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, 2023, 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, 2023, and 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 the 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 reports referred to in sub-paragraph 15 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 14 of the Other Matters section 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful lives **Refer Note 4 to the consolidated financial statements.** As at March 31, 2023, 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. 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 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's 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 15 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 consolidated 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 scepticism 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. We did not audit the financial statements of one subsidiary located outside India, whose financial statements reflect total assets of ₹ Nil and net assets of ₹ Nil as at March 31, 2023, total revenue of ₹ Nil, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (0.04) crores and net cash outflows amounting to ₹ 4.39 crores for the period April 01, 2022 till October 27, 2022 (dissolution 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.

15. The financial statements of one subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 14.69 crores and net assets of ₹ 11.42 crores as at March 31, 2023, total revenue of ₹ 42.35 crores, total comprehensive income (comprising of loss and other comprehensive income) of ₹ 0.36 crores and net cash inflows amounting to ₹ 0.55 crores for the year then ended have been prepared in accordance with accounting principles generally accepted in its country and have been audited by other auditors under generally accepted auditing standards applicable in its country. The Holding 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 Holding 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 Holding 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

16. 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 2020 report issued 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.

17. 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 reports 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, 2023 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, 2023 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, 2023 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, 2023.

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 Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 31(16)(ii) to the consolidated financial statements).

(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 Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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 (Refer Note 31(16)(ii) to the consolidated financial statements).

(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 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.

18. 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.

19. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Group, for maintenance of books of account and related matters, is applicable for the Holding Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 is currently not applicable.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/ E-300009

Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRC1110

Place: Gurugram
Date: May 03, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Havells India Limited on the consolidated financial statements for the year ended March 31, 2023

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, 2023, we have audited the internal financial controls with reference to financial statements of Havells India Limited (hereinafter referred to as "the Holding Company"). 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 subsidiaries as they are not incorporated in India namely Havells Guangzhou International Limited and Havells Holdings Limited (dissolved on October 27, 2022).

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 consolidated 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, 2023, 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

Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRC1110

Place: Gurugram
Date: May 03, 2023

HAVELLS

Consolidated Balance Sheet

as at March 31, 2023

(₹ in crores)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	2,227.85	2,021.45
Capital work in progress	3	163.42	56.75
Goodwill	4	310.47	310.47
Other intangible assets	4	1,082.33	1,101.69
Intangible assets under development	4	2.99	0.46
Financial assets	6		
(i) Investments	6(A)	20.00	272.68
(ii) Trade receivables	6(B)	1.59	2.67
(iii) Other financial assets	6(C)	149.08	42.18
Contract assets	5(B)	25.57	38.83
Other non-current assets	7	78.94	42.93
Non Current tax assets (net)	8	29.03	26.54
Total non current assets		**4,091.27**	**3,916.65**
2 Current assets			
Inventories	9	3,708.58	2,968.08
Financial assets	10		
(i) Investments	10(A)	180.87	153.42
(ii) Trade receivables	10(B)	973.94	766.26
(iii) Cash and cash equivalents	10(C)	465.16	775.84
(iv) Bank balances other than (iii) above	10(D)	1,405.01	1,772.14
(v) Other financial assets	10(E)	116.89	29.89
Contract assets	5(B)	26.67	26.55
Other current assets	11	178.52	113.65
Total current assets		**7,055.64**	**6,605.83**
Assets classified as held for sale	12	10.53	0.73
		7,066.17	**6,606.56**
Total assets		**11,157.44**	**10,523.21**
EQUITY AND LIABILITIES			
1 Equity	**13**		
Equity share capital	13(A)	62.65	62.63
Other equity	13(B)	6,562.80	5,940.26
Total equity		**6,625.45**	**6,002.89**
2 Liabilities			
Non-current liabilities			
Financial liabilities	14		
(i) Borrowings	14(A)	-	272.57
(ii) Lease liabilities	14(B)	186.91	178.82
(iii) Other financial liabilities	14(C)	7.21	3.96
Contract liabilities	5(C)	4.10	4.99
Provisions	15	136.72	76.25
Deferred tax liabilities (Net)	16	361.51	350.62
Total non current liabilities		**696.45**	**887.21**
Current liabilities			
Financial liabilities	17		
(i) Borrowings	17(A)	-	122.96
(ii) Lease liabilities	17(B)	36.19	42.05
(iii) Trade payables	17(C)		
a) Total outstanding dues of micro enterprises and small enterprises; and		154.96	114.08
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,488.23	2,265.94
(iv) Other financial liabilities	17(D)	624.85	525.48
Contract liabilities	5(C)	84.42	57.03
Other current liabilities	20	139.72	189.51
Provisions	18	274.91	253.23
Current tax liabilities (net)	19	32.26	62.83
Total current liabilities		**3,835.54**	**3,633.11**
Total liabilities		**4,531.99**	**4,520.32**
Total equity and liabilities		**11,157.44**	**10,523.21**
Summary of significant accounting policies	2		
Commitments and contingencies	30A		
Other notes on accounts	31		

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

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

Date: May 03, 2023
Place: Noida

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in crores)

		Notes	Year ended March 31, 2023	Year ended March 31, 2022
I	**INCOME**			
	Revenue from operations	21	16,910.73	13,938.48
	Other income	22	177.71	160.44
	Total Income		**17,088.44**	**14,098.92**
II	**EXPENSES**			
	Cost of raw materials and components consumed	23	9,317.92	7,770.07
	Purchase of traded goods	24	3,028.75	1,871.40
	Changes in inventories of finished goods, traded goods and work in progress	25	(641.20)	(219.48)
	Employee benefits expense	26	1,268.32	1,020.69
	Finance costs	27	33.62	53.41
	Depreciation and amortization expenses	28	296.17	260.89
	Other expenses	29	2,321.89	1,732.99
	Net impairment losses on financial and contract assets	29A	15.91	2.39
	Total expenses		**15,641.38**	**12,492.36**
III	**Profit before exceptional items and tax**		**1,447.06**	**1,606.56**
IV	**Exceptional Items**			
	Loss due to fire		112.52	-
	Insurance claim receivable		(112.52)	-
	Profit before tax		**1,447.06**	**1,606.56**
V	**Income tax expense**	**16**		
	Current tax		364.44	398.58
	Deferred tax {refer note 16(d)}		10.89	11.51
	Total tax expense		**375.33**	**410.09**
VI	**Profit for the year**		**1,071.73**	**1,196.47**
VII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	i) Re-measurement gain/(loss) on defined benefit plans {refer note 31(3)}		(10.25)	7.38
	ii) Income tax effect on above {refer note no 16(b)}		2.58	(1.86)
	Other comprehensive income/(loss) for the year, net of tax		**(7.67)**	**5.52**
	Items will be reclassified to profit or loss in subsequent periods			
	(i) Exchange difference on translation of financial statements of foreign operations		(0.06)	0.66
	(ii) Income tax effect on others			-
			(0.06)	**0.66**
	Other comprehensive income/(loss) for the year, net of tax		**(7.73)**	**6.18**
VIII	**Total comprehensive income for the year, net of tax**		**1,064.00**	**1,202.65**
	Profit for the year attributable to			
	Equity holders of the parent company		1,071.73	1,196.47
	Non controlling interests			-
			1,071.73	**1,196.47**
	Other comprehensive income/(loss) for the year attributable to			
	Equity holders of the parent company		(7.73)	6.18
	Non controlling interests			-
			(7.73)	**6.18**
	Total comprehensive income for the year attributable to			
	Equity holders of the parent company		**1,064.00**	**1,202.65**
	Non controlling interests		**-**	**-**
			1,064.00	**1,202.65**
IX	**Earnings per equity share (EPS) {refer note no. 31 (11)}**			
	(nominal value of share ₹ 1/-)			
	a) Basic EPS (₹)		17.11	19.11
	b) Diluted EPS (₹)		17.11	19.10
	Summary of significant accounting policies	2		
	Commitments and contingencies	30A		
	Other notes on accounts	31		

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

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

Date: May 03, 2023
Place: Noida

HAVELLS

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A) Equity Share Capital

(₹ in crores)

Particulars	Notes	Numbers	Amount
As at April 1, 2021	**13(A)**	**626,013,006**	**62.60**
Add: Exercise of employee stock purchase plan - proceeds received		290,061	0.03
As at March 31, 2022		**626,303,067**	**62.63**
Add: Exercise of employee stock purchase plan - proceeds received		206,671	0.02
As at March 31, 2023		**626,509,738**	**62.65**

B) Other Equity

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company							
		Reserves and surplus					Items of OCI	
	Notes	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Total
As at April 1, 2021		**7.63**	**90.38**	**722.72**	**0.64**	**4,292.09**	**0.24**	**5,113.70**
Profit for the year	{13(B)e}	-	-	-	-	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		**-**	**-**	**-**	**-**	**1,201.99**	**0.66**	**1,202.65**
Transactions with owners in their capacity as owners:								
Final and interim dividend paid during the year	{13(B)e}	-	-	-	-	(407.10)		(407.10)
Equity shares issued under employee stock purchase plan	{13(B)b}	-	31.12	-	-	-		31.12
Options recognised during the year	{13(B)c}	-	-	-	1.15	-		1.15
Options vested and exercised during the year	{13(B)c}	-	-	-	(1.26)	-		(1.26)
As at March 31, 2022		**7.63**	**121.50**	**722.72**	**0.53**	**5,086.98**	**0.90**	**5,940.26**
Profit for the year	{13(B)e}	-	-	-	-	1,071.73		1,071.73
Other comprehensive income for the year								
Re-measurement gains/(losses) on defined benefit plans net of tax		-	-	-	-	(7.67)	(0.06)	(7.73)
Total Comprehensive income for the year		**-**	**-**	**-**	**-**	**1,064.06**	**(0.06)**	**1,064.00**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company							
	Reserves and surplus						Items of OCI	
	Notes	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Total
Transaction with owners in their capacity as owners:								
Final and interim dividend paid during the year	{13(B)e}	-	-	-	-	(469.88)		(469.88)
Equity shares issued under employee stock purchase plan	{13(B)b}	-	26.65	-	3.23	-		29.88
Options vested and exercised during the year	{13(B)c}	-	-	-	(1.46)	-		(1.46)
As at March 31, 2023		**7.63**	**148.15**	**722.72**	**2.30**	**5,681.16**	**0.84**	**6,562.80**

Summary of significant accounting policies	2
Commitments and contingencies	30A
Other notes on accounts	31

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

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

Date: May 03, 2023
Place: Noida

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	1,447.06	1,606.56
	Adjustments for		
	Depreciation and amortisation expense	296.17	260.89
	Loss/(gain) on disposal of property, plant and equipment (net)	0.14	1.43
	Unrealized foreign exchange loss/(gain) (net)	(6.25)	(5.55)
	Exchange difference on translation of financial statements foreign operatons	(0.06)	0.66
	Net impairment losses on financial and contract assets	15.91	2.39
	Credit impaired trade receivables written off	2.52	10.39
	Discounting of long term warranty provision	(12.11)	(5.79)
	Lease rent concession	(0.12)	(0.49)
	Interest income on bank deposits and investment	(123.24)	(104.45)
	Finance costs	33.44	53.24
	Liabilities no longer required written back	(0.23)	(0.15)
	Operating Profit before working capital changes	**1,653.23**	**1,819.13**
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	(224.65)	(213.30)
	(Increase)/Decrease in contract assets	13.14	4.52
	(Increase)/Decrease in other financial assets	(86.35)	14.91
	(Increase)/Decrease in non current assets	4.47	0.18
	(Increase)/Decrease in other current assets	(64.87)	1.34
	(Increase)/Decrease in inventories	(740.50)	(348.19)
	Increase/(Decrease) in trade payables	272.74	787.65
	Increase/(Decrease) in financial liabilities	74.73	(58.84)
	Increase/(Decrease) in other current liabilities	(52.52)	107.47
	Increase/(Decrease) in contract liabilities	29.23	7.57
	Increase/(Decrease) in provisions	78.22	20.43
	Cash generated from operations	**956.87**	**2,142.87**
	Income tax paid (net of refunds)	(391.94)	(414.85)
	Net cash inflow from operating Activities (A)	**564.93**	**1,728.02**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Payment for property, plant and equipment and intangible assets	(587.79)	(258.32)
	Receipt of grant related to assets	-	3.72
	Proceeds from sale of property, plant and equipment	2.27	5.56
	Investment in fixed deposits with bank and financial institution	520.43	(605.13)
	Payment for Investments	(20.00)	-
	Interest on fixed deposit and investment received	120.13	95.61
	Net Cash inflow/(outflow) used in Investing Activities (B)	**35.04**	**(758.56)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employee stock purchase plan - share capital	0.02	0.03
Proceeds from exercise of employee stock purchase plan - securities premium received	26.65	31.12
Payment of principal portion of lease liabilities	(44.28)	(34.54)
Payment of interest portion of lease liabilities	(18.35)	(14.89)
Proceeds from long term borrowing	-	0.04
Repayment of long term borrowings	(393.69)	(97.35)
Interest paid	(6.98)	(24.46)
Dividend paid to company's shareholder	(470.30)	(407.29)
Net cash inflow/(outflow) from Financing Activities (C)	**(906.93)**	**(547.34)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(306.96)**	**422.12**
Cash and cash equivalents at the beginning of the year	775.84	354.62
Effect of foreign exchange rate changes on cash and cash equivalents held in foreign currency	(3.73)	(0.90)
Cash and cash equivalents at the end of the year	**465.15**	**775.84**

Notes:

1 The above statement of cash flows 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, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with banks:		
Current accounts	71.54	36.86
Cash credit accounts	29.92	114.02
Deposits with a original maturity of less than three months	363.57	624.72
Cash on hand	0.13	0.24
	465.16	**775.84**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

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

Date: May 03, 2023
Place: Noida

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1. Corporate Information

Havells India Limited ('the 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 Group is listed on BSE Limited and National Stock Exchange of India Limited. The CIN of the Group is L31900DL1983PLC016304

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, Sri City in Andhra Pradesh. The research and development facilities are located at Noida (Uttar Pradesh), Bangalore and Ghiloth (Rajasthan)

These consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 03, 2023.

The Group along with its subsidiaries 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 03, 2023.

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.

These consolidated financial statement are separate financial statements including Havells Employees Welfare Trust prepared in accordance with Ind AS-27 "Separate Financial Statements".

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
- 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 recognised 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 recognised 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 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) Derecognises the assets (including goodwill) and liabilities of the subsidiary

(ii) Derecognises the carrying amount of any non-controlling interests

(iii) Derecognises the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration received

(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 recognised 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 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 recognised at cost. The carrying amount of the investment is adjusted to recognise 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 recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised 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 recognised 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 recognised.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

After application of the equity method, the Group determines whether it is necessary to recognise 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 recognises 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 recognises 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 recognised 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.

(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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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.

An item of property, plant and equipment and any significant part initially recognised 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 derecognised.

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	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, 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 respectively, in respect of laptop useful life is more than those specified by schedule II to the Group Act 2013 and are depreciated over the estimated useful life of 4 years, 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 derecognised 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 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 recognised 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 recognised at fair value at the date of acquisition. Following initial recognition, brand and trademark are carried at the above recognised 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 this intangible assets. Consequently it is believed that they have an indefinite life and are not amortised. 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 recognised at fair value at the date of acquisition. Following initial recognition, Distributor/Dealer Network are carried at the above recognised value less accumulated amortization and accumulated impairment losses, if any. They are amortised 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 recognised 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 recognised 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 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 recognised in profit or loss. An impairment loss recognised 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 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 recognised in the statement

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of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised 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 recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised 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 recognised. 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 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 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 amortised 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 amortised 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 amortised 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 amortised cost (debt instruments)

A 'financial asset' is measured at the amortised 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. Amortised 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 amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised 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 recognised 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 recognised 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 recognised 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 recognised 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

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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 recognised 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 derecognised (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 recognise the transferred asset to the extent of the Group'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 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 recognised 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.

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 amortised 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 amortised cost is recognised 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 recognised 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 amortised 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 amortised 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 derecognised 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

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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 derecognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised asset or liability or an unrecognised 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 recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised 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 recognised 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 recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised 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 derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised 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 recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised 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 recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised 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 recognised 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:

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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.

2.12 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 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 balance sheet 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 recognised if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, 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 recognised 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 utilised.

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 recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised 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 recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised 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 recognised 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 recognised 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 recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group operates several sales incentive programmes

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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 recognised 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).

No significant element of financing is deemed present as the sales are made with a credit term of 21 to 90 days, which is consistent with market practice.

(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 recognised 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 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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised 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 recognised 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 amortised 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 amortised 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 recognised 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 recognised at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognised 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

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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

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments. In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Ind-AS 102 Share based payments, the fair value of options granted under the Havells Long Term cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. The Employee stock option scheme is administered through Havells Employee Welfare Trust.

The Group 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 recognised 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 recognised 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 recognised 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 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 Group 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 for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, 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 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 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 recognised 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 recognised 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 recognised 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 decision making authority. 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

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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 recognised 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 recognised in other comprehensive income.

d) On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised 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.

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and realisation in respect thereof is virtually certain.

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.

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 Group 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 recognised 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.

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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 acquire. For each business combination, the Group 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 recognised 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.

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.

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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 acGrouping 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 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 assets 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 rend 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

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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 Exceptional Item

Exceptional Items Group recognises exceptional item when items of income and expenses within Statement of Profit and Loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period.

2.29 New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

3. Property, plant and equipment

(₹ in crores)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Machinery	Moulds and Dies	Furniture and fixtures	Vehicles	R&D Equipments	Office Equipments	Electrical Installations	Right of use asset		Total	Capital Work in progress	Grand Total
											Leasehold Land	Leasehold Buildings			
Gross carrying amount (at cost)															
At April 01, 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 {Refer note 3 (iv)}	-	(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**	**119.71**	**50.75**	**230.15**	**302.06**	**3,019.43**	**56.75**	**3,076.18**
Additions	-	95.11	0.03	200.51	97.65	11.28	5.87	9.97	26.93	6.56	1.34	51.86	507.11	514.87	1,021.98
Recognition of grant related to assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/adjustments *	-	(9.50)	(1.10)	(28.77)	(13.41)	(4.37)	(0.72)	(1.66)	(5.08)	(1.64)	-	(8.85)	(75.10)	(408.20)	(483.30)
At March 31, 2023	**27.77**	**875.50**	**14.05**	**1,147.65**	**456.42**	**80.29**	**21.33**	**54.64**	**141.56**	**55.67**	**231.49**	**345.07**	**3,451.44**	**163.42**	**3,614.86**
Accumulated Depreciation															
At April 01, 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/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**	**86.48**	**24.74**	**6.24**	**92.31**	**997.98**	**-**	**997.98**
Charge for the year	-	30.88	1.81	90.18	61.37	7.22	1.66	7.07	15.26	3.98	2.54	48.07	270.04	-	270.04
Disposals/adjustments	-	(2.75)	(0.95)	(14.54)	(11.33)	(2.48)	(0.64)	(1.55)	(4.47)	(1.09)	-	(4.63)	(44.43)	-	(44.43)
At March 31, 2023	**-**	**205.82**	**9.28**	**455.16**	**217.66**	**30.70**	**7.58**	**27.96**	**97.27**	**27.63**	**8.78**	**135.75**	**1,223.59**	**-**	**1,223.59**
Net carrying amount															
At April 01, 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**
At March 31, 2023	**27.77**	**669.68**	**4.77**	**692.49**	**238.76**	**49.59**	**13.75**	**26.68**	**44.29**	**28.04**	**222.71**	**209.32**	**2,227.85**	**163.42**	**2,391.27**

** Disposal includes assets held for sale amounting to 10.53 crores (March 31, 2022 ₹ 0.73 Crores), and includes transfers in relation to Capital work in progress.*

Notes:

(i) Right of Use asset includes:

(a) "Leasehold Land" represents land obtained on long term lease from various Government authorities.

(b) Leasehold Buildings represent 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, 2023 includes assets under construction at various plants including air conditioning plant,washing machine, cable and flexible cable, lighting and fixtures etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iii) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 30(B).

(iv) The grant related to assets incudes:

(a) Subsidy of ₹ Nil (March 31, 2022 ₹ 3.72 core) 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.

(v) The Group has not revalued its Property Plant and Equipment (Including Right of use assets) or Intangible assets during the year

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(vi) Net Block as on July 27, 2022 has been recognised as Exceptional Item in the Current year towards loss on account of fire at Neemrana plant of the Group for the following item. {Refer note 31(13)}

(₹ in crores)

Particulars	Plant and Equipments	Moulds and Dies	Furniture and fixtures	R & D Equipments	Office Equipments	Electrical Installations	Capital Work in progress	Grand Total
Gross carrying amount (at cost)	17.90	0.59	3.05	0.04	2.13	1.32	0.55	25.58
Accumulated Depreciation	(6.72)	(0.46)	(1.56)	(0.02)	(1.76)	(0.89)		(11.41)
Net Block - July 27, 2022	**11.18**	**0.13**	**1.49**	**0.02**	**0.37**	**0.43**	**0.55**	**14.17**

(vii) Capital work-in-progress ("CWIP") Ageing schedule

As at March 31, 2023

(₹ in crores)

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 Year	
Projects in progress	163.42	-	-	-	**163.42**
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

(₹ in crores)

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 Year	
Projects in progress	53.58	3.17	-	-	**56.75**
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 (₹ in crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for Immovable Property not held in the name of Group
Property, plant and equipment	Freehold land in Delhi	15.89	Late Shri Qimat Rai Gupta, on behalf of M/s Guptajee & Co.	Erstwhile Promoter/Director	March 31, 2011	The possession and original agreement to sell, of the property is in the name of Group. The 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	April 01, 2012	The possession and original agreement to sell, of the property is in the name of Group. 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

(₹ in crores)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Net Carrying value	Net Lease liability	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for lease agreement not executed with the Group
Property, plant and equipment	Building in Sahibabad	43.20	39.44	41.82	QRG Enterprises Limited	Promoter till 12 Oct 2022 {refer note 31(5)}	August 01, 2007	Rent is being paid based on the mutual understanding and the monthly invoice for usage charges raised by QRG Enterprises {refer note 31(5)}
Property, plant and equipment	Building in Noida	96.79	82.29	86.93	QRG Enterprises Limited	Promoter till 12 Oct 2022 {refer note 31(5)}	July 01, 2008	

4. Goodwill and other Intangible assets

(₹ in crores)

Particulars	Computer Software	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Assets	Goodwill	Intangibles assets under development	Total Intangible Assets
Gross carrying amount (at cost)									
At April 01, 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/adjustments	(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**
Additions	2.88	3.89	-	-	-	6.77	-	2.99	9.76
Disposals/adjustments	-	-	-	-	-	-	-	(0.46)	(0.46)
At March 31, 2023	**55.55**	**15.40**	**1,029.00**	**82.40**	**58.50**	**1,240.85**	**310.47**	**2.99**	**1,554.31**
Accumulated amortization									
At April 01, 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/adjustments	(8.74)	(0.04)	-	-	-	(8.78)	-	-	(8.78)
At March 31, 2022	**34.00**	**6.95**	**-**	**50.50**	**40.94**	**132.39**	**-**	**-**	**132.39**
Charge for the year	5.75	1.72	-	10.30	8.36	26.13	-	-	26.13
Disposals/adjustments	-	-	-	-	-	-	-	-	-
At March 31, 2023	**39.75**	**8.67**	**-**	**60.80**	**49.30**	**158.52**	**-**	**-**	**158.52**
Net carrying amount									
At April 01, 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**
At March 31, 2023	**15.80**	**6.73**	**1,029.00**	**21.60**	**9.20**	**1,082.33**	**310.47**	**2.99**	**1,395.79**

Note:

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Brand & 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 consumers. The Group has performed an annual impairment test to ascertain the recoverable amount of such goodwill and intangible assets. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and pre tax cash flow projections based on financed 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. Management has determined following assumptions for impairment testing of CGU as stated Below:

Assumption	March 31, 2023	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	15.30%	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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 carrying value of unit's CGU over and above its recoverable amount.

Intangible assets under development

As at March 31, 2023

(₹ in crores)

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 Year	
Projects in progress	2.99	-	-	-	**2.99**
Projects temporarily suspended	-	-	-	-	**-**

As at March 31, 2022

(₹ in crores)

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 Year	
Projects in progress	0.46	-	-	-	0.46
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, 2023	As at March 31, 2022
(A)	**Trade Receivables {refer note (a) below and note 10(B)}**	975.53	768.93
		975.53	**768.93**
(B)	**Contract Assets (Unsecured, considered good) {refer note (b)}**	52.24	65.38
		52.24	**65.38**
	Non-current portion	25.57	38.83
	Current portion	26.67	26.55
(C)	**Contract Liability {refer note (c) and note 21(v)}**	**88.52**	**62.02**
		88.52	**62.02**
	Non-current portion	4.10	4.99
	Current portion	84.42	57.03

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 agreement with customers where in the Group had identified multiple performance obligations as per Ind AS 115 "Revenue from contracts with customers". The Group's right to receive consideration is conditional upon satisfaction of all performance obligations. Accordingly, the Group has recognised contract assets in respect of performance obligations satisfied during the year. The contract assets arises when Group satisfies a performance obligation but does not have an unconditional right to consideration. Contract assets have decreased in the current year on account of decrease in the time frame for a" right to consideration" becoming unconditional.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(c) The Group has entered into the agreements with customer for sale of goods and services. The Group has identified these performance obligations and recognised the 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.

6. Non-Current Financial Assets

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(A)	**NON-CURRENT INVESTMENT (valued at amortised cost)**		
	Unsecured, considered good		
(i)	Deposits account with financial institution having remaining maturity period of more than twelve months (refer note (a) below)	-	272.68
(II)	Investment in preference shares (fully paid-up)		
	Unquoted		
	1,72,563 (0.001%) compulsorily convertible cumulative participative preference shares Singularity Furniture Pvt Ltd. (March 31, 2022 Nil)	20.00	-
		20.00	**272.68**
	Total non-current investments	20.00	-
	Aggregate amount of unquoted investments	20.00	-
	(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 amortised cost)**		
	Unsecured {refer note 10(B)}		
	Trade receivables from contracts with customers - considered good	1.59	2.67
		1.59	**2.67**
(C)	**OTHER FINANCIAL ASSETS (valued at amortised cost)**		
	Unsecured, considered good		
	Earnest money and Security Deposits	**33.84**	**21.98**
	Others		
	Bank deposits with original and remaining maturity of more than twelve months	115.24	20.20
		149.08	**42.18**

7. Other Non-Current Assets

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	47.70	7.22
Others		
Prepaid expenses	4.71	5.82
Deposits with Statutory and Government authorities	26.53	29.89
	78.94	**42.93**

8. Non Current Tax Assets (Net)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Current tax assets net of current tax payable	29.03	26.54
	29.03	**26.54**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

9. Inventories

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components	836.69	754.89
Work-in-progress	165.56	202.06
Finished goods	1,764.20	1,359.07
Traded goods	851.75	581.31
Stores and spares	46.19	34.07
Loose tools	4.21	2.62
Packing materials	23.87	20.19
Scrap materials	16.11	13.87
	3,708.58	**2,968.08**
Notes:		
(a) The above includes goods in transit as under:		
Raw materials	148.92	180.41
Finished goods	201.21	234.65
Traded goods	73.05	74.95
(b) The stock of scrap materials have been taken at net realisable value.		

10. Current Financial Assets

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(A) CURRENT INVESTMENT (valued at amortised cost)		
Unsecured, considered good		
Deposits account with financial institution with original maturity of more than twelve months but remaining maturity less than 12 months	180.87	153.42
	180.87	**153.42**
Aggregate amount of unquoted investments	180.87	153.42
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 for 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 amortised cost)		
Unsecured		
Trade receivables from contract with customers - considered good	1034.30	813.51
Trade receivables - Credit impaired	28.89	27.16
Trade receivables (gross)	**1063.19**	**840.67**
Less: Impairment allowance for trade receivables	87.66	71.74
Trade receivables (net)	**975.53**	**768.93**
Current portion	973.94	766.26
Non - current portion {refer note 6(B)}	1.59	2.67

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(I) Trade receivables ageing schedule as at 31 March 2023

(₹ in crores)

	Particulars	Outstanding for following periods from due date of payment							Total
		Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i)	Undisputed Trade receivables - considered good	-	269.08	601.83	69.77	51.13	40.49	2.00	1034.30
(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	-	-	0.18	1.59	5.03	1.53	20.56	28.89
	Total	**-**	**269.08**	**602.01**	**71.36**	**56.16**	**42.02**	**22.56**	**1063.19**
	Less: Allowance for trade receivables	-	(0.01)	(0.21)	(5.03)	(17.83)	(42.02)	(22.56)	(87.66)
	Total	**-**	**269.07**	**601.80**	**66.33**	**38.33**	**-**	**-**	**975.53**

(II) Trade receivables ageing schedule as at March 31, 2022

(₹ in crores)

	Particulars	Outstanding for following periods from due date of payment							Total
		Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(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	-	-	0.05	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**

Notes:

(a) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(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.

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(C) CASH AND CASH EQUIVALENTS		
Balances with banks:		
Current accounts (net) {refer note (c)}	71.54	36.86
Cash credit accounts	29.92	114.02
Deposits with original maturity of less than three months {refer notes (b) and (d)}	363.57	624.72
Cash on hand	0.13	0.24
	465.16	**775.84**

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 for 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 ₹ 0.47 crores (March 31, 2022 ₹ 0.15 cr) related to Unspent CSR amount kept in separate bank account as per provision of section 135(6) of Companies Act, 2013.

(d) Includes Fixed Deposit amounting ₹ 1.03 crores (March 31, 2022 ₹ 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 Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Opening balance	395.53	492.20	-	-	220.87	130.66
Addition on account of new leases during the year {refer Note 31(2)}	-	-	-	-	50.73	131.92
Deletion on account of termination of leases during the year {refer Note 31(2)}	-	-	-	-	(4.10)	(6.68)
Lease rent concession					(0.12)	(0.49)
Cash inflow from borrowings	-	0.04	-	-	-	-
Cash outflows	(393.69)	(97.35)	-	-	(44.28)	(34.54)
Interest expense	5.14	25.10	-	-	18.35	14.89
Interest paid	(6.98)	(24.46)	-	-	(18.35)	(14.89)
Closing balance	**0.00**	**395.53**	**-**	**-**	**223.10**	**220.87**
Non-current Borrowing {refer note 14 (A)}	-	272.57	-	-	-	-
Non-current lease liability {refer note 14 (B)}	-	-	-	-	186.91	178.82
Current maturity of long term borrowing {refer note 17 (A)}	-	122.96	-	-	-	-
Current maturity of long term lease liability {refer note 17 (B)}	-	-	-	-	36.19	42.05

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(D)	**OTHER BANK BALANCES**		
	Deposits account with original maturity of more than three months but expiring less than twelve months {refer notes (a) and (e)}	551.59	72.07
	Deposits account with original maturity of more than twelve months {refer notes (b) and (d)}	851.16	1,697.39
	Unpaid dividend account {refer note (c)}	2.26	2.68
		1405.01	**1772.14**

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.

(b) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances.

(c) The Group can utilise the balance towards settlement of unclaimed dividend.

(d) Includes Fixed Deposit amounting ₹ 4.34 crores (March 31, 2022 ₹ 4.14 crores) related to Unspent CSR amount kept in separate bank account as per provision of section 135(6) of Companies Act, 2013.

(e) Includes Fixed Deposit amounting ₹ 6.45 crores (March 31, 2022 ₹ 4.82 crores) related to Havells Employees Welfare Trust.

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(E)	**OTHER FINANCIAL ASSETS (valued at amortised cost)**		
	Unsecured, considered good		
	Earnest money and security deposits	3.71	3.32
	Contractual claims and other receivables {refer note (a)}	113.18	26.57
		116.89	**29.89**

Note:

(a) Contractual claims and other receivables includes claims in accordance with contract with vendors.

11. Other Current Assets

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	29.46	23.54
Others		
Prepaid expenses	47.50	27.86
Duty free licenses in hand	4.19	2.40
Government grant receivable	4.98	9.34
Balance with Statutory and Government authorities/Others	92.39	50.51
	178.52	**113.65**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Movement of Government grant receivable		
Opening balance	9.34	23.02
Accrual of grant related to income (credited to statement of profit and loss account) (refer note 21)	10.13	10.66
Grant related to asset realised	-	(3.72)
Grant related to income realised	(14.49)	(20.62)
Closing Balance	**4.98**	**9.34**

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, 2023	As at March 31, 2022
Property, plant and equipment		
Assets retired from active use	10.53	0.73
	10.53	**0.73**

13. Equity

(A) Share Capital

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(A)	**Share Capital**		
a)	**Authorized Share Capital**		
	1,032,000,000 equity shares of ₹ 1/- each (March 31, 2022: 1,032,000,000 equity shares of ₹ 1/- each)	103.20	103.20
	5,50,000 preference shares of ₹ 10/- each (March 31, 2022: 5,50,000 preference shares of ₹ 10/- each)	0.55	0.55
		103.75	**103.75**
b)	**Issued, subscribed and fully paid-up**		
	626,509,738 equity shares of ₹ 1/- each (March 31, 2022: 626,303,067 equity shares of ₹ 1/- each)	62.65	62.63

c) Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in crores)

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	626,303,067	62.63	626,013,006	62.60
Add: Exercise of employee stock purchase plan - proceeds received {refer note 31(6)}	206,671	0.02	290,061	0.03
	626,509,738	**62.65**	**626,303,067**	**62.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d) **Shareholding of promoters**

(₹ in crores)

S. No	Shares held by promoters at the end of the year	As at March 31, 2023		As at March 31, 2022		% 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	12.35%	77,425,200	12.36%	-
2	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	36,432,180	5.82%	36,432,180	5.82%	-
3	QRG Investments and Holdings Limited	258,600,540	41.28%	68,741,660	10.98%	276.19%
4	QRG Enterprises Limited	-	-	189,858,880	30.31%	-100.00%
	Total	**372,457,920**	**59.45%**	**372,457,920**	**59.47%**	**-**

(₹ in crores)

S. No	Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 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%	-
2	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	36,432,180	5.82%	36,432,180	5.82%	-
3	QRG Investments and Holdings Limited	68,741,660	10.98%	68,741,660	10.98%	-
4	QRG Enterprises Limited	189,858,880	30.31%	189,858,880	30.33%	-
	Total	**372,457,920**	**59.47%**	**372,457,920**	**59.49%**	

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, 2022: ₹ 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.

f) **Details of shareholders holding more than 5% shares in the Group is set out below (representing legal and beneficial ownership):**

(₹ in crores)

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.35	77,425,200	12.36
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
QRG Investments and Holdings Limited	258,600,540	41.28	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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, 2023	As at March 31, 2022
	Capital reserve	7.63	7.63
	Securities premium	148.15	121.50
	Share option outstanding account	2.30	0.53
	General reserve	722.72	722.72
	Retained earnings	5,681.16	5,086.98
	Foreign currency translation reserves	0.84	0.90
	Total other equity	**6,562.80**	**5,940.26**
a)	**Capital reserve**	**7.63**	**7.63**
b)	**Securities premium**		
	Opening balance	121.50	90.38
	Add: Exercise of Employee stock purchase plan - proceeds received	26.65	31.12
	Closing balance	148.15	121.50
c)	**Stock options outstanding account**		
	Opening balance	0.53	0.64
	Add: Options recognised during the year	3.23	1.15
	Less: Options vested and exercised during the year	(1.46)	(1.26)
	Closing balance	2.30	0.53
d)	**General reserve**	**722.72**	**722.72**
e)	**Retained earnings**		
	Opening balance	5,086.98	4,292.09
	Net profit for the year	1,071.73	1,196.47
	Items of other comprehensive income recognised directly in retained earnings		
	Re-measurement gains/(losses) on defined benefit plans (net of tax)	(7.67)	5.52
	Dividends		
	Final Dividend of ₹ 4.50 per share for FY 2021-22 (₹ 3.50 per share for FY 2020-21)	(281.93)	(219.21)
	Interim dividend of ₹ 3 per share for FY 2022-23 (₹ 3.00 per share for FY 2021-22)	(187.95)	(187.89)
	Closing balance	**5,681.16**	**5,086.98**
f)	**Foreign currency translation reserves**		
	Opening balance	0.90	0.24
	Exchange difference on translation of financial statements of foreign operations	(0.06)	0.66
		0.84	**0.90**

(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 utilised 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 requirement to mandatorily transfer a specified percentage of the net profit to general reserve before declaration of dividend has been withdrawn. However, the amount previously transferred to the general reserve can be utilised 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, 2022: 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 amortised cost)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Term loans from bank (secured) {refer note (a) to (d) below}	-	395.49
Term loans others (secured)	-	0.04
	-	**395.53**
Less: Current maturity of long term borrowing {refer note 17 (A)}	-	121.12
Less: Interest accrued (included in current borrowing)	-	1.84
Non-current portion	-	272.57

Notes:

(a) The Group has availed secured loan of ₹ Nil (March 31, 2022: ₹ 250 crores), carrying interest rate of (3 months TBill rate plus (288 - 488 base points)) against the sanctioned term loan amount of ₹ Nil (March 31, 2022: ₹ 250 crores) from CITI Bank N.A. The Group has repaid its loan during the year. The current outstanding amount against the loan is ₹ Nil (March 31, 2022: ₹ 203.13 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 was repayable in 16 equated quarterly instalments commencing from 15th month from first drawdown date of April 21, 2020. This term loan was 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.

(b) The Group has availed secured loan of ₹ Nil (March 31, 2022: ₹ 250 Crores) carrying interest rate of 4 - 6 %, against the sanctioned amount of ₹ Nil (March 31, 2022: ₹ 350 crores) from HDFC Bank Limited. The Group has repaid its loan during

Notes to Consolidated Financial Statements
for the year ended March 31, 2023

the year. The current outstanding amount against the loan is ₹ Nil (March 31, 2022: ₹ 190.52 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 was 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 was 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 was required to maintain the Debt Covenants i.e., Fixed assets coverage ratio, Debt service coverage ratio, gearing ratio, leverage ratio and interest coverage ratio and Group had complied with all such covenants in the previous year i.e. March 31, 2022.

(d) During the previous year, The Company had borrowings from banks and financial institutions on the basis of security of current assets. The Company had 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. During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the quarterly returns or statements are not required to be filed with banks or financial institutions.

(e) As on the balance sheet date there is no default in repayment of loans and interest.

(f) The borrowings obtained by the Group from banks and financial institutions had been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous years, those were applied in the respective years 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, 2023	As at March 31, 2022
Lease Liabilities {refer note 31(2)}	186.91	178.82
	186.91	**178.82**

(C) OTHER FINANCIAL LIABILITIES (valued at amortised cost)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Employees payable pursuant to employee stock purchase plan	0.54	0.56
Long Term Employee Retention scheme	0.67	0.66
Employees ownership plan	3.23	-
Other Liabilities (retention money)	2.77	2.74
	7.21	**3.96**

15. Non Current Provisions

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	4.15	-
Product warranties and E-waste {Refer note 18(a)}	132.57	76.25
	136.72	**76.25**

16. Income Taxes

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:		
(a) Income tax expense in the statement of profit and loss comprises:		
Current tax charge	361.20	408.83
Adjustment in respect of current tax of previous year	3.24	(10.25)
Total current income tax	**364.44**	**398.58**
Deferred tax charge/(credit)		
Relating to origination and reversal of temporary differences	10.89	11.51
Income tax expense reported in the statement of profit or loss	**375.33**	**410.09**
(b) Other Comprehensive Income		
Current income tax related to items recognised in OCI during the year:		
Current income tax on re-measurement loss on defined benefit plans	2.58	(1.86)
Income tax related to items recognised in OCI during the year	**2.58**	**(1.86)**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting Profit before tax	1,447.06	1,606.56
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	**364.20**	**404.34**
Expenses not allowed for tax purpose	8.53	6.02
Additional allowances for tax	(0.08)	(0.03)
Provisions for litigation	2.97	-
Utilisation of previously unrecognised tax losses	-	(0.24)
Others	(0.29)	-
Income tax charged to Statement of Profit and Loss at effective rate of 25.94% (March 31, 2022: 25.53%) {Refer Note (ii) below}	**375.33**	**410.09**

(d) Deferred tax liabilities comprises:

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Accelerated depreciation for tax purposes	393.84	382.72	11.12	14.09
Right of Use as per Ind AS 116	52.68	52.79	(0.11)	21.86
Lease liability as per Ind AS 116	(56.15)	(55.59)	(0.56)	(22.71)
Expenses allowable on payment basis	(9.82)	(12.69)	2.87	(1.04)
Allowance for doubtful debts	(22.06)	(18.04)	(4.02)	(0.59)
Other Items giving rise to temporary differences	3.02	1.43	1.59	(0.10)
Deferred tax liabilities (net)	**361.51**	**350.62**	**10.89**	**11.51**

(e) Deferred tax liabilities (net)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Opening balance as per last balance sheet	350.62	339.11
Deferred tax charged/(credited) to profit and loss account during the year	3.17	3.10
Adjustment in respect of deferred tax of previous year	7.72	8.41
Closing balance	**361.51**	**350.62**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

(i) The Group has unabsorbed capital loss of ₹ 390.84 crores as on March 31, 2023 (March 31, 2022: ₹ 369.61 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, capital loss of ₹ 27.51 crores will expire in financial year 2029-30 and capital loss of ₹ 21.27 crores will expire in financial year 2030-31, 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 realised. If the Group were able to recognise all unrecognised deferred tax assets, the profit after tax would have increased by ₹ 89.28 crores (March 31, 2022: ₹ 84.56 Crore).

(ii) Effective tax rate has been calculated on profit before tax.

17. Current Financial Liabilities

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(A)	**Short Term Borrowings**		
	Current maturities of long term borrowings (Refer note 14(A))	-	121.12
	Add: Interest accrued	-	1.84
		-	**122.96**
(B)	**Lease Liabilities**		
	Current maturities of Lease liability {refer note 31(2)}	36.19	42.05
		36.19	**42.05**
(C)	**Trade Payables**		
	Total outstanding dues of micro enterprises and small enterprises; and	154.96	114.08
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,488.23	2,265.94
		2,643.19	**2,380.02**

Trade payables ageing schedule as at March 31, 2023

(₹ in crores)

	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	-	149.25	5.71	-	-	-	154.96
(ii)	Others	120.11	2,168.34	188.62	9.77	-	-	2,486.84
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	1.39	1.39
	Total	**120.11**	**2,317.59**	**194.33**	**9.77**	**-**	**1.39**	**2,643.19**

Trade payables ageing schedule as at March 31, 2022

(₹ in crores)

	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**	**-**	**1.39**	**2,380.02**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

(i) Trade Payables include due to related parties ₹ 16.00 crores (March 31, 2022: ₹ 16.92 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.

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, 2023 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.

(₹ in crores)

		March 31, 2023	March 31, 2022
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	**154.96**	**114.08**
	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, 2022: ₹ Nil)	-	-

(D) OTHER FINANCIAL LIABILITIES (valued at amortised cost)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Unpaid dividend {refer note (a)}	2.26	2.68
Other payables		
Employees payable pursuant to employee stock purchase plan		
Long Term Employee Retention Scheme	2.04	2.06
Creditors for capital goods	45.30	21.47
Deposits from customers	48.48	45.55
Retention Money	18.62	9.43
Other liabilities		
Employee benefit obligations	121.54	110.25
Interest accrued	-	5.94
Sales incentives payable	381.23	319.29
Others {refer note (b)}	5.38	8.81
	624.85	**525.48**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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, 2022: ₹ 0.26 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) Other includes amount against E-waste liability {refer note 18(a)(ii)}.

18. Current Provisions

(₹ in crores)

			As at March 31, 2023	As at March 31, 2022
i)	Provision for employee benefits			
	Gratuity {refer note no. 31(3)}			
		(A)	31.21	8.65
ii)	Other provisions		**31.21**	**8.65**
	Product warranties {refer note (a)}			
	Litigations {refer note (b)}		237.00	237.30
		(B)	6.70	7.28
			243.70	**244.58**
		(A) + (B)		
			274.91	**253.23**

a) Provision for warranties

(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, 2023	As at March 31, 2022
As at April 01, 2022	313.55	284.80
Charged/(credited) to profit or loss		
- additional provisions recognized (refer note 29)	292.44	211.27
- unused amounts reversed	-	-
- unwinding of discount {refer note no. 27}	5.78	6.24
Amounts used during the period	(242.20)	(188.76)
As at March 31, 2023	**369.57**	**313.55**
Current portion	237.00	237.30
Non-current portion (refer note no. 15)	132.57	76.25

b) Provision for litigations

Provision for litigation amounting to ₹ 6.70 Crores (March 31, 2022: ₹ 7.28 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, 2023

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
As at April 01, 2022	7.28	12.93
Charged/(credited) to profit or loss	2.97	-
Amounts used during the period	(3.55)	(5.65)
As at March 31, 2023	**6.70**	**7.28**
Current portion	6.70	7.28
Non-current portion	-	-

19. Current Tax Liabilities

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of advance tax and tax deducted at source amounting to ₹ 334.38 crores (March 31, 2022 ₹ 346.86 crores)	32.26	62.83
	32.26	**62.83**

20. Other Current Liabilities

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Advance against Land	0.50	-
Others		
Goods and Services Tax Payable	55.69	123.45
Other statutory dues payable	83.53	66.06
	139.72	**189.51**

21. Revenue from Operations:

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
Revenue from contract with customers:			
Sale of products		16,737.09	13,756.45
Sales of services		68.63	79.00
	(A)	**16,805.72**	**13,835.45**
Other operating revenues			
Export Incentive		10.13	10.66
Scrap sales		94.88	92.37
	(B)	**105.01**	**103.03**
Total revenue from operations	(A) + (B)	**16,910.73**	**13,938.48**
(i) **Timing of revenue recognition**			
Goods transferred at a point in time		16,831.97	13,848.82
Services transferred over the time		68.63	79.00
Total revenue from contract with customers		**16,900.60**	**13,927.82**
Add: Export Incentive		10.13	10.66
Total revenue from operations		**16,910.73**	**13,938.48**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(ii)	**Disaggregation of revenue based on product or service**		
	Switchgears	2,115.45	1,790.92
	Cables	5,529.16	4,642.77
	Lighting and fixtures	1,614.43	1,391.43
	Electrical consumer durables	3,296.62	3,071.20
	Lloyd Consumer*	3,394.80	2,272.78
	Others	950.14	758.72
	Total revenue from contract with customers	**16,900.60**	**13,927.82**
	**Includes revenue from installation services and service-type warranties.*		
(iii)	**Revenue by location of customers**		
	India	16,415.02	13,423.38
	Outside India	485.58	504.44
	Total revenue from contract with customers	**16,900.60**	**13,927.82**
	Add: Export Incentive	10.13	10.66
	Total revenue from operations	**16,910.73**	**13,938.48**
(iv)	**Reconciliation of revenue recognised in statement of profit and loss with contracted price**		
	Revenue as per contracted price	17,009.55	14,014.85
	Less: Cash discount	(108.95)	(87.03)
	Total revenue from contract with customers	**16,900.60**	**13,927.82**
	Add: Export Incentive	10.13	10.66
	Total revenue from operations	**16,910.73**	**13,938.48**

(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 consolidated 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, 2023 and expected time to recognise the same as revenue is as follows:

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	84.42	57.03
More than one year	4.10	4.99
	88.52	**62.02**

Note: The remaining performance obligation expected to be recognised 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 recognised within one year. During the year ended March 31, 2023, revenue recognised from amount included in contract liability at the beginning of year is ₹ 57.03 crores (March 31, 2022: ₹ 34.94 crores).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(vi) Disclosure pursuant to Appendix C 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 recognised during the year and the contract assets balance as at year-end from such contract amounts to ₹ 45.89 Crores (March 31, 2022: ₹ 45.43 crores) and ₹ 43.57Crores (March 31, 2022: ₹ 56.83 crores) respectively.

22. Other Income

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest received on financial assets carried at amortised cost:		
Deposits with banks	104.17	81.43
Investment	12.99	15.26
Others - Finance Income and Interest	6.08	7.76
Other non-operating income		
Exchange fluctuations (net)	22.13	32.78
Liabilities no longer required written back	0.23	0.15
Lease rent concession {refer note 31(2)}	0.12	0.49
Profit on sale of Investments	-	0.97
Discount on License utilised	9.43	8.65
Subsidy Income	2.36	4.83
Miscellaneous income	20.20	8.12
	177.71	**160.44**

23. Cost of Raw Materials and Components Consumed

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Copper	3,361.20	2,604.08
Aluminium	1,009.60	922.07
General plastic and Engineering Plastic	438.02	365.51
Paints and chemicals	509.45	486.41
Steel	275.73	217.59
Packing materials	374.42	307.53
Other material	3,349.50	2,866.88
	9,317.92	**7,770.07**

24. Purchase of Traded Goods

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Switchgears	175.52	164.76
Lighting and fixtures	532.96	324.24
Electrical consumer durables	507.83	446.20
Lloyd Consumer	1,450.59	693.48
Cables	1.02	0.77
Others	360.83	241.95
	3,028.75	**1,871.40**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

25. Change in Inventories of Finished Goods, Traded Goods and Work-in-Progress

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	1,764.20	1,359.07	(405.13)
Traded goods	851.64	581.31	(270.33)
Work in progress	165.56	202.06	36.50
Scrap materials	16.11	13.87	(2.24)
	2,797.51	**2,156.31**	**(641.20)**

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021	(Increase)/ Decrease
Inventories at the beginning 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)**

26. Employee Benefits Expenses

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus, commission and other benefits	1,154.95	928.05
Contribution towards Provident Fund, Family Pension and ESI	47.72	40.45
Employee stock purchase plan expense {refer note no. 31(6)}	25.33	26.76
Gratuity expense {refer note no. 31(3)}	25.11	16.03
Staff welfare expenses	15.21	9.40
	1,268.32	**1,020.69**

27. Finance Costs

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	5.14	25.10
Interest on income tax	4.17	7.01
Interest on lease liability {refer note no. 31(2)}	18.35	14.89
Miscellaneous financial expenses	0.18	0.17
Total interest expense	**27.84**	**47.17**
Unwinding of discount on long term provisions {refer note no. 18(a)(ii)}	5.78	6.24
Total Finance cost	**33.62**	**53.41**

28. Depreciation and Amortisation Expenses

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment {refer note 3}	219.43	192.10
Amortization of intangible assets {refer note 4}	26.13	27.02
Depreciation of Right of use assets (refer note 3)	50.61	41.77
	296.17	**260.89**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

29. Other Expenses

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	53.25	54.68
Power and fuel	119.27	99.57
Job work and service charges	332.96	279.10
Rent	32.44	24.60
Repairs and maintenance:		
Plant and machinery	41.04	15.35
Buildings	4.63	3.60
Others	68.62	52.57
Rates and taxes	2.80	3.25
Insurance	28.32	25.23
Trade mark fee and royalty	0.42	0.39
Travelling and conveyance	124.21	66.91
Communication expenses	5.99	6.66
Legal and professional charges	23.39	33.47
Payment to Auditors		
Audit fee	1.35	1.35
Certification fee	0.03	0.01
Reimbursement of expenses	0.16	0.05
Payment to Tax Auditors		
Tax audit fee	0.04	0.04
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 31(7)}	26.68	23.66
Directors sitting fees	0.90	0.45
Exchange fluctuations (net)	-	-
Freight and forwarding expense	547.16	431.27
Advertisement and sales promotion	437.40	246.82
Commission on sales	120.66	98.30
Product warranties and after sales services (net of reversals)	292.44	211.27
Bank Charges	21.44	13.51
Loss on sale/discard of property, plant and equipment (net)	0.14	1.43
Credit impaired trade receivables written off	2.52	10.39
Miscellaneous expenses	33.63	29.06
	2,321.89	**1,733.06**

29A. Net Impairment Losses on Financial and Contract Assets

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Impairment allowance for trade receivables considered doubtful	15.91	2.39
	15.91	**2.39**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

30A. Commitments and Contingencies

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
a.	Claims/Suits filed against the Group not acknowledged as debts (Refer point (i))	6.83	7.07
b.	Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 13.04 crores (March 31, 2022: ₹ 29.13 crores}, included in "Deposit with Statutory and Government authorities" in note no. 7) {refer point (ii)}	54.71	74.88

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.

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, 2023	Period to which relates	Disputed amount As at March 31, 2022
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	16.32	2007-08 to 2009-10, 2015-16 to 2017-18 and 2019-20	16.34
b)	**Income Tax***				
	Disallowances/additions made by the income tax department.	2005-06, 2008-09 to 2014-15, 2016-17 to 2017-18 and 2019-20	35.17	2005-06, 2009-10 to 2014-15, 2016-17, 2018-19 and 2019-20	38.78
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 and 2019-20	1.23	2017-18 and 2019-20	1.26
d)	**Sales Tax/VAT**				
	Demands raised by Sales tax/VAT department.	2003-04 to 2016-17	1.87	2005-06 to 2016-17	18.35
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	-	2010-11	0.03
			54.71		**74.88**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

The above figures are net off provisions made by the Group. The Group is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process. 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, 2023	As at March 31, 2022
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances amounting to ₹ 52.52 crores (March 31, 2022: ₹ 7.45 crores))	476.73	59.27
	476.73	**59.27**

C Undrawn committed borrowing facility

a) During the Year, the Group has availed fund and non fund based unsecured working capital limit amounting to ₹ 1382.50 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 ₹ NIL remain undrawn as at Mach 31, 2023.

D Other Litigations

The Group has some sales tax and other tax related litigation of ₹ 6.70 crores (March 31, 2022: ₹ 7.28 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 ₹ 0.51 crores (March 31, 2022: ₹ 0.52 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 ₹ 158.68 crores (March 31, 2022: ₹ 34.95 crores) on account of import duty exemption of ₹ 8.72 crores (March 31, 2022: ₹ 1.50 crore) on capital goods under the Export Promotion Capital Goods (EPCG) and ₹ 0.15 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, 2023

30B. Other Notes on Accounts

(1) Group information

(i) The Consolidated financial statement of the Group includes subsidiaries and joint venture 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, 2023	100%	6,614.48	100%	1,074.95	99%	(7.67)	100%	1,067.28
					Mar 31, 2022	100%	5,988.64	100%	1,194.73	89%	5.52	100%	1,200.25
(II)	**Foreign Subsidiaries having no non-controlling interest**												
1	Havells Holdings Limited	Isle of Man	Wholly Owned Subsidiary (WOS), (dissolved on October 27, 2022)	0.00%	Mar 31, 2023	0%	-	0%	(0.04)	0%	-	0%	(0.04)
				0.00%	Mar 31, 2022	0%	4.10	0%	0.32	-1%	(0.07)	0%	0.25
2	Havells Guangzhou International Limited	China	Wholly Owned Subsidiary	100.00%	Mar 31, 2023	0%	11.42	0%	(0.32)	1%	(0.06)	0%	(0.38)
				100.00%	Mar 31, 2022	0%	11.78	0%	1.42	12%	0.73	0%	2.15
	Consolidation adjustment				Mar 31, 2023	0%	(0.45)	0%	(2.85)	0%	-	0%	(2.85)
	Consolidation adjustment				Mar 31, 2022	0%	(1.63)	0%	-	0%	-	0%	-
	Total - March 31, 2023					100%	6,625.45	100%	1,071.73	100%	- 7.73	100%	1,064.00
	Total - March 31, 2022					100%	6,002.89	100%	1,196.47	100%	6.18	100%	1,202.65

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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, 2023	Year ended March 31, 2022
Cost of material consumed	13.33	11.35
Employee benefits expense*	11.76	6.61
Other expenses	4.83	0.56
	29.92	**18.52**

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. Payment made towards short term leases of low value assets (lease of assets worth less than ₹ 2 Lacs) other than building and warehouse are recognized in the statement of Profit and Loss as rental expenses over the tenure of such 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, 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 of 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**
Additions during the year	1.34	51.86	53.20
Recognition of grant related to assets	-		-
Deletion during the year	-	(4.22)	(4.22)
Depreciation on Right of use assets (refer note 28)	(2.54)	(48.07)	(50.61)
Balance as at March 31, 2023	**222.71**	**209.32**	**432.03**

(iii) The following is the carrying value of lease liability and movement thereof:

(₹ in crores)

Particulars	Amount
Balance as at April 1, 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**
Additions during the year	50.73
Finance cost accrued during the year	18.35
Deletion during the year	(4.10)
Lease rent concession	(0.12)
Payment of lease liabilities including interest	(62.63)
Balance as at March 31, 2023	**223.10**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

Particulars	Amount
Current maturities of Lease liability {refer note 17(B)}	36.19
Non-Current Lease Liability {refer note 14(B)}	186.91
	223.10

(iv) The maturity analysis of lease liabilities are disclosed in Note 31(9).

(v) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.5%

(vi) Amounts recognised in the statement of profit and loss during the year

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge of right-of-use assets - leasehold building	48.07	39.24
Depreciation charge of right-of-use assets - leasehold land	2.54	2.53
Finance cost accrued during the year (included in finance cost) (refer note 27)	18.35	14.89
Expense related to short term leases (included in other expense) (refer note 29)	32.44	24.60

(vii) The Group 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 Group has received the Covid-19-related rent concessions for lessees amounting to ₹ 0.12 crores (March 31, 2022: ₹ 0.49 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 recognised in "Other Income" in the statement of profit and loss account.

(ix) The Group 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)

	Year ended March 31, 2023	Year ended March 31, 2022
Acquisition of right of use assets	**53.20**	**134.56**
Recognition of grant related to assets	-	-
Disposals of right of use assets	(4.22)	(6.59)

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, recognised as expense for the year is as under:

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Employer's Contribution towards Provident Fund (PF) and National Pension Scheme (NPS)	47.40	40.12
Employer's Contribution towards Employee State Insurance (ESI)	0.32	0.33
	47.72	**40.45**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 recognised in the statement of profit or loss, the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Present value of Defined Benefit obligation at the beginning of the year	140.29	129.22
	Interest Expense	9.90	8.51
	Current Service Cost	24.80	15.41
	Benefit paid	(6.64)	(6.68)
	Remeasurement of (Gain)/loss recognised in other comprehensive income		
	Actuarial changes arising from changes in financial assumptions	3.62	(5.06)
	Actuarial changes arising from changes in experience adjustments	5.84	(1.11)
	Present value of Defined Benefit obligation at year end	**177.81**	**140.29**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	131.64	110.97
	Expected return on plan assets	9.59	7.89
	Employer contribution	8.65	18.25
	Remeasurement of Gain/(loss) in other comprehensive income		
	Return on plan assets excluding interest income	(0.79)	1.21
	Benefits paid	(6.64)	(6.68)
	Fair value of plan assets at year end	**142.45**	**131.64**
c)	**Net defined benefit asset/(liability) recognised in the balance sheet**		
	Fair value of plan assets	142.45	131.64
	Present value of defined benefit obligation	(177.81)	(140.29)
	Amount recognised in Balance Sheet- Asset/(Liability)	**(35.36)**	**(8.65)**
	Current portion {refer note 18(i)}	(31.21)	(8.65)
	Non-current portion	(4.15)	-
d)	**Net defined benefit expense (recognised in the Statement of profit and loss for the year)**		
	Current service cost	24.80	15.41
	Interest cost (net)	0.31	0.62
	Net defined benefit expense debited to statement of profit and loss	**25.11**	**16.03**
e)	**Remeasurement (gain)/loss recognised in other comprehensive income**		
	Actuarial changes arising from changes in financial assumptions	3.62	(5.06)
	Actuarial changes arising from changes in experience adjustments	5.84	(1.11)
	Return on Plan assets excluding amounts included in net interest expense	0.79	(1.21)
	Recognised in other comprehensive income	**10.25**	**(7.38)**
f)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds	100%	100%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

g) Principal assumptions used in determining defined benefit obligation

(₹ in crores)

	Year ended March 31, 2023 Employees	Year ended March 31, 2022 Employees
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	7.37%	7.23%
Salary Escalation	9.50%	9.00%
Attrition Rate	7.00%	7.00%

h) Quantitative sensitivity analysis for significant assumptions is as below:

Increase/(decrease) on present value of defined benefits obligations at the end of the year

(₹ in crores)

	Year ended March 31, 2023 Employees	Year ended March 31, 2022 Employees
Discount rate		
Increase by 0.50%	(5.89)	(4.90)
Decrease by 0.50%	6.71	5.59
Salary increase		
Increase by 0.50%	6.58	5.49
Decrease by 0.50%	(5.89)	(4.91)
Attrition rate		
Increase by 0.50%	(0.75)	(0.57)
Decrease by 0.50%	0.58	0.65

i) Maturity profile of defined benefit obligation

(₹ in crores)

	Year ended March 31, 2023 Employees	Year ended March 31, 2022 Employees
Within the next 12 months (next annual reporting period)	12.75	10.22
Between 2 and 5 years	75.71	65.53
More than 5 years	248.85	198.35
Total expected payments	**337.31**	**274.10**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 21.87 years (March 31, 2022: 21.66 years).

k) The Group expects to contribute ₹ 29.08 crores (March 31, 2022: ₹ 8.65 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 recognised 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 Consolidated Financial Statements

for the year ended March 31, 2023

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.

Summary of Segmental Information

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Revenue from operations**		
	Segment Revenue (Sales and other operating revenue)		
	Switchgears	2,120.19	1,795.97
	Cables	5,532.60	4,645.08
	Lighting and fixtures	1,614.54	1,391.60
	Electrical consumer durables	3,298.21	3,073.94
	Lloyd Consumer	3,394.92	2,273.16
	Others	950.27	758.73
		16,910.73	**13,938.48**
	Inter Segment Sale	-	-
	Total segment revenue	**16,910.73**	**13,938.48**
B.	**Results**		
	Segment results		

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
	Switchgears	556.55	493.54
	Cables	524.67	540.50
	Lighting and fixtures	247.99	262.21
	Electrical consumer durables	419.01	457.59
	Lloyd Consumer	(223.27)	(73.46)
	Others	35.00	56.90
	Segment profit	**1,559.95**	**1,737.28**
	Reconciliation of segment operating profit to operating profit		
	Unallocated:		
	Other unallocable expenses net off	(256.98)	(237.75)
	Other unallocable income	177.71	160.44
	Operating Profit	**1,480.68**	**1,659.97**
	Finance Costs (refer note 27)	(33.62)	(53.41)
	Profit before exceptional items and tax	**1,447.06**	**1,606.56**
	Exceptional Items		
	a) Loss due to fire	112.52	-
	b) Insurance claim receivable	(112.52)	-
	Net Profit/(Loss) for the year before tax and after exceptional items	**1,447.06**	**1,606.56**
	Income tax expense (refer note 16)	(375.33)	(410.09)
	Profit after tax	**1,071.73**	**1,196.47**
C.	**Reconciliations to amounts reflected in the financial statements**		
	Segment Assets		
	Switchgears	580.76	612.08
	Cables	1,309.14	1,126.72
	Lighting and fixtures	694.29	612.15
	Electrical consumer durables	1,143.17	1,240.43
	Lloyd Consumer	4,262.91	3,076.17
	Others	285.57	239.47
	Segment operating assets	**8,275.84**	**6,907.02**
	Reconciliation of segment operating assets to total assets		
	Cash and bank balance {refer note, 6(C), 10(C) and (D)}	1,985.41	2,568.18
	Fixed deposits with financial institutions {refer note 6(A) and 10(A)}	200.87	272.68
	Other unallocable assets	695.32	775.33
	Total assets	**11,157.44**	**10,523.21**
	Segment Liabilities		
	Switchgears	387.87	335.03
	Cables	859.26	739.65
	Lighting and fixtures	345.74	265.53
	Electrical consumer durables	621.87	681.04
	Lloyd Consumer	1,105.28	907.40
	Others	201.92	123.43
	Segment operating liabilities	**3,521.94**	**3,052.08**
	Reconciliation of segment operating liabilities to total liabilities		
	Borrowings {refer note 14(A) and 17(A)}	-	393.69
	Lease Liabilities{refer note 14(B) and 17(B)}	223.10	220.87
	Deferred tax liability {refer note 16(d)}	361.51	350.62
	Current tax liabilities (net){refer note 19}	32.26	62.83
	Other unallocable liabilities	393.18	440.23
	Total liabilities	**4,531.99**	**4,520.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Other non-current assets		
Switchgears	1.24	0.62
Cables	27.78	4.11
Lighting and fixtures	7.15	0.01
Electrical consumer durables	2.08	0.65
Lloyd Consumer	5.10	0.35
Others	2.64	0.10
	45.99	**5.84**
Unallocable assets	32.95	37.09
	78.94	**42.93**
Capital Expenditure		
Switchgears	27.28	37.43
Cables	19.67	21.04
Lighting and fixtures	22.28	13.33
Electrical consumer durables	41.91	70.18
Lloyd Consumer	404.36	78.38
Others	6.88	7.43
	522.38	**227.79**
Unallocable capital expenditure	48.74	28.30
	571.12	**256.09**
Depreciation and Amortization Expenses		
Switchgears	49.83	47.29
Cables	64.38	61.01
Lighting and fixtures	18.94	17.45
Electrical consumer durables	54.30	49.23
Lloyd Consumer	95.62	74.30
Others	13.10	11.54
	296.17	**260.82**
Non-cash expenses (net) other than depreciation		
Switchgears	2.82	0.38
Cables	6.47	(1.10)
Lighting and fixtures	1.48	12.22
Electrical consumer durables	3.45	0.41
Lloyd Consumer	3.46	2.13
Others	0.89	0.07
	18.57	**14.11**
Impairment allowance on other assets	-	-
	18.57	**14.11**
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		
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	16,425.15	13,434.04
Revenue-Overseas Market	485.58	504.44
	16,910.73	**13,938.48**
Geographical Segment assets		
Within India	11,099.58	10,443.61

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Outside India	57.86	79.60
	11,157.44	**10,523.21**
Geographical Non-current assets		
Within India	3,858.66	3,532.52
Outside India	7.34	1.23
	3,866.00	**3,533.75**

Note: 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

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:

Related party where control exists

Subsidiary Companies	**Relationship**
1 Havells Holdings Limited	Wholly Owned Subsidiary (WOS), (dissolved on October 27, 2022)
2 Havells Guangzhou International Limited	Wholly Owned Subsidiary (WOS)

(B) Names of other related parties:

(i) Enterprises having significant influence over Group

QRG Enterprises Limited
QRG Investment and Holding Limited

(ii) Enterprises in which directors are having significant influence

QRG Foundation
Guptajee & Group
SRF Limited
Manipal Health Enterprises Pvt. Ltd
QRG Medicare limited (till November 26, 2021)

(iii) Employee benefit trust for the benefited employees

(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

Smt. Pratima Ram (retired w.e.f June 30, 2021)
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Havells Employees Welfare Trust

Shri U K Sinha
Shri B P Rao
Shri S S Mundra
Shri Vivek Mehra
Smt Namrata Kaul
Shri Ashish Bharat Ram (appointed w.e.f. May 20, 2021)

(v) Other Related Parties

Shri Rakesh Mehrotra
- Associate Director
- HKHR Ventures LLP (Partner)

Shri Yogesh Kumar Gupta
- Associate Director
- Eastern Distributors (Partner)
- Gupta Enterprise (Partner)
- YKG Enterprises (Partner)
- O.P. Gupta & Co.(Partner)
- OPG Travels (Partner)

(C) Transactions during the year

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
(i)	**Sale of products (refer note (c) below)**		
	Enterprises in which directors are having significant influence		
	Manipal Health Enterprises Pvt. Ltd	-	0.01
	Other Related Parties		
	OP Gupta and Company	1.63	0.77
		1.63	**0.78**
(ii)	**Purchase of goods and stores & spares**		
	SRF Limited	17.87	3.93
		17.87	**3.93**
(iii)	**Sale of products (refer note (c) below)**	7.21	-
	SRF Limited	**7.21**	**-**
(iv)	**Commission on sales (refer note (c) below)**		
	Guptajee and Company	20.65	16.18
	Other Related Parties		
	Eastern Distributors	19.07	16.24
	Gupta Enterprise	2.01	2.23
	YKG Enterprises	2.95	2.95
	HKHR Ventures LLP	38.10	31.85
		82.78	**69.45**
(v)	**Rent/Usage Charges Paid**		
	Enterprises having significant influence over Group		
	QRG Enterprises Limited	**29.52**	**27.07**
(vi)	**Reimbursement of expenses paid**		
	Enterprises having significant influence over Group		
	QRG Medicare limited	-	0.02
	Other Related Parties		
	OPG Travels	1.15	0.45
		1.15	**0.47**
(vii)	**CSR Contribution**		
	Enterprises having significant influence over Group		

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
	QRG Foundation	**9.70**	**3.63**
(viii)	**Contribution to post employee benefit plan**		
	Havells India Limited Employees Gratuity Trust	**8.65**	**18.25**
(ix)	**Managerial remuneration**		
	Key Management Personnel		
	Salaries, wages, bonus, commission and other benefits	51.44	53.20
	Contribution towards PF, Family Pension and ESI	2.01	1.82
	Post-employment benefits	1.15	1.00
	ESPP expense	13.01	15.16
	Non-Executive Directors		
	Director sitting fees	0.90	0.45
	Commission	1.80	0.93
	Remuneration to other Related Parties		
	Salaries, wages, bonus, commission and other benefits	3.00	3.00
		73.31	**75.56**

(D) Balances at the year end

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(i)	**Amount Payables**		
	Enterprises in which directors are interested		
	Guptajee & Co.	5.26	1.68
	SRF Limited	1.39	1.25
	Other Related Parties		
	Eastern Distributors	5.28	4.51
	Gupta Enterprise	0.24	0.71
	OP Gupta and Co.	-	0.03
	HKHR Ventures LLP	3.80	8.73
	OPG Travels	0.03	0.01
		16.00	**16.92**

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, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ 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, 2023, 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, 2022: Nil),

c) Transactions with related parties are reported gross of Goods and Service Tax.

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, 41,817 (March 31, 2022: 68,356) share options of Re. 1 each were granted, out of which 41,415 (March 31, 2022: 68,356) share options of Re. 1 each were vested and allotted on June 03, 2022 (March 31, 2022: June 05, 2021) to eligible employees at ₹ 1,289.85 (March 31, 2022: ₹ 1,074.10) 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 ₹ 2.23 crores (March 31, 2022: ₹ 2.94 crores) has been recognised as employee stock purchase plan expense (refer note 26).

(b) Havells Employee Stock Purchase Plan 2015: In accordance with this scheme, 150,000 (March 31, 2022: 210,000) share options of ₹ 1 each were granted, vested and allotted on June 03, 2022 (March 31, 2022: June 05, 2021) at ₹ 1,289.85 (March 31, 2022: ₹ 1,074.10) 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 ₹ 19.35 crores (March 2022: ₹ 22.56 crores) has been recognised as employee stock purchase plan expenses (refer note 26).

(c) Havells Employee Stock Purchase Plan 2016: In accordance with the said scheme, 24,942 (March 31, 2022: 8,454) share options of Re. 1 each were granted to eligible employees with graded vesting in three years starting from 2022. During the year, 13534 equity shares of Re. 1 each (March 31, 2022: 11705 equity shares) were allotted at ₹ 1,289.85 (March 31, 2022: ₹ 1,074.10) per share on June 03, 2022. Accordingly, a sum of ₹ 2.69 crores (March 31, 2021: 1.26 crores) has been recognised as employee stock purchase plan expense refer note 26 and balance outstanding of ₹ 1.48 crores (March 31, 2022: 0.53 crores) refer note 13.'

(d) Havells Employee Stock Purchase Plan 2022: In accordance with the said scheme, 17,733 (March 31, 2022: NIL) share options of ₹ 1 each were granted to eligible employees with graded vesting in three years starting from 2022. During the year, 1722 equity shares of Re. 1 each (March 31, 2022: NIL equity shares) were allotted at ₹ 1,348.55 (March 31, 2022: NIL) per share on Nov 03, 2022. Accordingly, a sum of ₹ 1.06 crores (March 31, 2021: NIL) has been recognised as employee stock purchase plan expense refer note 26 and balance outstanding of ₹ 0.82 crores (March 31, 2022: NIL) refer note 13.'

(i) Set out below is a summary of options granted and vested during the year under the plan

(₹ in crores)

Summary of Stock Options	2022-23		2021-22	
	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	10,023	-	13,274	-
Options granted during the year	234,492	1,290.34	286,810	1,074.10
Options vested and exercised during the year	(206,671)	1,290.34	(290,061)	1,074.10
Options lapsed during the year	(3,153)	-	-	-
Options outstanding at the end of the year	**34,691**	**-**	**10,023**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2023 was ₹ 1290.34 per share (March 31, 2022: ₹ 1074.10) per share. For share options outstanding at the end of the year, exercise price ranges from 763.50 to 1348.55.

Notes to Consolidated Financial Statements
for the year ended March 31, 2023

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

(₹ in crores)

Particulars	2022-23		2021-22	
ESPP Scheme	**ESPP 2022**	**ESPP 2016**	**ESPP 2016**	**ESPP 2016**
Grant date	Oct 03, 2022	May 05, 2022	May 22, 2021	March 31, 2020
Expiry date	2023-24 to 2026-27	2023-24 and 2024-25	2022-23 and 2023-24	2022-23
Outstanding share options	16011	18680	5636	4387
Weighted average remaining contractual life of options outstanding at the end of the year	4 years	2 year	2 years	1 year

The fair value at grant date of options granted during the year ended March 31, 2023 was within range of ₹ 1271.53 to ₹ 1348.16 per share (March 31, 2022 was within range of ₹ 1059.27 to ₹ 1073.90 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 (ESPP 2016):

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Expected Price volatility of the Group's share	10.10% to 15.29%	10.69% - 14.16%
Expected Dividend Yield	0.70%	0.68%
Share price at the grant date	₹ 1289.85	₹ 1074.10
Risk free interest rate	7.15%	6.20%

The Model inputs for options granted (ESPP 2022):

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Expected Price volatility of the Group's share	7.78% to 15.30%	-
Expected Dividend Yield	0.70%	-
Share price at the grant date	₹ 1348.55	-
Risk free interest rate	7.41%	-

(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, 2023	March 31, 2022
Havells Employees Long Term Incentive Plan 2014	2.23	2.94
Havells Employees Stock Purchase Plan 2015	19.35	22.56
Havells Employees Stock Purchase Plan 2016	2.69	1.26
Havells Employees Stock Purchase Plan 2022	1.06	-
Total expense recognised in the statement of profit and loss account as a part of employee benefit expense:	**25.33**	**26.76**

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:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Details of CSR Expenditure:

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Reimagining Higher Education Foundation for building educational infrastructure	13.00	11.00
Contribution to QRG Foundation for providing mid day meal, promotion of sanitation & hygiene and free coaching	9.70	3.63
Contribution to Aga Khan Foundation for protection of national heritage	-	4.12
Others: for development of healthcare infrastructure, trees plantation, etc.	4.19	4.13
Accrual towards unspent obligation in relation to		
Ongoing Project	-	-
Other than ongoing Project	-	-
Total	**26.89**	**22.88**
Add: Carried forward from previous year	0.72	1.50
Less: Excess spent during the year to be carry forward to next year	0.93	0.72
Amount recognised in Statement of Profit and Loss	26.68	23.66
Amount required to be spent as per section 135 of the Act	26.68	23.66
Amount approved by the Board to be spent during the year	**26.68**	**23.66**
Amount spent during the year on		
(i) Construction/acquisition of assets	14.55	-
(ii) Contribution to Trust/Universities/Society	8.30	15.19
(iii) On purpose other than above	4.04	7.69
Total Amount Spent	**26.89**	**22.88**
Excess spent from previous year utilised during the current year	0.72	1.50
Amount yet to be spent	**-**	**-**
Total	**27.61**	**24.38**
Less: Excess spent during the year to be carry forward to next year	0.93	0.72
Total	**26.68**	**23.66**

Details of ongoing CSR projects under Section 135(6) of the Act

(₹ in crores)

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	4.00	-	12	-
FY 2021-22	-	12.00	-	-	4.00	-	8.00
FY2022-23	**-**	**8.00**	**-**	**-**	**4.00**	**-**	**4.00**

Note: The group had earned an interest of INR 0.41 crores (0.48 crores in March 2022) on the funds in CSR unspent bank account during the year, which is proposed to be spent in FY 2023-24 on ongoing project.

Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects

(₹ in crores)

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	-	-	23.66	23.66	-
FY2022-23	-	**-**	**26.68**	**26.68**	**-**

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for the year ended March 31, 2023

Details of excess CSR expenditure under Section 135(5) of the Act

(₹ in crores)

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	1.50	23.66	22.88	0.72
FY2022-23	**0.72**	**26.68**	**26.89**	**0.93**

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial instruments by category				
Financial assets valued at amortized cost				
Investments with financial institution	200.87	426.10	200.87	426.10
Cash and bank balances (Current)	1,870.17	2,547.98	1,870.17	2,547.98
Trade Receivables	975.53	768.93	975.53	768.93
Other Financial assets (Current)	116.89	29.89	116.89	29.89
Other Financial assets (Non-current)	149.08	42.18	149.08	42.18
	3,312.54	**3,815.08**	**3,312.54**	**3,815.08**
Financial Liabilities valued at amortized cost				
Trade Payables	2,643.19	2,380.02	2,643.19	2,380.02
Borrowings (current and non-current)	-	395.53	-	395.53
Lease Liability (current and non current)	223.10	220.87	223.10	220.87
Other financial liabilities (non-current)	7.21	3.96	7.21	3.96
Other financial liabilities (current)	624.85	525.48	624.85	525.48
	3,498.35	**3,525.86**	**3,498.35**	**3,525.86**

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 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 March 31, 2023 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.

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for the year ended March 31, 2023

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) Recognised and measured at Fair value

b) Measured at amortised cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

(₹ in crores)

	Carrying Value March 31, 2023	Fair Value Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (Non-current)	149.08	-	-	149.08
Other Financial assets (Current)	116.89	-	-	116.89
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current and non-current)	-	-	-	-
Lease Liability (current and non current)	223.10	-	-	223.10
Other financial liabilities (non-current)	7.21	-	-	7.21
Other financial liabilities (current)	624.85	-	-	624.85

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022

(₹ in crores)

	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 (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, 2023

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, 2023 and March 31, 2022

(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.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, CNY and other currencies including JPY, KES, NPR, CHF, LKR, MWK, AED, 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 recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

Currency	Currency Symbol	March 31, 2023		Gain/(loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	5% increase	5% decrease
United States Dollar	USD	$(3.16)	(259.58)	(12.98)	12.98
EURO	EUR	€ (0.04)	(3.77)	(0.19)	0.19
Chinese RMB\CNY	CNY	CNY (5.88)	(70.17)	(3.51)	3.51
Other currencies		(8.54)	(5.33)	(0.27)	0.27

(₹ 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
Chinese RMB\CNY	CNY	CNY (0.57)	1.91	0.10	(0.10)
Other currencies		(0.60)	(0.50)	(0.03)	0.03

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, 2023 and March 31, 2022 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.

(₹ in crores)

	March 31, 2023		March 31, 2022	
	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	-	+0.50	(1.97)
	0	-	-0.50	1.97

(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.

(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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(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.

The group assigns the following internal credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of the financial assets. The group provides for expected credit loss based on the following:

Internal Rating	Category	Description of category	Basis for recognition of expected credit loss provision	Basis for recognition of expected credit loss provision
			Trade receivables and contract assets	Loans and deposits
VL 1	High quality assets, negligible credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	Lifetime expected credit losses (simplified approach)	12-month expected credit losses
VL 2	Quality assets, low credit risk	Assets where there is low risk of default and where the counterparty has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past		
VL 3	Doubtful assets, credit-impaired	Assets where there is high risk of default and there is no reasonable expectation of recovery,the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	100 % provision is considered for doubtful assets, credit impaired	100 % provision is considered for doubtful assets, credit impaired

(I) Trade receivables ageing schedule as at March 31, 2023

(₹ in crores)

	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)	Gross carrying amount – trade receivables	-	266.47	602.01	71.36	56.16	42.02	22.56	1,060.58
(ii)	Gross carrying amount – contract assets	-	52.24	-	-	-	-	-	52.24
(iii)	Expected loss rate	-	0.00%	0.03%	7.05%	31.75%	100.00%	100.00%	8.27%
(iv)	Expected credit losses– trade receivables	-	0.01	0.21	5.03	17.83	42.02	22.56	87.66
(v)	Expected credit losses– contract assets	-	-	-	-	-	-	-	-
(vi)	Carrying amount of trade receivables (net of impairment)	-	266.46	601.80	66.33	38.33	-	-	972.92
	Carrying amount of contract assets (net of impairment)	-	52.24	-	-	-	-	-	52.24

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(I) Trade receivables ageing schedule as at March 31, 2022

(₹ in crores)

	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)	Gross carrying amount – trade receivables	-	525.87	162.15	47.61	62.98	23.75	18.31	840.67
(ii)	Gross carrying amount – contract assets	-	65.38	-	-	-	-	-	65.38
(iii)	Expected loss rate	-	0.00%	0.31%	9.30%	39.28%	100.00%	100.00%	8.53%
(iv)	Expected credit losses– trade receivables	-	0.01	0.50	4.43	24.74	23.75	18.31	71.74
(v)	Expected credit losses– contract assets	-	-	-	-	-	-	-	-
(vi)	Carrying amount of trade receivables (net of impairment)	-	525.86	161.65	43.18	38.24	-	-	768.93
	Carrying amount of contract assets (net of impairment)	-	65.38	-	-	-	-	-	65.38

(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, 2023 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.

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Investment with financial institution	200.87	426.10
Cash and cash equivalents (Current)	465.16	775.84
Bank balances other than above (Current)	1,405.01	1,772.14
Other bank balances (Non-current)		
Others Non Current financial assets	149.08	42.18
Others Current financial assets	116.89	29.89
	2,337.01	**3,046.15**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	975.53	768.93
	975.53	**768.93**

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, 2023

The ageing analysis of trade receivables has been considered from the date the invoice falls due

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Not past due	269.07	524.43
0 to 180 days due past due date	601.80	163.08
More than 180 days past due date	104.66	81.42
Total Trade Receivables	**975.53**	**768.93**
The following table summarizes the change in loss allowance measured using the life time expected credit loss model:		
As at the beginning of year	71.74	69.35
Addition and utilization during the year	15.91	2.39
As at the end of year	**87.65**	**71.74**

(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.

(₹ in crores)

As at March 31, 2023	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Other non current financial liabilities	-	3.98	-	3.98
Trade payables	2,643.19	-	-	2,643.19
Lease Liability (undiscounted)	54.49	166.07	121.92	342.48
Other current financial liabilities	588.66	-	-	588.66

(₹ in crores)

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

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, 2023 and March 31, 2022.

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for the year ended March 31, 2023

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Loans and borrowings **	-	428.63
Cash and cash equivalents {refer note 10(C)}	(465.16)	(775.84)
Net Debt	**(465.16)**	**(347.21)**
Equity/Net Worth	6,625.45	6,002.89
Total Capital	**6,625.45**	**6,002.89**
Capital and Net Debt	**6,160.29**	**5,655.68**
Gearing ratio (Net Debt/Capital and Net Debt)	**NA***	**NA***

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022

** This ratio is not relevant for both year as the Cash and cash equivalents exceed the Loans and Borrowings.*
*** Borrowings does not includes Lease liabilities*

11 Earnings per share

(₹ in crores)

			Year ended March 31, 2023	Year ended March 31, 2022
a)	**Basic Earnings per share**			
	Numerator for earnings per share			
	Profit after taxation	(₹ in crores)	**1071.73**	**1196.47**
	Denominator for earnings per share			
	Weighted average number of equity shares outstanding during the year	(Numbers)	626,488,642	626,250,618
	Earnings per share-Basic (one equity share of Re. 1/- each)	₹	**17.11**	**19.11**
b)	**Diluted Earnings per share**			
	Numerator for earnings per share			
	Profit after taxation	(₹ in crores)	**1071.73**	**1196.47**
	Denominator for earnings per share			
	Weighted average number of equity shares for basic earning per share	(Numbers)	626,488,642	626,250,618
	Effect of dilution			
	Weighted average number of Share options	(Numbers)	44,860	10,610
	Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	**626,533,502**	**626,261,228**
	Earnings per share- Diluted (one equity share of Re. 1/- each)	₹	**17.11**	**19.10**

12 Dividend Paid and Proposed

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Dividend declared and paid during the year:		
Final Dividend of ₹ 4.50 per share for FY 2021-22 (₹ 3.50 per share for FY 2020-21)	281.93	219.21
Interim dividend of ₹ 3.00 per share for FY 2022-23 (₹ 3.00 per share for FY 2021-22)	187.95	187.89
	469.88	**407.10**
Proposed Dividends on equity shares:		
Final Dividend recommended by the board of directors for the year ended March 31, 2023 ₹ 4.50 per share of Re. 1 each (March 31, 2022: ₹ 4.50 per share of Re. 1 each) subject to approval of shareholders in the ensuing annual general meeting.	281.93	281.84
	281.93	**281.84**

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for the year ended March 31, 2023

Note: Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as liability as at reporting date.

13 Fire Incident in Neemrana Plant

There was a fire at Neemrana plant of the Group in July 2022 resulting in destruction/ damage of property, plant and equipment and inventories with book value of ₹ 47.53 crores and ₹ 64.99 crores respectively. The loss aggregating to ₹ 112.52 crores has been accounted for in the books and disclosed as "Exceptional Items" in the consolidated statement of profit and loss. The process relating to filing of claim with the insurance company has been completed for property, plant and equipment and subsequent to the year-end, the Group has received interim payment amounting to ₹ 23.98 crores. The process of filing the surveyor report in respect of claim for inventories is in progress. The Group has adequate insurance coverage for the aforesaid loss and based on its assessment of the loss and the terms and conditions of the insurance policies, the claim is fully admissible. Accordingly, ₹ 112.52 crores has been disclosed as part of "Exceptional Items" in the consolidated statement of profit and loss. Also refer to Note 10 (E)."

14 The Group has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.

15 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:

(₹ in crores)

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2023 (Nos.)	Balance outstanding as at March 31, 2022 (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
Multitech System Industrial Automation Private Limited U28910TN2014PTC097924	Purchase	₹ 0.01 crore	-	Vendor
Naveli Decor Pvt. Ltd. U52609UP2017PTC099523	Sales	₹ 0.04 crore	-	Customer
Apostle Solutions Private Limited U74110UP2007PTC032990	Sales	₹ 0.00 crore	₹ 0.01 crore	Customer
Samadhan Srbh Opc Private Limited U74999UP2020OPC126709	Sales	₹ 0.00 crore	-	Customer
Extreme Automation Pvt Ltd U29220PN2010PTC135444	Sales	₹ 0.08 crore	₹ 0.08 crore	Customer
Ramesh Sales Corporation Pvt.Ltd. U52390DL2014PTC266899	Sales	₹ 0.21 crore	₹ 0.21 crore	Customer

16 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

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for the year ended March 31, 2023

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.

(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.

17 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/-.

18 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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

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

Date: May 03, 2023
Place: Noida

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 (dissolved on October 27, 2022)	Isle of Man	31/03/2023	EURO	89.61	-	-	-	-	-	-	-	(0.04)	-	(0.04)	-	(0.04)	-	100%
2	Havells Guanzhou International Limited	China	31/03/2023	CNY	11.96	0.45	10.97	14.69	3.27	11.42	-	42.35	(0.29)	0.03	(0.32)	(0.06)	(0.38)	-	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: Havells Holding Limited (Isle of Man)*

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
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Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts and Finance

Date: May 03, 2023
Place: Noida