debts along with receivables of the Group, both present and future.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with consortium banks by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which 1st charge is held with term lenders.

D Other Litigations

The Group has some sales tax and other tax related litigation of ₹ 7.28 crores (March 31, 2021: ₹ 12.93 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E The Group has outstanding obligation amounting to ₹ 0.52 crores (March 31, 2021: ₹ 0.80 crores) in respect of bonds given to central tax department against import of goods at concessional rate of basic custom duty. The Group expects to fulfil the obligation in due course of time.

F The Group has export obligation of ₹ 34.95 crore (March 31, 2021: ₹ 10.18 crore) on account of import duty exemption of ₹ 1.50 crores (March 31, 2021: ₹ 0.50 crore) on capital goods under the Export Promotion Capital Goods (EPCG) and ₹ 0.24 crores Advance Authorisation scheme laid down by the Government of India. The Group expects to fulfil the obligation in due course of time.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

30B Other Notes On Accounts

(1) Group information

(i) The Consolidated financial statement of the Group includes subsidiaries are mentioned below :-

S.N	Name of the entity	Country of incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive income	
						As % of consolidated Net Assets	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated other comprehensive Income	Amount (₹ In crores)	As % of consolidated comprehensive Income	Amount (₹ In crores)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	Havells India Limited	India	Parent Company		Mar 31 ,2022	99.74%	5,987.01	99.85%	1,194.73	89.32%	5.52	99.80%	1,200.25
					Mar 31 ,2021	99.74%	5,162.82	99.55%	1,039.64	127.04%	(2.02)	99.51%	1,037.62
(II)	**Foreign Subsidiaries having no non-controlling interest**												
	1 Havells Holdings Limited	Isle of Man	Wholly Owned Subsidiary	100.00%	Mar 31 ,2022	0.07%	4.10	0.03%	0.32	-1.13%	(0.07)	0.02%	0.25
				100.00%	Mar 31 ,2021	0.07%	3.85	-0.01%	(0.10)	-8.81%	0.14	0.00%	0.04
	2 Havells Guangzhou International Limited	China	Wholly Owned Subsidiary	100.00%	Mar 31 ,2022	0.19%	11.78	0.12%	1.42	11.81%	0.73	0.18%	2.15
				100.00%	Mar 31 ,2021	0.19%	9.63	0.46%	4.77	-18.24%	0.29	0.49%	5.06
	Total - March 31, 2022					100.00%	6,002.89	100.00%	1,196.47	100.00%	6.18	100.00%	1,202.65
	Total - March 31, 2021					100.00%	5,176.30	100.00%	1,044.31	100.00%	(1.59)	100.00%	1042.72

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

31 Other Notes on Accounts

1. During the year, the Group has capitalised the following expenses directly relatable to the cost of property, plant and equipment, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed	11.35	9.48
Employee benefits expense*	6.61	2.27
Other expenses	0.56	0.74
	18.52	**12.49**

*Employee benefits expense includes overheads

2 Leases

(i) The Group's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(ii) Following is carrying value of right of use assets and the movements thereof :

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 1, 2020	**215.64**	**117.03**	**332.67**
Additions during the year	39.58	56.96	96.54
Recognition of grant related to assets	(17.71)		(17.71)
Deletion during the year	(10.50)	(18.62)	(29.12)
Depreciation of Right of use assets (refer note 28)	(2.44)	(32.48)	(34.92)
Balance as at March 31, 2021	**224.57**	**122.89**	**347.46**
Additions during the year	1.87	132.69	134.56
Recognition of grant related to assets	-		-
Deletion during the year	-	(6.59)	(6.59)
Depreciation on Right of use assets (refer note 28)	(2.53)	(39.24)	(41.77)
Balance as at March 31, 2022	**223.91**	**209.75**	**433.66**

(iii) The following is the carrying value of lease liability and movement thereof :

(₹ in crores)

Particulars	Amount
Balance as at April 1, 2020	**121.61**
Additions during the year	56.84
Finance cost accrued during the year	9.68
Deletion during the year	(18.06)
Lease rent concession	(2.54)
Payment of lease liabilities including interest	(36.87)
Balance as at March 31, 2021	**130.66**
Additions during the year	131.92
Finance cost accrued during the year	14.89
Deletion during the year	(6.68)
Lease rent concession	(0.49)
Payment of lease liabilities including interest	(49.43)
Balance as at March 31, 2022	**220.87**
Current maturities of Lease liability {refer note 17 (B)}	42.05
Non-Current Lease Liability {refer note 14 (B)}	178.82
	220.87

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(iv) The maturity analysis of lease liabilities are disclosed in Note 31(9)(C)

(v) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.5%

(vi) Amounts recognized in the statement of profit and loss during the year

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Company has received the Covid-19-related rent concessions for lessees amounting to ₹ 0.49 crores (March 31, 2021: ₹ 2.54 crores) and on the basis of practical expedient as per Ind AS 116 "Leases", the same is not considered to be lease modification, hence the income towards rent concession is recognized in "Other Income" in the statement of profit and loss account.

(ix) The Company has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation charge of right-of-use assets - leasehold building	39.24	32.48
Depreciation charge of right-of-use assets - leasehold land	2.53	2.44
Finance cost accrued during the year (included in finance cost) (refer note 27)	14.89	9.68
Expense related to short term leases (included in other expense) (refer note 29)	24.60	31.73

(x) Non-cash investing activities during the year:

₹ in crores

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Acquisition of right of use assets	**134.56**	**56.96**
Recognition of grant related to assets	-	(17.71)
Disposals of right of use assets	(6.59)	(18.62)

3 Gratuity and other post-employment benefit plans

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's Contribution towards Provident Fund (PF) and NPS	40.12	35.80
Employer's Contribution towards Employee State Insurance (ESI)	0.33	0.37
	40.45	**36.17**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Bajaj Allianz Life Insurance Co.Ltd. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summaries the components of net benefit expense recognized in the statement of profit or loss, the funded status and amounts recognized in the balance sheet for the respective plans:

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

a) Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Present value of Defined Benefit obligation at the beginning of the year	129.22	108.26
Opening obligation transferred to group companies	-	-
Interest Expense	8.51	7.15
Current Service Cost	15.41	14.90
Benefit paid	(6.68)	(4.75)
Remeasurement of (Gain)/loss recognized in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	(5.06)	4.04
Actuarial changes arising from changes in experience adjustments	(1.11)	(0.38)
Present value of Defined Benefit obligation at year end	**140.29**	**129.22**

b) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets at beginning of the year	110.97	89.18
Expected return on plan assets	7.89	6.50
Employer contribution	18.25	19.08
Remeasurement of Gain/(loss) in other comprehensive income		
Return on plan assets excluding interest income	1.21	0.96
Benefits paid	(6.68)	(4.75)
Fair value of plan assets at year end	**131.64**	**110.97**

c) Net defined benefit asset/ (liability) recognized in the balance sheet

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets	131.64	110.97
Present value of defined benefit obligation	(140.29)	(129.22)
Amount recognized in Balance Sheet- Asset / (Liability)	**(8.65)**	**(18.25)**
Current portion {refer note 18(i)}	(8.65)	(18.25)
Non-current portion	-	-

d) Net defined benefit expense (recognized in the Statement of profit and loss for the year)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	15.41	14.90
Interest cost (net)	0.62	0.65
Net defined benefit expense debited to statement of profit and loss	**16.03**	**15.55**

e) Remeasurement (gain)/ loss recognized in other comprehensive income

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial changes arising from changes in financial assumptions	(5.06)	4.04
Actuarial changes arising from changes in experience adjustments	(1.11)	(0.38)
Return on Plan assets excluding amounts included in net interest expense	(1.21)	(0.96)
Recognized in other comprehensive income	**(7.38)**	**2.70**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

f) Broad categories of plan assets as a percentage of total assets

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Insurer managed funds	100%	100%

g) Principal assumptions used in determining defined benefit obligation

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	7.23%	6.76%
Salary Escalation	9.00%	9.00%
Attrition Rate	7.00%	7.00%

h) Quantitative sensitivity analysis for significant assumptions is as below

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 0.50%	(4.90)	(4.37)
Decrease by 0.50%	5.59	5.03
Salary increase		
Increase by 0.50%	5.49	4.90
Decrease by 0.50%	(4.91)	(4.36)
Attrition rate		
Increase by 0.50%	(0.57)	(0.70)
Decrease by 0.50%	0.65	0.80

i) Maturity profile of defined benefit obligation

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Within the next 12 months (next annual reporting period)	10.22	8.73
Between 2 and 5 years	65.53	57.65
More than 5 years	198.35	173.52
Total expected payments	**274.10**	**239.90**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 21.66 years (March 31, 2021: 21.98 years)

k) The Group expects to contribute ₹ 8.65 crores (March 31,2021 : ₹ 18.25 crores) to the plan during the next financial year.

l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

o) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

4 Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Group is organized into business units based on its products and services and has six reportable segments as follows:

a) Operating Segments

Switchgears	: Domestic and Industrial switchgears, electrical wiring accessories and capacitors
Cables	: Domestic cables and Industrial underground cables.
Lighting and Fixtures	: Energy Saving Lamps (LED, Fixtures) and luminaries.
Electrical Consumer Durables	: Fans, Water Heaters, Coolers, and Domestic Appliances
Lloyd Consumer	: Air Conditioner, Television, Refrigerator and Washing Machine
Others	: Industrial motors, Pump, Water purifier, Solar, Personal Grooming

b) Identification of Segments:

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues

g) No operating segments have been aggregated to form the above reportable operating segments.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Summary of Segmental Information

A. Revenue from operations

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment Revenue (Sales and other operating revenue)		
Switchgears	1,795.97	1,460.88
Cables	4,645.08	3,180.17
Lighting and fixtures	1,391.60	1,113.98
Electrical consumer durables	3,073.94	2,376.99
Lloyd Consumer	2,273.16	1,688.75
Others	758.73	636.53
	13,938.48	**10,457.30**
Inter Segment Sale	-	-
Total segment revenue	**13,938.48**	**10,457.30**

B. Results

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment results		
Switchgears	493.54	404.69
Cables	540.50	403.78
Lighting and fixtures	262.21	210.16
Electrical consumer durables	457.59	403.68
Lloyd Consumer	(73.46)	74.12
Others	56.90	30.98
Segment operating profit	**1,737.28**	**1,527.41**
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Other unallocable expenses net off	237.75	204.54
Other unallocable income	(160.44)	(187.36)
Operating Profit	**1,659.97**	**1,510.23**
Finance Costs {refer note 27}	(53.41)	(72.68)
Profit before tax	**1,606.56**	**1,437.55**
Income tax expense {refer note 16}	(410.09)	(393.24)
Profit after tax	**1,196.47**	**1,044.31**

C. Reconciliations to amounts reflected in the financial statements

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment Assets		
Switchgears	612.08	685.41
Cables	1,126.72	1,085.62
Lighting and fixtures	612.15	590.14
Electrical consumer durables	1,240.43	978.01
Lloyd Consumer	3,076.17	2,831.14
Others	239.47	259.74
Segment operating assets	**6,907.02**	**6,430.06**
Reconciliation of segment operating assets to total assets		
Cash and bank balance {refer note ,6(C), 10(C) and (D)}	2,568.18	1,652.79
Fixed deposits with financial institutions {refer note 6(A) and 10(A)}	272.68	306.30
Other unallocable assets	775.33	463.11
Total assets	**10,523.21**	**8,852.26**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment Liabilities		
Switchgears	335.03	335.47
Cables	739.65	377.63
Lighting and fixtures	265.53	247.92
Electrical consumer durables	681.04	620.58
Lloyd Consumer	907.39	620.57
Others	123.44	122.50
Segment operating liabilities	**3,052.08**	**2,324.67**
Reconciliation of segment operating liabilities to total liabilities		
Borrowings {refer note 14(A) and 17(A)}	393.69	492.20
Lease Liabilities{refer note 14(B) and 19 (B)}	220.87	130.66
Deferred tax liability {refer note 16(d)}	350.62	339.11
Current tax liabilities (net){refer note 19}	62.83	74.26
Other unallocable liabilities	440.23	315.06
Total liabilities	**4,520.32**	**3,675.96**
Other non-current assets		
Switchgears	0.62	5.42
Cables	4.11	2.46
Lighting and fixtures	0.01	0.01
Electrical consumer durables	0.65	3.63
Lloyd Consumer	0.35	5.73
Others	0.10	0.43
	5.84	**17.68**
Unallocable assets	37.09	36.94
	42.93	**54.62**
Capital Expenditure		
Switchgears	37.43	25.89
Cables	21.04	26.98
Lighting and fixtures	13.33	1.94
Electrical consumer durables	70.18	35.92
Lloyd Consumer	78.38	91.03
Others	7.43	4.22
	227.79	**185.98**
Unallocable capital expenditure	28.30	24.98
	256.09	**210.96**
Depreciation and Amortization Expenses		
Switchgears	47.29	48.75
Cables	61.01	65.36
Lighting and fixtures	17.45	19.03
Electrical consumer durables	49.23	46.95
Lloyd Consumer	74.30	56.62
Others	11.54	12.20
	260.82	**248.91**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Non-cash expenses (net) other than depreciation		
Switchgears	0.38	0.55
Cables	(1.10)	(0.58)
Lighting and fixtures	12.22	24.15
Electrical consumer durables	0.41	1.17
Lloyd Consumer	2.13	0.39
Others	0.07	0.24
	14.11	**25.92**
Impairment allowance on other assets	-	1.10
	14.11	**27.02**

Note: Non cash expenses other than depreciation includes loss on disposal of property, plant and equipment, bad debts and Impairment allowance for trade receivables and other assets considered doubtful.

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment Revenue by location of customers		
The following is the distribution of Group's revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	13,434.04	10,067.40
Revenue-Overseas Market	504.44	389.90
	13,938.48	**10,457.30**
Geographical Segment assets		
Within India	10,443.61	8,744.87
Outside India	79.60	107.39
	10,523.21	**8,852.26**
Geographical Non-current assets		
Within India	3,532.52	3,427.32
Outside India	1.23	7.64
	3,533.75	**3,434.96**

Non Current assets for this purpose excludes investment in subsidiaries, Contract assets, non current financial assets and non current tax assets

Notes:

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed at Group level.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at Group level

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets

(iv) There is no single external customer accounting to 10 per cent or more of an Group's revenues

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

5 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", {under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)}, as disclosed below:-

(A) Names of related parties and description of relationship :

(i) Erstwhile Joint Venture

Jiangsu Havells Sylvania Lighting Co. Limited (liquidated on February 08, 2022)	50% ownership interest held by Group.

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises having significant influence over group

QRG Enterprises Limited

(ii) Enterprises in which directors are having significant influence

QRG Foundation
Guptajee & Company
QRG Medicare limited (till November 26, 2021)
Aartas Care Private Limited
SRF Limited
Manipal Health Enterprises Pvt. Ltd

(iii) Employee benefit trust for the benefited employees

Havells India Limited Employees Gratuity Trust

(iv) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Wholetime Director
Shri Siddhartha Pandit, Wholetime Director
Shri Sanjay Kumar Gupta, Company Secretary

Non Executive Directors

Shri Vijay Kumar Chopra (retired w.e.f April 1 ,2020)
Dr. Adarsh Kishore (retired w.e.f April 1,2020)
Shri Surender Kumar Tuteja (retired w.e.f April 1,2020)
Smt. Pratima Ram (retired w.e.f June 30, 2021)
Shri Vellayan Subbiah (resigned on October 22, 2020)
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani
Shri U K Sinha
Shri B P Rao (appointed w.e.f. May 12, 2020)
Shri S S Mundra (appointed w.e.f. May 12, 2020)
Shri Vivek Mehra (appointed w.e.f. May 12, 2020)
Smt Namrata Kaul (appointed w.e.f. January 20, 2021)
Shri Ashish Bharat Ram (appointed w.e.f. May 20, 2021)

(v) Other Related Parties

Shri Rakesh Mehrotra
- Associate Director (appointed w.e.f Jun 01,2020)
- HKHR Ventures LLP (Partner)

Shri Yogesh Kumar Gupta
- Associate Director (appointed w.e.f Jun 01,2020)
- Eastern Distributors (Partner)
- Gupta Enterprise (Partner)
- YKG Enterprises (Partner)
- O.P. Gupta & Co.(Partner)
- OPG Travels (Partner)

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(C) Transactions during the year

(i) Sale of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
Aartas Care Private Limited	-	0.02
QRG Medicare limited	-	0.04
Manipal Health Enterprises Pvt. Ltd	0.01	-
Other Related Parties		
OP Gupta & Co.	0.77	1.78
	0.78	**1.84**

(ii) Sale Return of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
QRG Medicare limited	-	0.14
	-	**0.14**

(iii) Purchase of goods and stores & spares

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
SRF Limited	3.93	-
	3.93	**-**

(iv) Commission on sales (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
Guptajee and Company	16.18	11.84
Other Related Parties		
Eastern Distributors	16.24	12.70
Gupta Enterprise	2.23	1.51
YKG Enterprises	2.95	3.40
HKHR Ventures LLP	31.85	26.82
	69.45	**56.27**

(v) Rent / Usage Charges Paid

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises having significant influence over group		
QRG Enterprises Limited	**27.07**	**21.41**

(vi) Reimbursement of expenses paid

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
QRG Medicare limited	0.02	0.01
Other Related Parties		
OPG Travels	0.45	0.17
	0.47	**0.18**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(vii) CSR Contribution

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises in which directors are having significant influence		
QRG Foundation	**3.63**	**2.23**

(vii) Contribution to post employee benefit plan

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Havells India Limited Employees Gratuity Trust	**18.25**	**19.08**

(ix) Managerial remuneration

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Key Management Personnel		
Salaries, wages, bonus, commission and other benefits	53.20	47.45
Contribution towards PF, Family Pension and ESI	1.82	1.62
Post-employment benefits	1.00	-
ESPP expense	15.16	2.86
Non-Executive Directors		
Director sitting fees	0.45	0.45
Commission	0.93	0.90
Remuneration to other Related Parties		
Salaries, wages, bonus, commission and other benefits	3.00	2.50
	75.56	**55.78**

(D) Balances at the year end

(i) Amount Payables

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Enterprises in which directors are interested		
Guptajee & company	1.68	3.27
QRG Foundation	-	0.27
Aartas Care Private Limited	-	0.00
SRF Limited	1.25	-
Other Related Parties		
Eastern Distributors	4.51	3.89
Gupta Enterprise	0.71	0.64
OP Gupta & Co.	0.03	0.00
HKHR Ventures LLP	8.73	6.90
OPG Travels	0.01	-
	16.92	**14.98**

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) As at March 31, 2022 , the Group has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person (March 31, 2021: Nil),

c) Transactions with related parties are reported gross of Goods and Service Tax.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

6 Share based payments

The Group has in place following employee stock purchase plan approved by shareholders of the Group in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2021 :

(a) Havells Employee Long Term Incentive Plan 2014 : In accordance with this scheme, 68,356 (March 31, 2021 : 110,949) share options of ₹ 1 each were granted, out of which 68,356 (March 31, 2021: 109,259) share options of ₹ 1 each were vested and allotted on June 05, 2021 (March 31, 2021 : April 14, 2020) to eligible employees at ₹ 1,074.10 (March 31, 2021: ₹ 467.35) per share as contributed by these employees. As per the scheme, 50% of the shares are under lock in period of 13 months and balance 50% for 2 years. Also as per the scheme, the Group is obliged to pay 50% of the contribution made by eligible employees as retention bonus over a period of two years in equal instalments. Accordingly, a sum of ₹ 2.94 crores (March 31, 2021 : ₹ 2.88 crores) has been recognized as employee stock purchase plan expense in note 26.

(b) Havells Employee Stock Purchase Plan 2015 : In accordance with this scheme, 210,000 (March 31, 2021: 90,000) share options of ₹ 1 each were granted, vested and allotted on June 05,2021 (March 31, 2021: April 14, 2020) at ₹ 1,074.10 (March 31, 2021: ₹ 467.35) per share to eligible employees as contributed by the Group. As per the scheme, 78% of the shares are under lock in period of 13 months and remaining 22% are under lock in period for 2 years. Accordingly, a sum of ₹ 22.56 crores (March 2021 :₹ 4.21 crores) has been recognized as employee stock purchase plan expenses in note 26.

(c) Havells Employee Stock Purchase Plan 2016 : In accordance with the said scheme, 8,454 (March 31, 2021: 13,157) share options of ₹ 1 each were granted to eligible employees with graded vesting in three years starting from 2021. During the year, 11705 equity shares of ₹ 1 each (March 31, 2021 : 10913 equity shares) were allotted at ₹ 1,074.10 (March 31, 2021 : ₹467.5) per share on June 05, 2021. Accordingly, a sum of ₹1.26 crores (March 31,2021: 0.50 crores) has been recognized as employee stock purchase plan expense in note 26 and balance outstanding of ₹ 0.53 crores (March 31, 2021 : 0.64 crores) in note 13.'

(i) Set out below is a summary of options granted and vested during the year under the plan

Summary of Stock Options	2021-22		2020-21	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	13,274	-	11,030	-
Options granted during the year	286,810	1,074.10	214,106	467.35
Options vested and exercised during the year	290,061	1,074.10	210,172	467.35
Options lapsed during the year	-	-	1,690	467.35
Options outstanding at the end of the year	**10,023**	**-**	**13,274**	

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 1074.10 per share (March 31, 2021 : ₹ 467.35)

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Particulars	March 31, 2022		March 31, 2021	
Grant date	May 22, 2021	March 31, 2020	March 31, 2020	May 28, 2019
Expiry date	2022-23 and 2023-24	2022-23	2021-22 and 2022-23	2021-22
Outstanding share options	5636	4387	8773	4501
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	1 year	2 years	1 year

The fair value at grant date of options granted during the year ended March 31, 2022 was within range of ₹ 1059.27 to ₹ 1073.90 per share (March 31, 2021 was ₹ 458.69 per share). The fair value at the grant date is determined using Black Scholes valuation model which takes into account the exercise price , the terms of the options , the share price at grant date and expected price volatility of the underlying shares , the expected dividend yield and the risk free interest rate for the term of the option.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(iii) The Model inputs for options granted:

(₹ in crores)

Particulars	March 31, 2022	March 31,2021
Expected Price volatility of the Group's share	10.69% - 14.16%	29.55%
Expected Dividend Yield	0.68%	0.75%
Share price at the grant date	₹ 1074.10	₹ 467.35
Risk free interest rate	6.20%	6.73%

(iv) The expected price volatility is based on the historical volatility (based on remaining life of the options), adjusted for any expected change to future volatility due to publically available information.

(v) Expense arising from shared based payment transactions

(₹ in crores)

Particulars	March 31, 2022	March 31,2021
Havells Employees Long Term Incentive Plan 2014	2.94	2.88
Havells Employees Stock Purchase Plan 2015	22.56	4.21
Havells Employees Stock Purchase Plan 2016	1.26	0.5
Total expense recognized in the statement of profit and loss account as a part of employee benefit expense:	**26.76**	**7.59**

7 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Group has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.Details are as under:

Details of CSR Expenditure:

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Reimagining Higher Education Foundation for building educational infrastructure	11.00	
Contribution to QRG Foundation for providing mid day meal and promotion of sanitation and hygiene	3.63	2.23
Contribution to Aga Khan Foundation for protection of national heritage	4.12	
Contribution to Ashoka University for building educational infrastructure	-	4.00
Others: for development of healthcare infrastructure, tree plantation, etc.	4.13	4.24
Accrual towards unspent obligation in relation to	-	
Ongoing Project	-	12.00
Other than ongoing Project	-	-
Total	**22.88**	**22.47**
Add : Carried forward from previous year	1.50	-
Less: Excess spent during the year to be carry forward to next year	0.72	1.50
Amount recognized in Statement of Profit and Loss	**23.66**	**20.97**
Amount required to be spent as per section 135 of the Act	**23.66**	**20.97**
Amount approved by the Board to be spent during the year	**23.66**	**20.97**
Amount spent during the year on	-	-
(i) Construction/ acquisition of assets	-	0.52
(ii) Contribution to Trust/Universities/ Society	15.19	4.00
(iii) On purpose other than above	7.69	5.95
Total Amount Spent	**22.88**	**10.47**
Excess spent from previous year utilized during the current year	1.50	-
Amount yet to be spent	-	12.00
Total	**24.38**	**22.47**
Less: Excess spent during the year to be carry forward to FY 2022-23	0.72	1.50
Total	**23.66**	**20.97**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Details of ongoing CSR projects under Section 135(6) of the Act

Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With the Group	In Separate CSR Unspent A/c		From Group's bank account	From Separate CSR Unspent account	With the Group	In Separate CSR Unspent account
FY 2020-21	-	-	16.00	4.00	-	12.00	-
FY 2021-22	-	12.00	0.00	0.00	4.00	0.00	8.00

Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects

Year	Opening Balance unspent	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance unspent
FY 2020-21	-	-	6.47	6.47	-
FY 2021-22	-	-	23.66	23.66	-

Details of excess CSR expenditure under Section 135(5) of the Act

Year	Opening balance excess spent	Amount required to be spent during the year	Amount spent during the year	Closing balance excess spent
FY 2020-21	-	20.97	22.47	1.50
FY 2021-22	1.50	23.66	22.88	0.72

8 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ In crores)

	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31,2021	As at March 31, 2022	As at March 31,2021
Financial instruments by category				
Financial assets valued at amortized cost				
Investments with financial institution	426.10	306.30	426.10	306.30
Cash and bank balances (Current)	2,547.98	1,652.79	2,547.98	1,652.79
Trade Receivables	768.93	567.05	768.93	567.05
Other Financial assets (Current)	29.89	45.99	29.89	45.99
Other Financial assets (Non-current)	42.18	20.17	42.18	20.17
	3,815.08	**2,592.30**	**3,815.08**	**2,592.30**
Financial Liabilities valued at amortized cost				
Trade Payables	2,380.02	1,597.14	2,380.02	1,597.14
Borrowings (current and non-current)	395.53	492.20	395.53	492.20
Lease Liability (current and non current)	220.87	130.66	220.87	130.66
Other financial liabilities (non-current)	3.96	1.31	3.96	1.31
Other financial liabilities (current)	525.48	588.81	525.48	588.81
	3,525.86	**2,810.12**	**3,525.86**	**2,810.12**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the other financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

1) The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows (DCF model) using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Group's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2022 was assessed to be insignificant.

3) Long-term receivables/payables are evaluated by the Group based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

4) **Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognized and measured at Fair value

b) Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022

	Carrying Value March 31, 2022	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (Non-current)	42.18	-	-	42.18
Other Financial assets (Current)	29.89	-	-	29.89
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current and non-current)	395.53	-	-	395.53
Lease Liability (current and non current)	220.87	-	-	220.87
Other financial liabilities (non-current)	3.96	-	-	3.96
Other financial liabilities (current)	525.48	-	-	525.48

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2021

	Carrying Value March 31, 2021	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (non-current)	20.17	-	-	20.17
Other Financial assets (current)	45.99	-	-	45.99
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (non-current)	393.65			393.65
Lease Liability (current and non current)	130.66	-	-	130.66
Other financial liabilities (non-current)	1.31	-	-	1.31
Other financial liabilities (current)	588.81	-	-	588.81

9 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments , and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Foreign currency risk sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD,EUR. AED, JPY, CNY and other currencies including KES,NPR, CHF, LKR ,MWK,SLL and GBP exchange rates, with all other variables held constant. The impact on the Group profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognized by the Group that have not been hedged by a derivative instrument or otherwise are as under:

in Crores

Currency	Currency Symbol	March 31, 2022		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	5% increase	5% decrease
United States Dollar	USD	$ (4.22)	(319.78)	(15.99)	15.99
EURO	EUR	€ (0.01)	(0.98)	(0.05)	0.05
Arab Emirates Dirham	AED	AED (0.01)	(0.12)	(0.01)	0.01
Japanese Yen	JPY	JPY (0.57)	(0.35)	(0.02)	0.02
Chinese RMB\CNY	CNY	CNY 0.16	1.91	0.10	(0.10)
Other currencies		(0.02)	(0.03)	(0.00)	0.00

in Crores

Currency	Currency Symbol	March 31, 2021		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	5% increase	5% decrease
United States Dollar	USD	$ (3.01)	(221.07)	(11.05)	11.05
EURO	EUR	€ (0.12)	(10.73)	(0.54)	0.54
Arab Emirates Dirham	AED	AED 0.02	0.38	0.02	(0.02)
Japanese Yen	JPY	JPY (0.41)	(0.27)	(0.01)	0.01
Chinese RMB\CNY	CNY	CNY (1.80)	(20.11)	(1.01)	1.01
Other currencies		(4.50)	(0.13)	(0.01)	0.01

Note:
Figures in bracket represents payables

(ii) Interest Rate Risk
Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group's borrowings outstanding as at March 31, 2022 and March 31,2021 comprise of long term loans

Interest rate Sensitivity of Borrowings
With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

	March 31, 2022		March 31, 2021	
	Increase/ decrease in basis points	Impact on profit before tax and Equity	Increase/ decrease in basis points	Impact on profit before tax and Equity
Term Loan	+0.50	(1.97)	+0.50	(2.46)
	-0.50	1.97	-0.50	2.46

(iii) Commodity Price Risk
The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. To mitigate the risk of supply and price fluctuations, Domestic and overseas sources are bench-marked to Optimize the allocation of business share among various sources. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group mitigated the risk of price volatility by entering Long Term & Short term contracts for the Purchase of these commodities basis estimated annual requirements.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(b) Credit Risk
Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables and Contract Assets
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 is the carrying amounts. The Group's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Investment with financial institution	426.10	306.30
Cash and cash equivalents (Current)	775.84	354.62
Bank balances other than above (Current)	1,772.14	1,298.17
Other bank balances (Non-current)		
Others Non Current financial assets	42.18	20.17
Others Current financial assets	29.89	45.99
	3,046.15	**2,025.25**

Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Trade Receivables	768.93	567.05
	768.93	**567.05**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

The ageing analysis of Trade receivable has been considered from the date invoice falls due.

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Not past due	524.43	421.55
0 to 180 days due past due date	163.08	106.82
More than 180 days past due date	81.42	38.68
Total Trade Receivables	**768.93**	**567.05**

The following table summarizes the change in loss allowance measured using the life time expected credit loss mode.

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
As at the beginning of year	69.35	44.87
Addition and utilization during the year	2.39	24.48
As at the end of year	**71.74**	**69.35**

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term loans, short term commercial papers and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	139.40	289.23	-	428.63
Other non current financial liabilities	-	3.96	-	3.96
Trade payables	2,380.02	-	-	2,380.02
Lease Liability (undiscounted)	60.07	148.29	140.62	348.98
Other current financial liabilities	360.47	-	-	360.47

As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	98.55	393.65	-	492.20
Other non current financial liabilities	-	1.31	-	1.31
Trade payables	1,597.14	-	-	1,597.14
Lease Liability (undiscounted)	37.52	90.55	95.10	223.17
Other current financial liabilities	541.28	-	-	541.28

10 Capital Management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and borrowings **	428.63	492.20
Cash and cash equivalents {refer note 10(C)}	(775.84)	(354.62)
Net Debt	**(347.21)**	**137.58**
Equity / Net Worth	6,002.89	5,176.30
Total Capital	**6,002.89**	**5,176.30**
Capital and Net Debt	**5,655.68**	**5,313.88**
Gearing ratio (Net Debt/Capital and Net Debt)	**NA***	**2.59%**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021

* This ratio is not relevant for the current year as the Cash and cash equivalents exceed the Loans and Borrowings.

** Borrowings does not includes Lease liabilities

11 Earnings per share

a) Basic Earnings per share

		Year ended March 31, 2022	Year ended March 31, 2021
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	**1196.47**	**1044.31**
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	626,250,618	626,005,520
Earnings per share-Basic (one equity share of ₹ 1/- each)	₹	**19.11**	**16.68**

b) Diluted Earnings per share

		Year ended March 31, 2022	Year ended March 31, 2021
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	**1196.47**	**1044.31**
Denominator for earnings per share			
Weighted average number of equity shares for basic earning per share	(Numbers)	626,250,618	626,005,520
Effect of dilution			
Share options	(Numbers)	10,610	13,380
Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	**626,261,228**	**626,018,900**
Earnings per share- Diluted (one equity share of ₹ 1/- each)	₹	**19.10**	**16.68**

12 Dividend Paid and Proposed

	Year ended March 31, 2022	Year ended March 31, 2021
Dividend declared and paid during the year:		
Final Dividend of ₹ 3.50 per share for FY 2020-21 (₹ Nil per share for FY 2019-20)	219.21	-
Interim dividend of ₹ 3.00 per share for FY 2021-22 (₹ 3.00 per share for FY 2020-21)	187.89	187.80
	407.10	**187.80**
Proposed Dividends on equity shares:		
Final Dividend recommended by the board of directors for the year ended March 31, 2022 ₹ 4.50 per share of Re 1 each (March 31, 2021: ₹ 3.50 per share of Re 1 each) subject to approval of shareholders in the ensuing annual general meeting.	281.84	219.10
	281.84	**219.10**

Note: Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as liability as at reporting date.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

13 Disclosure required under Section 186 (4) of the Companies Act, 2013.

Particulars of Investments made:		As at March 31, 2022		As at March 31, 2021	
Sl. No	Name of the Investee	Investment made	Outstanding Balance	Investment made	Outstanding Balance
1	Jiangsu Havells Sylvania Lighting Co. Limited*	-	-	-	17.27

*During the year, the Group's joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", has been liquidated vide order dated February 08, 2022. The Group has received an agreed consideration of ₹ 18.43 Crores

14 The Group has made an assessment of the impact of the continuing COVID-19 pandemic on its current and future operations, liquidity position and cash flow giving due consideration to the internal and external factors. The Group is continuously monitoring the situation and does not foresee any significant impact on its operations and the financials position as at March 31, 2022.

15 The Group has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.

16 Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2022 (Nos.)	Balance outstanding as at March 31, 2021 (Nos.)	Relation with struck off Company
Manilal Patel Private Limited (CIN: U17110MH1947PTC005911)	Shares held by struck off Company	35 number of shares of ₹ 1/- each	35 number of shares of ₹ 1/- each	Shareholder
Ghuge Aditya Solar Industries Pvt. Ltd (CIN: U74900PN2015PTC154262)	Sales of Goods	-	-	Customer

17 Additional regulatory information required by Schedule III of Companies Act, 2013

(i) **Details of Benami property:** No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) **Utilisation of borrowed funds and share premium:**

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) **Compliance with number of layers of companies:** The Group has complied with the number of layers prescribed under the Companies Act, 2013.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

(iv) **Compliance with approved scheme(s) of arrangements:** The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) **Details of crypto currency or virtual currency:** The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) **Valuation of PP&E, intangible asset and investment property:** The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(viii) The Group has not granted any loans or advances in the nature of loans either repayable on demand.

18 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

19 Note No.1 to 31 form integral part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Avijit Mukerji
Partner
Membership No. 056155

Date: May 04, 2022
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head - Finance and Accounts

Form AOC -1

Salient features of Financial Statements of Subsidiaries / Joint Ventures pusuant section 129 (3) read with Rule 5 of companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

SL No.	Name of Subsidiary Company	Country	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on last date of financial year in case of foreign subsidiaries		Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Assets-Liabilities	Investment other than Subsidiaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	OCI	Total OCI	Proposed Dividend	% of Shareholding
				Currency	Exchange Rate														
1	Havells Holdings Limited	Isle of Man	31/03/2022	EURO	84.66	13.65	(9.56)	4.45	0.35	4.10	-	-	0.32	-	0.32	(0.07)	0.25	-	100%
2	Havells Guanzhou International Limited	China	31/03/2022	CNY	11.95	0.45	11.33	15.23	3.45	11.78	-	51.94	2.45	1.03	1.42	0.73	2.15	-	100%

Note:-

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Part "B" : Joint Ventures

Note:-

1. Joint ventures : Company do not have any joint venture as on reporting date.

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN : 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts and Finance

Date: May 04, 2022
Place: Delhi

Progress at a Glance of Last 10 Years- Havells India Limited (Standalone)

(₹ in crores)

Performance for the Year	2013	2014	2015	2016	2017	2018	2019**	2020	2021	2022
Turnover (Gross)*	4,506.37	5,031.11	5,557.79	5,775.42	6,585.96	8,260.27	10,067.71	9,429.20	10,427.92	13,889.00
Less: Excise Duty	281.38	311.42	319.10	397.10	450.70	121.70	-	-	-	-
Turnover (Net)	4,224.99	4,719.69	5,238.69	5,378.32	6,135.26	8,138.57	10,067.71	9,429.20	10,427.92	13,889.00
Profitability										
Earnings Before Interest, Depreciation, Taxes and Amortisation	534.86	641.60	699.10	754.93	824.14	1,049.29	1,183.83	1,027.38	1,565.26	1,757.61
Profit before Tax	457.18	595.10	646.25	909.03	768.83	1,014.70	1,146.10	901.73	1,431.58	1,603.79
Profit After Tax	371.39	478.69	464.94	712.03	539.04	712.52	787.34	733.03	1,039.64	1,194.73
Financial Position										
Share Capital	62.39	62.39	62.44	62.46	62.49	62.51	62.55	62.58	62.60	62.63
Other Equity	1,807.83	2,067.46	2,313.35	2,891.21	3,211.09	3,676.64	4,129.65	4,242.23	5,101.85	5,926.01
Loan funds	108.78	195.52	83.46	44.40	198.05	108.00	94.50	40.50	492.20	395.53
Other Liabilities	817.38	1,020.99	1,146.23	1,004.65	1,374.60	2,487.31	2,468.27	2,267.56	2,658.64	3,506.35
Gross Block	1,108.91	1,188.23	1,349.03	1,328.52	1,452.27	3,111.48	3,635.37	4,142.81	4,286.37	4,620.73
Net Block	913.54	934.06	1,007.32	1,208.56	1,221.74	2,755.42	3,136.49	3,435.55	3,380.21	3,490.71
Total investments	791.92	882.52	1,011.76	309.61	227.41	41.70	1.66	1.63	1.63	1.63
Cash and Bank Balance	246.54	626.16	522.34	1,365.21	1,937.53	1,526.17	1,287.71	1,106.92	1,931.04	2,982.14
Other Assets	906.28	955.36	1,107.43	1,205.60	1,573.31	2,218.12	2,699.80	2,503.76	3,507.34	4,030.68
Earning per share										
EPS-as reported	29.76	38.36	7.45	11.40	8.63	11.40	12.59	11.71	16.61	19.08
EPS-adjusted for bonus issue/split	5.95	7.67	7.45	11.40	8.63	11.40	12.59	11.71	16.61	19.08

Note: The financial results summary for financial years 2015-16 and onwards are prepared in accordance with Ind-AS and financial results for other financial years are prepared as per the prevailing GAAP.

*Turnover gross is after deducting turnover discount , incentive and rebates.

** The Company has received approval from the NCLT on January 31, 2020 in respect of a Scheme of Amalgamation, among the Company and its wholly owned subsidiaries namely; Promptec Renewable Energy Solutions Private Limited, Havells Global Limited, Standard electrical Limited, LLOYD Consumer Private Limited. Appointed date as per scheme is April 01, 2018 and accordingly the figures for FY 2018-19 have been restated

GRI Content Index 2021-22

GRI Standard	Disclosure	Page number
GRI 102: General Disclosures 2016	**Organisational profile**	
	102-1: Name of the organisation	8, 97
	102-2: Activities, brands, products, and services	97
	102-3: Location of headquarters	97
	102-4: Location of operations	9
	102-5: Ownership and legal form	48-49
	102-6: Markets served	9
	102-7: Scale of the organisation	9
	102-8: Information on employees and other workers	98
	102-9: Supply chain	40
	102-10: Significant changes to the organisation and its supply chain	None
	102-11: Precautionary principle or approach	5
	102-12: External initiatives	4
	102-13: Membership of associations	111-112
	Strategy	
	102-14: Statement from senior decision-maker	10-11
	102-15: Key impacts, risks, and opportunities	18-23
	Ethics and Integrity	
	102-16: Values, principles, standards, and norms of behaviour	8
	102-17: Mechanisms for advice and concerns about ethics	54
	Governance	
	102-18: Governance structure	14-15, 120
	102-19: Delegating authority	120
	102-20: Executive-level responsibility for economic, environmental, and social topics	29
	102-21: Consulting stakeholders on economic, environmental, and social topics	24-25
	102-22: Composition of the highest governance body and its committees	14-15, 125-129
	102-23: Chair of the highest governance body	14-15
	102-24: Nominating and selecting the highest governance body	120, 60
	102-25: Conflicts of interest	60
	102-26: Role of highest governance body in setting purpose, values, and strategy	29
	102-27: Collective knowledge of highest governance body	61-62
	102-28: Evaluating the highest governance body's performance	62
	102-29: Identifying and managing economic, environmental, and social impacts	29
	102-30: Effectiveness of risk management processes	18-23
	102-31: Review of economic, environmental, and social topics	29
	102-32: Highest governance body's role in sustainability reporting	29
	102-33: Communicating critical concerns	54
	102-34: Nature and total number of critical concerns	99
	102-35: Remuneration policies	60-62
	102-36: Process for determining remuneration	60-62
	102-37: Stakeholders' involvement in remuneration	60-62
	102-38: Annual total compensation ratio	60-62
	102-39: Percentage increase in annual total compensation ratio	60-62

GRI Standard	Disclosure	Page number
	Stakeholder engagement	
	102-40: List of stakeholder groups	24-25
	102-41: Collective bargaining agreements	98
	102-42: Identifying and selecting stakeholders	24-25
	102-43: Approach to stakeholder engagement	24-25
	102-44: Key topics and concerns raised	24-25
	Reporting practice	
	102-45: Entities included in the consolidated financial statements	49
	102-46: Defining report content and topic Boundaries	4-5
	102-47: List of material topics	26-27
	102-48: Restatements of information	In FY 2021 sustainability report the below two figures are restated • Energy Consumption - 6,66,341 GJ (Page 56 SR Fy2021) Actual consumption was 4,18,372 GJ. • LTFIR was stated as 0.1 whereas LTFIR was 0.2. We have strengthened our reporting checks and balance to prevent such misinformation in future.
	102-49: Changes in reporting	None
	102-50: Reporting period	4-5
	102-51: Date of most recent report	4-5
	102-52: Reporting cycle	4-5
	102-53: Contact point for questions regarding the report	4-5
	102-54: Claims of reporting in accordance with the GRI Standards	4-5
	102-55: GRI content index	300
	102-56: External assurance	4-5
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	26-27
	103-2: The management approach and its components	26-27
	103-3: Evaluation of the management approach	26-27
Material Topic	**Disclosure**	
GRI 201: Economic Performance 2016	Disclosure 201-1: Direct economic value generated and distributed	33
	Disclosure 201-2: Financial implications and other risks and opportunities due to climate change	23, 42
	Disclosure 201-3: Defined benefit plan obligations and other retirement plans	103
	Disclosure 201-4: Financial assistance received from government	None
GRI 202: Market Presence 2016	Disclosure 202-1: Ratios of standard entry level wage by gender compared to local minimum wage	106
	Disclosure 202-2: Proportion of senior management hired from the local community	100%
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1: Infrastructure investments and services supported	38-40
	Disclosure 203-2: Significant indirect economic impacts	38-40
GRI 204: Procurement Practices 2016	Disclosure 204-1: Proportion of spending on local suppliers	40

GRI Standard	Disclosure	Page number
GRI 205: Anti-corruption 2016	Disclosure 205-1: Operations assessed for risks related to corruption	101
	Disclosure 205-2: Communication and training about anti-corruption policies and procedures	101
	Disclosure 205-3: Confirmed incidents of corruption and actions taken	101-102
GRI 206: Anti-competitive Behaviour 2016	Disclosure 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There were no legal actions on the Company for anti-competitive behaviour, anti-trust, and monopoly practices.
GRI 207: Tax 2019	Disclosure 207-4: Country-by-country reporting	147-149
GRI 301: Materials 2016	Disclosure 301-1: Materials used by weight or volume	44
	Disclosure 301-2: Recycled input materials used	44
	Disclosure 301-3: Reclaimed products and their packaging materials	44, 102-103
GRI 302: Energy 2016	Disclosure 302-1: Energy consumption within the organisation	108
	Disclosure 302-2: Energy consumption outside of the organisation	108
	Disclosure 302-3: Energy intensity	108
	Disclosure 302-4: Reduction of energy Consumption	110
	Disclosure 302-5: Reductions in energy requirements of products and services	110
GRI 303: Water and Effluents 2018	Disclosure 303-1: Interactions with water as a shared resource (MA)	45, 109
	Disclosure 303-2: Management of water discharge-related impacts (MA)	45, 109
	Disclosure 303-3: Water withdrawal	45, 109
	Disclosure 303-4: Water discharge	45, 109
	Disclosure 303-5: Water consumption	45, 109
GRI 305: Emissions 2016	Disclosure 305-1: Direct (Scope 1) GHG emissions	42-43
	Disclosure 305-2: Energy indirect (Scope 2) GHG emissions	42-43
	Disclosure 305-3: Other indirect (Scope 3) GHG emissions	42-43
	Disclosure 305-4: GHG emissions intensity	42-43
	Disclosure 305-5: Reduction of GHG emissions	42-43
	Disclosure 305-6: Emissions of ozone-depleting substances (ODS)	45
	Disclosure 305-7: Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	45
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	44
	Disclosure 306-2 Management of significant waste-related impacts	44
	Disclosure 306-3 Waste generated	44, 102, 110
	Disclosure 306-4 Waste diverted from disposal	44, 102, 110
	Disclosure 306-5 Waste directed to disposal	44, 102, 110
GRI 307: Environmental Compliance 2016	Disclosure 307-1: Non-compliance with environmental laws and regulations	29
GRI 308: Supplier Environmental Assessment 2016	Disclosure 308-1: New suppliers that were screened using environmental criteria	102
	Disclosure 308-2: Negative environmental impacts in the supply chain and actions taken	102
GRI 401: Employment 2016	Disclosure 401-1: New employee hires and employee turnover	37
	Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	36-37
	Disclosure 401-3: Parental leave	104

GRI Standard	Disclosure	Page number
GRI 402: Labour/ Management Relations 2016	Disclosure 402-1: Minimum notice periods regarding operational changes	The prescribed notice given to employees pertaining to various Labour Acts are adhered with, prior to the implementation of any significant operational changes that could substantially affect them.
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1: Occupational health and safety management system (MA)	37
	Disclosure 403-2: Hazard identification, risk assessment, and incident investigation (MA)	37
	Disclosure 403-3: Occupational health services (MA)	37
	Disclosure 403-4: Worker participation, consultation, and communication on occupational health and safety (MA)	37
	Disclosure 403-5: Worker training on occupational health and safety (MA)	37
	Disclosure 403-6: Promotion of worker health (MA)	37
	Disclosure 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (MA)	37
	Disclosure 403-8: Workers covered by an occupational health and safety management system	37
	Disclosure 403-9: Work-related injuries	105
	Disclosure 403-10: Work-related ill health	105
GRI 404: Training and Education 2016	Disclosure 404-1: Average hours of training per year per employee	105
	Disclosure 404-2: Programs for upgrading employee skills and transition assistance programs	105
	Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews	105
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1: Diversity of governance bodies and employees	98
	Disclosure 405-2: Ratio of basic salary and remuneration of women to men	36
GRI 406: Non-discrimination 2016	Disclosure 406-1: Incidents of discrimination and corrective actions taken	103
GRI 407: Freedom of Association and Collective Bargaining 2016	Disclosure 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	103
GRI 408: Child Labour 2016	Disclosure 408-1: Operations and suppliers at significant risk for incidents of child labour	107
GRI 409: Forced or Compulsory Labour 2016	Disclosure 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	107-108
GRI 410: Security Practices 2016	Disclosure 410-1: Security personnel trained in human rights policies or procedures	106-108
GRI 411: Rights of Indigenous Peoples 2016	Disclosure 411-1: Incidents of violations involving rights of Indigenous peoples	There have been no incidents of violations involving rights of Indigenous peoples.
GRI 412: Local Communities 2016	Disclosure 412-1: Operations that have been subject to human rights reviews or impact assessments	106-108
	Disclosure 412-2: Employee training on human rights policies or procedures	106-108
	Disclosure 412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	106-108
GRI 413: Local Communities 2016	Disclosure 413-1: Operations with local community engagement, impact assessments, and development programs	38-40
	Disclosure 413-2: Operations with significant actual and potential negative impacts on local communities	38-40

GRI Standard	Disclosure	Page number
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1: New suppliers that were screened using social criteria	102
	Disclosure 414-2: Negative social impacts in the supply chain and actions taken	102
GRI 415: Public Policy 2016	Disclosure 415-1: Political contributions	We do not make any monetary and in-kind contribution to any political parties. Our Political Contribution for FY 2022 was zero.
GRI 416: Customer Health and Safety 2016	Disclosure 416-1: Assessment of the health and safety impacts of product and service categories	40
	Disclosure 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	40
GRI 417: Marketing and Labelling 2016	Disclosure 417-1: Requirements for product and service information and labelling	40, 113
	Disclosure 417-2: Incidents of non-compliance concerning product and service information and labelling	29
	Disclosure 417-3: Incidents of non-compliance concerning marketing communications	29
GRI 418: Customer Privacy 2016	Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	40
GRI 419: Socioeconomic Compliance 2016	Disclosure 419-1: Non-compliance with laws and regulations in the social and economic area	29

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