QRG GROUP

HAVELLS

19th June, 2018

The National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (E) **Mumbai- 400 051** **NSE Symbol : HAVELLS**	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street **Mumbai- 400 001** **Scrip Code : 517354**

Sub: Annual Report for FY 2017-18 alongwith Notice of AGM

Dear Sir,

Please find enclosed herewith the **35th Annual Report of the Company** viz. Havells India Limited for the year ended 31st March, 2018 alongwith the **Notice convening the 35th Annual General Meeting** of the Company scheduled to be held on 20th day of July, 2018.

Also enclosed is the Sustainability Report of the Company published in respect of financial year 2017-18.

This may be taken as due compliance of relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly acknowledge receipt.

Thanking you.

Yours faithfully
For **Havells India Limited**

(Sanjay Kumar Gupta)
Company Secretary

Encl: A/a

HAVELLS INDIA LTD.
Corporate Office: QRG Towers, 2D, Sector 126, Expressway, Noida - 201304, U.P (INDIA)
Tel: +91-120-3331000, Fax: +91-120-3332000
E-mail: marketing@havells.com, www.havells.com
Registered Office: 904, 9th Floor, Surya Kiran Building,
K.G. Marg, Connaught Place, New Delhi - 110001. (INDIA)
Consumer Care No.:
1800 103 1313, 1800 11 0303 (All Connections), 011-4166 0303 (Landline)
CIN: L31900DL1983PLC016304
GSTIN: 09AAACH0351E2Z2

HAVELLS STANDARD LLOYD Crabtree

HAVELLS INDIA LIMITED

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi- 110 001
Corp. Office: QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201 304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

HAVELLS

NOTICE

NOTICE is hereby given that the 35th (Thirty Fifth) Annual General Meeting of Havells India Limited will be held on 20th July, 2018, Friday at 10:00 a.m. at Kamani Auditorium, 1, Copernicus Marg, New Delhi - 110 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 and the Report of Auditors thereon.

2. To declare a final dividend of ₹ 4/- per equity share of ₹ 1/- each for the financial year ended 31st March, 2018.

3. To appoint a Director in place of Shri Ameet Kumar Gupta (DIN: 00002838), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of a Director in place of Shri Surjit Kumar Gupta (DIN: 00002810), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT Shri Surjit Kumar Gupta (DIN: 00002810), who retires by rotation at this AGM (Annual General Meeting) and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director liable to retire by rotation."

5. Ratification of Cost Auditors' Remuneration

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019, be paid the remuneration as set out in the Statement annexed to this Notice convening the Meeting."

6. Appointment of Shri Jalaj Ashwin Dani (DIN: 00019080) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Shri Jalaj Ashwin Dani (DIN: 00019080), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of 3 (Three) years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2021."

7. Appointment of Shri Upendra Kumar Sinha (DIN: 00010336) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Shri Upendra Kumar Sinha (DIN: 00010336), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of 3 (Three) years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2021."

8. Re-appointment of Smt. Pratima Ram (DIN: 03518633) as an Independent Director for a Second Term

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT Smt. Pratima Ram (DIN: 03518633), who was appointed as an Independent Director by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2015 for a term of 3 (Three) years upto the forthcoming AGM of 2018 and who meets the criteria of Independence as provided under section 149(6) of the Act and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Director for a further period of 3 (Three) years from the date of end of her tenure of the First Term upto the date of AGM of the Company to be held in the calendar year 2021."

9. Re-appointment of Shri T. V. Mohandas Pai (DIN: 00042167) as a Director for a Second Term

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT Shri T. V. Mohandas Pai (DIN: 00042167), who was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2015 for a term of 3 (Three) years and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director, be and is hereby re-appointed, in accordance with Section 152 and any other applicable provisions of the Companies Act, 2013 and the corresponding rules framed thereunder, as a Director whose period of office shall be liable to determination by retirement by rotation, for a further period of 3 (three) years from the date of end of his tenure of the First Term upto the date of AGM of the Company to be held in the calendar year 2021."

10. Re-appointment of Shri Puneet Bhatia (DIN: 00143973) as a Director for a Second Term

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT Shri Puneet Bhatia (DIN: 00143973), who was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2015 for a term of 3 (Three) years and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director, be and is hereby re-appointed, in accordance with Section 152 and any other applicable provisions of the Companies Act, 2013 and the corresponding rules framed thereunder, as a Director whose period of office shall be liable to determination by retirement by rotation, for a further period of 3 (Three) years from the date of end of his tenure of the First Term upto the date of AGM of the Company to be held in the calendar year 2021."

11. Amendment to Main Object Clause of the Memorandum of Association

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), and subject to the necessary approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, Clause III (A) of Memorandum of Association of the Company dealing with the Main Objects to be pursued by the Company, be and is hereby amended, by inserting the following new sub-clause 6 after the existing sub-clause 5 as under:

6. "To manufacture, set-up, buy, sell, store, distribute, generate, develop, advise, repair and deal in all kinds and sources of energy such as electrical, mechanical and light derived from conventional and non-conventional method, natural and other sources including renewable energy, in particular from the use of oil, gas, coal, water and other source of energy such as Solar, Geothermal, Wind, Bio Gas, Gobar Gas, Waste and other residual products thereof and also to use, purchase, acquire, supply, distribute and apply the same for electrical, electronic and other products which the company deals in presently or may deal in future."

RESOLVED FURTHER THAT Shri Anil Rai Gupta, Chairman and Managing Director, Shri Surjit Kumar Gupta and Shri Ameet Kumar Gupta, Directors and Shri Sanjay Kumar Gupta, Company Secretary of the Company be and are hereby severally authorised to accept such terms and conditions, alterations, suggestions, stipulations, amendments or modification as may be required or suggested by the jurisdictional Registrar of Companies or such other Statutory Authority/ties in this regard.

RESOLVED FURTHER THAT Shri Anil Rai Gupta, Chairman and Managing Director, Shri Surjit Kumar Gupta and Shri Ameet Kumar Gupta, Directors and Shri Sanjay Kumar Gupta, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any/ or all questions/ matters arising with respect to the above matter and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further incidental and ancillary steps in this regard, as may be considered desirable or expedient."

By Order of the Board
For **Havells India Limited**

Sanjay Kumar Gupta
Company Secretary
(Membership No. F3348)

Noida, 11th May, 2018
Registered Office:
904, 9th Floor, Surya Kiran Building
K G Marg, Connaught Place, New Delhi – 110001
CIN: L31900DL1983PLC016304

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**

   A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

2. The Register of Members and Share Transfer Register will remain closed from 6th July, 2018, Friday to 13th July, 2018, Friday (both days inclusive).

3. The Dividend, if any declared, shall be payable to those Shareholders whose name(s) stand registered:

   a) as Beneficial Owner as at the end of business hours on 5th July, 2018 as per the lists to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and

   b) as Member in the Register of Members of the Company/ Registrars & Share Transfer Agent after giving effect to valid share transfers in physical form lodged with the Company as at the end of business hours on 5th July, 2018.

4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the Meeting so that the information is made available by the management at the day of the Meeting.

5. i) Members holding shares in physical form are requested to immediately intimate any change in their residential address to Link Intime India Private Limited, at 44, 2nd Floor, Naraina Community

Centre Phase I, Near PVR Cinema, New Delhi – 110 028, Registrars and Transfer Agent of the Company, so that change could be effected in the Register of Members before book closure.

ii) Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.

iii) The Government took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its Members through electronic mode.

Accordingly, the Company sends all communications including the Notice along with Annual Report in electronic form to all Members whose email Id's are registered with the Company/ Depository Participant(s) unless a specific request for hard copy has been requested.

Members are requested to update their email Id's with the Company for receiving the notices and other documents at their email address. Please refer to the KYC Form being enclosed with this Notice.

iv) Members who have not opted for ECS facility earlier are requested to fill up the enclosed KYC form and return it to the Corporate Office of the Company, to avail the ECS facility otherwise they are requested to intimate their Savings Account/ Current Account No. and the name of Bank with whom such account is held to enable the Company to print the said details on the Dividend Warrant to prevent fraudulent encashment of the same. Please refer to the KYC Form being enclosed with this Notice.

v) To ensure all communications/ monetary benefits are received promptly, all shareholders holding shares in physical form are requested to notify to the company, his/ her PAN/change in their address/bank details /email id/mobile number instantly by filling the KYC Form and by sending at the Corporate Office of the Company at QRG Towers, 2D, Sector-126, Expressway, Noida (U.P.)-201 304.

6. During the year, amount of Un-claimed Dividend for the financial year 2009-10 has been deposited in the Investors Education and Protection Fund. Further, amount of Unclaimed Final Dividend for financial year 2010-11 is due for deposit to the Investors Education and Protection Fund on 7th September, 2018.

Further, the Company also transmitted 1,69,690 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such Shareholders whose unclaimed/ unpaid dividend pertaining to financial years 2008-09, 2009-10 (Interim) and 2009-10 (Final) had been transferred into IEPF and who have not encashed their dividends for 7 (Seven) subsequent financial years.

Concerned Shareholders may still claim the shares or apply for refund of dividend to the IEPF Authority by making an application in the prescribed Form.

7. In case the Dividend has remained unclaimed in respect of financial year 2010-11 to 2016-17 the Shareholders may approach the Company with their dividend warrants for revalidation/ with the Letter of Undertaking (LOU) for issue of revalidated/ duplicate dividend warrants respectively. The Company regularly sends letters/ emails to this effect to the concerned Shareholders.

8. The annual accounts of the Subsidiary Companies along with the related detailed information are available for inspection at the Corporate Office of the Company and of the subsidiaries concerned and copies will be made available to Shareholders of Havells India Limited and its Subsidiary Companies upon request.

9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

10. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to this Notice.

11. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses specified above is annexed hereto.

12. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.

13. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13, which is available on the website of the Company.

14. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website www.havells.com. The Notice of AGM shall also be available on the website of NSDL viz. www.evoting.nsdl.com

15. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.

A Member may exercise his vote at the General Meeting by electronic means and the Company may pass any Resolution by electronic voting system in accordance with the provisions of the aforesaid Rule. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-voting") will be provided by NSDL.

The facility for voting, either through electronic voting system and/ or ballot/ polling paper shall also be made available at the AGM and the Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.

The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.

Members may contact Shri Sanjay Kumar Gupta, Company Secretary, for any grievances connected with electronic means at the Corporate Office of the Company at QRG Towers, 2D, Sector-126, Expressway, Noida (U.P.)– 201 304 Tel. No.# 0120-3331000.

16. The remote e-voting period commences on 17th July, 2018, Tuesday (8:30 am) and ends on 19th July, 2018, Thursday (5:00 pm).

- Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 13th July, 2018 may opt for remote e-voting and cast their vote electronically.

- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the Meeting.
- Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 13th July, 2018 may obtain the login ID and password by sending an email to evoting@nsdl.co.in or investors@havells.com by mentioning their Folio No. /DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on www.evoting.nsdl.com
- Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
- At the end of remote e-voting period, the facility shall forth-with be blocked.

17. The Board vide its Resolution passed on 11th May, 2018 has appointed Ms. Balika Sharma, Practising Company Secretary (Membership No. F4816, COP No. 3222), as Scrutiniser for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

    The Scrutiniser shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours from the conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorised by him in writing and the Results shall be declared by the Chairman or any person authorised by him thereafter.

    The Results declared along with the Scrutiniser's Report shall be placed on the website of the Company www.havells.com and on the website of NSDL immediately after the declaration of Result by the Chairman or any person authorised by him in writing. The results shall also be forwarded to the Stock Exchanges where the shares of Company are listed.

18. The details of the process and manner for remote e-voting are explained herein below:

    Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2 : Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 are mentioned below:

    How to Log-in to NSDL e-Voting website?

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

       Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

    4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

    5. Your password details are given below:

       a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

       b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

       c) How to retrieve your 'initial password'?

          (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

          (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

    6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

       a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

       b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

       If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csbalikasharma.h@gmail.com or investors@havells.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in/ evoting@nsdl.co.in or at telephone no. +91 22 24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: investors@havells.com.

19. You can update your mobile number and email Id in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-voting system in future.
20. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com
21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 10:00 a.m. to 01:00 p.m. on any working day till the date of AGM.
22. The complete particulars of the venue of the Meeting including route map and prominent land mark for easy location are enclosed herewith. The route map of the Venue of the Meeting is also hosted along with the Notice on the website of the Company i.e. www.havells.com

By Order of the Board
For **Havells India Limited**

Sanjay Kumar Gupta
Company Secretary
(Membership No. F3348)

Noida, 11th May, 2018
Registered Office:
904, 9th Floor, Surya Kiran Building
K G Marg, Connaught Place, New Delhi – 110 001
CIN: L31900DL1983PLC016304

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Shri Surjit Kumar Gupta was last appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held on 13th July, 2016. Pursuant to the provisions of Section 152 of the Companies Act, 2013 ('the Act'), he retires by rotation at this AGM and being eligible, has offered himself for re-appointment. In terms of Section 102 of the Act, the re-appointment of a rotational director at the Annual General Meeting is an Ordinary Business.

However, in view of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018 which will come into force with effect from 1st April, 2019, no listed entity can continue the directorship of any person as a Non-Executive Director who has attained the age of 75 (Seventy Five) years unless a Special Resolution is passed to that effect.

Accordingly, the re-appointment of Shri Surjit Kumar Gupta, aged 76 years, is recommended at this AGM 2018 as Special Business by way of Special Resolution instead of Ordinary Business in compliance of Section 102 of the Act read with the amended Regulation 17 (1A) of the SEBI (LODR) Regulations 2015.

Shri Surjit Kumar Gupta is a reputed member of the Promoter Group and is one of the First Directors of the Company. Under his guidance the Company has emerged as the leading organisation in the Electrical Industry with an outstanding prominence for high-quality engineered products. The Board has benefitted from his relevant specialization and expertise.

Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved the re-appointment of Shri Surjit Kumar Gupta as a Director liable to retire by rotation and recommends the same for the approval by the Shareholders of the Company as a Special Resolution.

Except Shri Surjit Kumar Gupta and Shri Ameet Kumar Gupta, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4. of this Notice.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial

Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, in its Meeting held on 11th May, 2018 has approved the appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, (Registration No. 00212), as the cost auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 at a fee of ₹ 8.50 Lakhs p.a. subject to TDS, GST etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the financial year 2018-19.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is being sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5 of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

ITEM NO. 6

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Shri Jalaj Ashwin Dani (DIN: 00019080) as an Additional Director with effect from 16th August, 2017 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Shri Jalaj Ashwin Dani will hold office only upto the date of ensuing Annual General Meeting.

The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Jalaj Ashwin Dani fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Shri Jalaj Ashwin Dani, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 3 (Three) years from the date of this AGM upto the date of AGM to be held in the calendar year 2021.

Copy of the draft letter for appointment of Shri Jalaj Ashwin Dani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day till the date of AGM.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved the appointment of Shri Jalaj Ashwin Dani as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

Except Shri Jalaj Ashwin Dani, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 6 of this Notice.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

ITEM NO. 7

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Shri Upendra Kumar Sinha (DIN: 00010336) as an Additional Director with effect from 1st March, 2018 in terms of Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Shri Upendra Kumar Sinha will hold office only upto the date of ensuing Annual General Meeting.

The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Upendra Kumar Sinha fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Shri Upendra Kumar Sinha, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 3 (Three) years from the date of this AGM upto the date of AGM to be held in the calendar year 2021.

Copy of the draft letter for appointment of Shri Upendra Kumar Sinha as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day till the date of AGM.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved the appointment of Shri Upendra Kumar Sinha as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

Except Shri Upendra Kumar Sinha, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 7 of this Notice.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

ITEM NO. 8

Smt. Pratima Ram (DIN: 03518633) was appointed as an Independent Director on the Board of Directors of the Company in the Annual General Meeting (AGM) held in the Calender year 2015 to hold office for a period of 3 (Three) years with effect from 13th July, 2015 (the date of AGM 2015).

In terms of Section 149 of the Companies Act, 2013, an Independent Director is eligible for re-appointment on passing of Special Resolution.

Smt. Pratima Ram being eligible and offering herself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 3 (Three) years from the date of end of her tenure of the First Term upto the date of date of AGM to be held in the calendar year 2021.

In the opinion of the Board, Smt. Pratima Ram fulfills the conditions specified in the Act and rules made thereunder for her re-appointment as an Independent Director of the Company and is Independent of the Management.

In the Performance Evaluation conducted for the year 2017-18, the performance of Smt. Pratima Ram was evaluated satisfactory in the effective and efficient discharge of her role and responsibilities as an Independent Director of the Company. The Board and its allied Committees have benefitted from her relevant specialisation and expertise. Details on her attendance of various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

Copy of the draft letter for re-appointment of Smt. Pratima Ram as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day till the date of AGM.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved the re-appointment of Smt. Pratima Ram as an Independent Director and recommends the same for the approval by the Shareholders of the Company by way of Special Resolution.

Except Smt. Pratima Ram, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 8 of this Notice.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

ITEM NO. 9

Shri T. V. Mohandas Pai (DIN: 00042167) was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2015 to hold office for a period of 3 (Three) years with effect from 13th July, 2015 (the date of AGM 2015).

In the Performance Evaluation conducted for the year 2017-18, the performance of Shri T. V. Mohandas Pai was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as a Director of the Company. The Board has benefitted from his relevant specialisation and expertise. Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved the re-appointment of Shri T. V. Mohandas Pai as a Director liable to retire by rotation, for a Second Term of 3 (Three) years from the date of end of his tenure of the First Term upto the date of AGM to be held in the calendar year 2021, and recommends the same for the approval by the Shareholders of the Company as a Special Resolution.

Except Shri T. V. Mohandas Pai, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 9 of this Notice.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

ITEM NO. 10

Shri Puneet Bhatia (DIN: 00143973) was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2015 to hold office for a period of 3 (Three) years with effect from 13th July, 2015 (the date of AGM 2015).

In the Performance Evaluation conducted for the year 2017-18, the performance of Shri Puneet Bhatia was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as a Director of the Company. The Board has benefitted from his relevant specialisation and expertise. Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved the re-appointment of Shri Puneet Bhatia as a Director liable to retire by rotation, for a Second Term of 3 (Three) years from the date of end of his tenure of the First Term upto the date of AGM to be held in the calendar year 2021, and recommends the same for the approval by the Shareholders of the Company as a Special Resolution.

Except Shri Puneet Bhatia, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 10 of this Notice.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

ITEM NO. 11

In order to bring better clarity and objectivity in the stated clauses of its Memorandum of Association (MOA), the Company would like to capture dealing with non-conventional/ alternative energy resources such as solar, wind, hydel and allied forms of generating and dealing with associated activities/ products related thereto in the manner as contained in the proposed Resolution.

The Board of Directors at its Meeting held on 11th May, 2018 decided to alter Main Object clause in the Memorandum of Association to include non-conventional/ alternate energy resources also in it. The Objects Clause of the Memorandum of Association of the Company is accordingly proposed to be enlarged, as set out in the Special Resolution.

By virtue of section 13 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014; approval of Members by way of Special Resolution under Postal Ballot is a prerequisite to amend the object clause of the Company. However, pursuant to the newly inserted proviso to section 110(b), effective 9th February, 2018, any item of business required to be transacted by means of postal ballot u/s 110(a), may be transacted at a General Meeting by a company which is required to provide the facility to Members to vote by electronic means under section 108, in the manner provided in that section.

A copy of the existing Memorandum and Articles of Association of the Company together with the proposed amendment as referred to in the Notice is available for inspection at the Registered Office of the Company during normal business hours on any working day till the date of AGM.

Accordingly, the Board recommends the alteration of its main object clause set out at Item No. 11 of this Notice of AGM for approval by the Shareholders as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financial or otherwise, in the Resolution set out at Item No. 11 of the Notice.

By Order of the Board
For **Havells India Limited**

Sanjay Kumar Gupta
Company Secretary
(Membership No. F3348)

Noida, 11th May, 2018
Registered Office:
904, 9th Floor, Surya Kiran Building
K G Marg, Connaught Place, New Delhi – 110 001
CIN: L31900DL1983PLC016304

ANNEXURE

PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED IS FURNISHED BELOW:

Name of Director (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/ she holds Directorship #	Name of Committees of the Companies of which he/ she holds Membership/ Chairmanship
1. Shri Ameet Kumar Gupta (DIN: 00002838)	16th January, 1972 (15,66,160 Equity Shares of ₹ 1/- each)	BE (Electronics & Communication) DU, MBA (Marketing and Finance) from Wake Forest University, North Carolina, USA (Son of Shri Surjit Kumar Gupta)	Shri Ameet Kumar Gupta has been working with the QRG group for over 2 decades and is actively involved in new business development activities along with Shri Anil Rai Gupta. In addition, he has been accredited with new product introduction and development and also for setting up new plants and manufacturing facilities for the QRG group. His functions include spearheading new projects being undertaken by the organisation.	1. Havells India Limited 2. QRG Enterprises Limited 3. QRG Investments and Holdings Limited 4. QRG Central Hospital & Research Centre Limited 5. QRG Medicare Limited 6. Havells Global Limited	Havells India Limited - Executive Committee (Member) QRG Enterprises Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member) - Executive Committee (Member) - Corporate Social Responsibility Committee (Member) QRG Investments and Holdings Limited - Audit Committee (Member) - ALCO Committee (Member) QRG Medicare Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member) - Executive Committee (Member)
2. Shri Surjit Kumar Gupta (DIN: 00002810)	13th January, 1942 (2,86,50,800 Equity Shares of ₹ 1/- each)	One of the First Directors of the Company, Shri Surjit Kumar Gupta has been on the Board of Directors since incorporation on 8th August, 1983. He is an F.Sc. from Punjab University and holds a Diploma in Mechnical Engineering from State Board of Technical Education, Punjab. (Father of Shri Ameet Kumar Gupta)	Shri Surjit Kumar Gupta is an esteemed member of the Promoter Group and is one of the First Directors of the Company. Under his guidance the Company has emerged as a leading organisation in the Electrical Industry with an outstanding prominence for high-quality engineered products. He was the prime motivator for initial exposures of Havells to international manufacturers and technology. Havells has successfully entered into several foreign alliances under his supervision.	1. Havells India Limited 2. QRG Enterprises Limited 3. QRG Investments and Holdings Limited 4. QRG Central Hospital & Research Centre Limited 5. QRG Medicare Limited 6. Havells Global Limited	Havells India Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member) - Share Allotment and Transfer Committee (Chairman) - Stakeholders Relationship/ Grievance Redressal Committee (Member) - Executive Committee (Chairman) QRG Enterprises Limited - Corporate Social Responsibility Committee (Chairman) - Executive Committee (Chairman) QRG Medicare Limited - Executive Committee (Chairman) QRG Investments and Holdings Limited - Audit Committee (Member) - ALCO Committee (Member)
3. Shri Jalaj Ashwin Dani (DIN: 00019080)	20th October, 1969 (Nil)	Chemical Engineering from USA. Shri Dani also holds Certificate for participation in the Advanced Management Program conducted by INSEAD, Fontainebleau, Paris. (Not related with any Director/ KMP of the Company.)	Shri Jalaj Ashwin Dani has spent over 2 decades in various capacities with Asian Paints, a leading paint company in India with presence in 19 countries across the globe. He was the President of Indian Paints Association (IPA) for 2015-17 and has been chairing the Paints and Coatings Sector Skill Council (PCSC) from its inception 2015. Shri Dani is also actively involved with the CII (Confederation of Indian Industry), YPO (Young President's Organisation), FICCI (Federation of Indian Chambers of Commerce and Industry) and some other Business Councils in various capacities. He is also part of the Pradhan Mantri Kaushalya Vikas Yojana (PMKVY) Steering Committee.	1. Havells India Limited 2. Hitech Corporation Limited 3. Dani Finlease Limited 4. Gujarat Organics Limited 5. Pragati Chemicals Limited 6. Hitech Specialities Solutions Limited	-
4. Shri Upendra Kumar Sinha (DIN: 00010336)	2nd March, 1952 (Nil)	IAS – 1976 batch. He holds a M.Sc. and LLB degree. (Not related with any Director/ KMP of the Company.)	Shri Upendra Kumar Sinha is the former Chairman, SEBI. Prior to this, Shri Sinha was Chairman and Managing Director of UTI Asset Management Company Ltd. and Chairman of Association of Mutual Funds in India. Shri Sinha has held several responsible positions with distinction in the State and Central Governments. He was Joint Secretary (Banking) and Joint Secretary (Capital Markets), Ministry of Finance, GoI. Shri U K Sinha was the Chairman of the Working Group on Foreign Investment in India formed by the GoI. He was a member of several committees set up by the Government of India including the Committees on Liquidity Management, FIIs, Corporate Bond Market and Investor Protection. Shri Sinha is credited with starting the micro pension movement in the country. He was responsible for drafting the SEBI (Amendment) Act, 2002, UTI (Repeal) Act, 2002, the Securities Law Amendment Act, 2004 and the PFRDA Bill 2005.	1. Havells India Limited 2. Vedanta Limited 3. Housing Development Finance Corporation Limited (HDFC)	Vedanta Limited - Audit Committee (Member) - Stakeholders Relationship Committee (Member) - Corporate Social Responsibility Committee (Member)

5. Smt. Pratima Ram (DIN: 03518633)	29th August, 1950 (Nil)	University of Virginia, USA and Bangalore University. (Not related with any Director/ KMP of the Company.)	Smt. Pratima Ram is an experienced banker with 3 decades of service in Corporate, International and Investment Banking. She has worked in India, USA and South Africa. She held the position of Chief General Manager and Country Head of US operations of SBI and prior to this she was the CEO of South African operations of the Bank. At SBI Capital Markets, she led the Corporate Advisory, M&A, and project Appraisal businesses. She is the Advisor to India Infoline Finance Ltd., a Non-Banking Finance Company focused on lending to small businesses, Real Estate and Health care sectors. She has held Board position in SBI California Lloyd, USA and India Infoline Finance Ltd., Mumbai.	1. Havells India Limited 2. Nandan Denim Limited 3. SE Forge Limited 4. Suzlon Energy Limited 5. Deccan Gold Mines Limited 6. Minda Corporation Limited	Havells India Limited - Audit Committee (Member) - ERM Committee (Chairman) Minda Corporation Limited - CSR Committee (Chairman) Nandan Denim Limited - Audit Committee (Member) - Stakeholder Relationship Committee (Member) - Nomination and Remuneration Committee (Member) Deccan Gold Mines Limited - Audit Committee (Chairman) - Stakeholder Relationship Committee (Member) - Nomination and Remuneration Committee (Member)
6. Shri T. V. Mohandas Pai (DIN: 00042167)	5th November, 1958 (Nil)	FCA, LLB, B.Com (Not related with any Director/ KMP of the Company.)	Shri T. V. Mohandas Pai is a key player in the development of the IT services industry in India and instituted several industry-firsts in the Country. Prior to this, he was a Member of the Board at Infosys Ltd., where he also served as CFO and the lead for HR and Education & Research. He was the first to introduce the broad based employee stock option plan, led the first Indian company to list in the US etc. He co-founded Aarin Capital Partners in early 2012 to fund opportunities in Health Care, Life Sciences, Education and Technology-led businesses. He also co-founded Exfinity Investment Managers in mid-2014 to launch Exfinity Technology Fund I and focused on providing capital and operational support to technology companies with an India base or focus. He is also the Chairman of SEBI Primary Markets Advisory Committee (PMAC). He was a Trustee of the International Financial Reporting Standards ("IFRS") Foundation and a Member of the Dr. Anil Kakodkar Committee on Autonomy for the IITs and the Karnataka Knowledge Commission. He is currently a Member on the Boards of IIT, Hyderabad. Chairperson, FICCI Higher Education Committee. He was a Member of various important national committees like the Kelkar Committee, constituted by the Ministry of Finance, GoI; the Non-Resident Taxation Committee as well as the Chair of the Karnataka ICT Group 2020. He is also a keen philanthropist who helped set up the Akshaya Patra Foundation in Bangalore which today delivers a hot mid-day meal to over 1.4 million school children in 11,000 government schools across 9 states in India along with other likeminded persons. In April 2015, the President of India awarded him the Padma Shri in recognition of his efforts for the betterment of the nation in areas of Trade and Industry.	1. Havells India Limited 2. National Stock Exchange of India Limited	National Stock Exchange of India Limited - Nomination and Remuneration Committee (Member) - Stakeholders Relations Committee (Member) - Corporate Social Responsibility Committee (Member)
7. Shri Puneet Bhatia (DIN: 00143973)	16th December, 1966 (Nil)	B.Com Honors, SRCC, M.B.A., IIM, Calcutta. (Not related with any Director/ KMP of the Company)	Shri Puneet Bhatia is MD and Country Head – India for TPG Asia. Prior to joining TPG Asia in April 2002, he was Chief Executive, Private Equity Group for GE Capital India, where he was responsible for conceptualizing and creating its direct and strategic private equity investment group. He was also with ICICI Ltd. from 1990 to 1995 in the Project and Corporate Finance group and thereafter worked as Senior Analyst with Crosby Securities from 1995 to 1996 covering the automobiles and consumer Sectors.	1. Havells India Limited 2. Shriram Transport Finance Company Limited 3. Jana Capital Limited 4. Shriram Capital Limited 5. Securevalue India Limited 6. AGS Transact Technologies Limited 7. India Transact Services Limited	Shriram Transport Finance Company Limited - Nomination, Remuneration & Compensation Committee (Member) - Debt Issuance Committee (Member) - Audit Committee (Member) - Business Responsibility Committee (Member) - Securities Issue/Allotment Committee (Member) - CSR Committee (Member) Shriram Capital Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member) Securevalue India Limited - Nomination and Remuneration Committee (Member)

[#]Directorship includes directorship in Indian Public Companies including Havells India Limited.

Note: For other details, please refer to the Corporate Governance Section of the Annual Report.

HAVELLS INDIA LIMITED
Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi - 110 001
Corp. Office: QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201 304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

Dear Member,

Subject: - Updation of KYC Details in the Master Data

In order to ensure that all communications and monetary benefits are received promptly by all Shareholders holding shares in physical form, the Company, through periodic communiques, advises such shareholders to notify to the Company, any change in their address/ bank details/ email Id etc. by a written request under the signatures of sole/ first named joint holder along with relevant supporting documents.

Recently, SEBI vide its Circular dated 20th April, 2018 has also greatly emphasized on collection of the Bank Account details and the PAN details of the shareholders in order to enable Companies/ RTA to raise standards and provide improved services to the Shareholders.

In this background, we are attaching herewith a KYC Form for all the shareholders holding shares in physical form to get all their details updated in the Master Data.

Kindly note that this Form is only for the purpose of master data Updation of Shareholders holding Shares in Physical form.

In case of Dematerialised Shareholding, the Company takes note of the details furnished only by the Depositories, whenever such information is available. You are therefore requested to provide such information only to your Depository Participant (DP), in case the shares are held in demat form.

We recommend and request you to get your details updated in the master data and submit the attached KYC Form to the Company at its Corporate Office at Havells India Limited, QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201 304, preferably before the dividend for the current Financial Year is paid to you.

Assuring you of our best services.

Thanking you.
Yours faithfully,

For **Havells India Limited**

Company Secretary
Encl. : KYC Form

KYC FORM
(ONLY FOR PHYSICAL SHAREHOLDING)

To,
The Secretarial Department
HAVELLS INDIA LIMITED
QRG Towers, 2D Sector – 126,
Expressway, Noida (UP) – 201 304

Date:_____//___//___________

Folio No:_____________________

No of Shares:_____________________

Dear Sir/ Madam,

We wish to update the KYC and in this matter are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below

A For registering PAN of the registered and/ or joint shareholders (as applicable)

☐ Registered shareholder ☐ Joint holder 1 ☐ Joint holder 2 ☐ Joint holder 3

Please attach self- attested legible copy of PAN card (exempted for Sikkim Shareholders).

B For registering Bank details of the registered shareholder

1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed

☐ Aadhar/ Passport/ Utility bill ☐ Original cancelled cheque leaf

2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it

☐ Aadhar/ Passport/ Utility bill ☐ Original cancelled cheque leaf ☐ Bank Passbook/ Bank Statement

Please note that Bank passbook/ Bank Statement should be duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

C For updating the Specimen Signature of the registered and/ or joint shareholders

1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed

☐ Affidavit ☐ Banker verification ☐ Original cancelled cheque leaf

2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it

☐ Affidavit ☐ Banker verification ☐ Original cancelled cheque leaf ☐ Bank Passbook/ Bank Statement

- **The format of Banker Verification is available on the website of the Company www.havells.com under shareholder's corner in investors relation section.**
- **Please note that Bank passbook/ Bank Statement should be duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.**

D For Updating the email id for the purpose of receiving all communications in electronic mode

____

E For Updating the Mobile No

I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature(s) to it

Sign:_________________ Registered holder

Sign:_________________ Joint holder 1

Sign:_________________ Joint holder 2

Sign:_________________ Joint holder 3

HAVELLS INDIA LIMITED

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi - 110 001
Corp. Office: QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201 304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

HAVELLS

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	L31900DL1983PLC016304
Name of the Company	:	Havells India Limited
Registered office	:	904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi - 110 001

Name of the Member(s)	:	
Registered address	:	
E-mail Id	:	
Folio No./ Client Id	:	
DP ID	:	

I/We, being the Member(s) of____________________shares of the above named Company, hereby appoint

1. Name : ____________________

   Address: ____________________

   E-mail Id: ____________________

   Signature:____________________, or failing him

2. Name : ____________________

   Address: ____________________

   E-mail Id: ____________________

   Signature:____________________, or failing him

3. Name : ____________________

   Address: ____________________

   E-mail Id: ____________________

   Signature:____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on the 20th July, 2018 Friday at 10.00 am at Kamani Auditorium, 1, Copernicus Marg, New Delhi- 110 001 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Ordinary Businesses

1. Adoption of Annual Financial Statements of the Company for the financial year ended 31st March, 2018. (Ordinary Resolution)
2. Declaration of Final Dividend of ₹ 4/- per equity share of ₹ 1/- each for the financial year ended 31st March, 2018. (Ordinary Resolution)
3. Re-appointment of Shri Ameet Kumar Gupta (DIN: 00002838), retiring by rotation and being eligible, offering himself for re-appointment (Ordinary Resolution)

Special Businesses

4. Re-appointment of Shri Surjit Kumar Gupta (DIN: 00002810), retiring by rotation and being eligible, offering himself for re-appointment. (Special Resolution)
5. Ratification of the Remuneration to Cost Auditors in terms of the Companies Act, 2013. (Ordinary Resolution)
6. Appointment of Shri Jalaj Ashwin Dani (DIN: 00019080) as an Independent Director for the first term of 3 years. (Ordinary Resolution)
7. Appointment of Shri Upendra Kumar Sinha (DIN: 00010336) as an Independent Director for the first term of 3 years. (Ordinary Resolution)
8. Re-appointment of Smt. Pratima Ram (Din: 03518633) as Independent Director for a Second Term of 3 years. (Special Resolution)
9. Re-appointment of Shri T. V. Mohandas Pai (DIN: 00042167) as Director liable to retire by rotation for a Second Term of 3 years. (Special Resolution)
10. Re-appointment of Shri Puneet Bhatia (DIN: 00143973) as Director liable to retire by rotation for a Second Term of 3 years. (Special Resolution)
11. Amendment to Main Object Clause of the Memorandum of Association. (Special Resolution)

Signed this_____day of____2018

Affix
Revenue
Stamp

Signature of Shareholder :

Signature of Proxy holder(s) :...

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Date : 20th July, 2018
Time : 10:00 am
Venue : Kamani Auditorium, 1, Copernicus Marg, New Delhi - 110001

HAVELLS

HAVELLS INDIA LIMITED

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001
Corp Office: QRG Towers, 2D, Sector 126, Expressway, Noida (U.P.) 201 304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

ATTENDANCE SLIP FOR ATTENDING ANNUAL GENERAL MEETING

Regd. Folio No…………………………….... No. of Shares held …………………………..

DP ID No. …………………………............ Client ID No. ………………………………....

I certify that I am a member / proxy for the Member(s) of the Company.

I hereby record my presence at the 35th Annual General Meeting of the Company at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110 001 at 10:00 am on 20th July, 2018 (Friday).

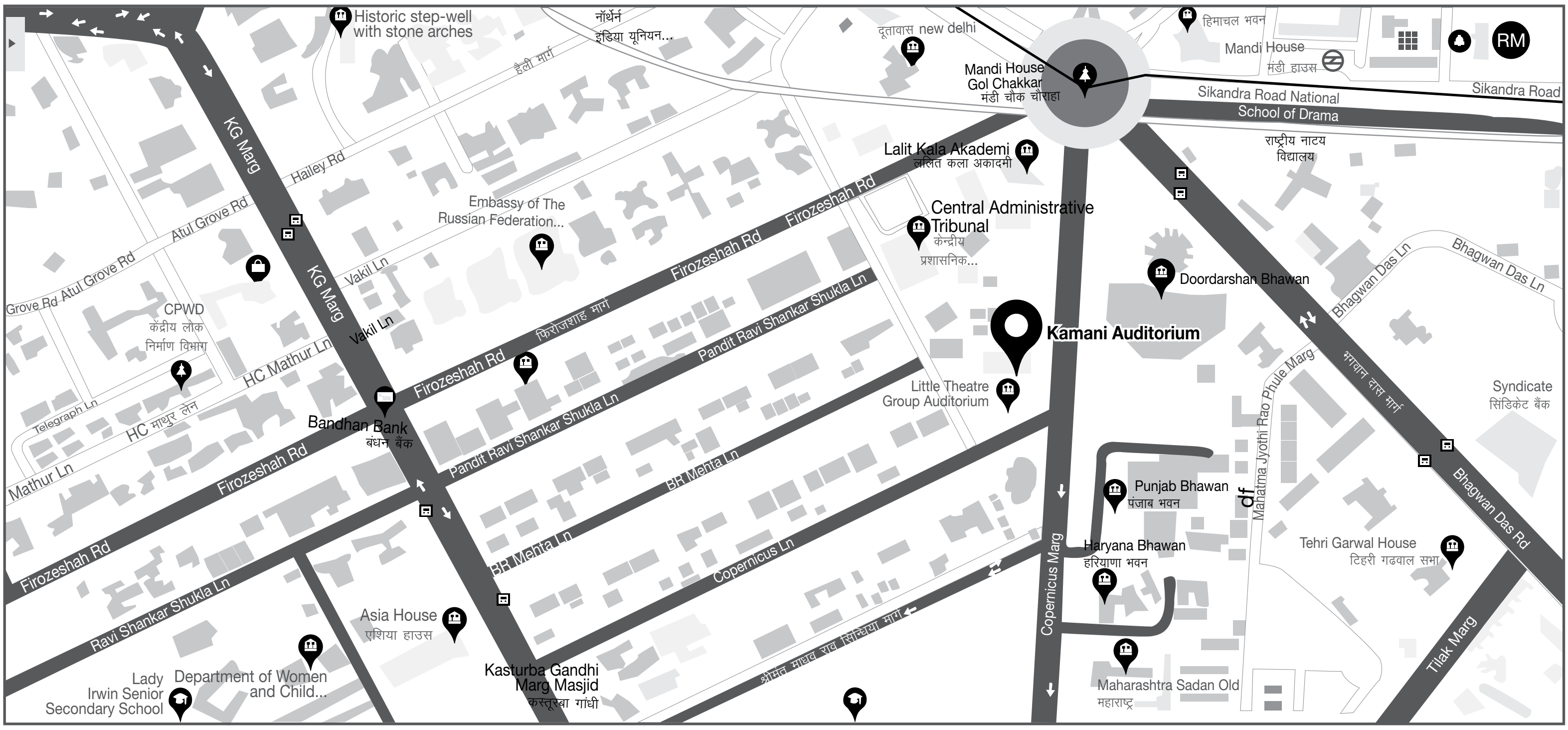
……………………………………….................. ………………………………..

Member's / Proxy's name in Block Letters Signature of Member / Proxy

Note: Please fill up this attendance slip and hand over at the entrance of the Meeting hall.

(sticker) EVEN USER – ID PASSWORD

ROUTE MAP TO THE VENUE OF THE 35TH AGM OF HAVELLS INDIA LIMITED



Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110 001

Havells India Limited
35th Annual Report 2017-18

THE FUTURE HAS ALREADY BEGUN

What's INSIDE

To get this report instantly on any of your device please scan the QR code given below

CORPORATE INFORMATION

Company Secretary

Sanjay Kumar Gupta

Auditors

S. R. Batliboi & Co. LLP
Chartered Accountants
Golf View Corporate Tower-B,
Sector - 42, Sector Road,
Gurgaon - 122 002 (Haryana)

Bankers

- Canara Bank
- IDBI Bank Limited
- Yes Bank Limited
- Axis Bank Limited
- Standard Chartered Bank
- HSBC Limited
- ICICI Bank Limited
- State Bank of India
- Citi Bank
- Indusind Bank Limited

Registrars and Share Transfer Agent

Link Intime India Private Limited
44, 2nd Floor, Naraina Community
Centre Phase I, Near PVR,
New Delhi - 110 028

Tel: 011-41410592, 011-41410593
Fax: 011-41410591
Email: delhi@linkintime.co.in

Listed on

- National Stock Exchange of India Ltd.
- BSE Limited

Registered Office

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

Corporate Office

QRG Towers, 2D, Sector - 126,
Expressway, Noida - 201 304, (U.P.)

Tel: +91-120-3331000
Fax: +91-120-3332000
Website: www.havells.com

CIN: L31900DL1983PLC016304

BOARD OF DIRECTORS

1 **Upendra Kumar Sinha**
Independent Director

2 **Dr. Adarsh Kishore**
Independent Director

3 **Surender Kumar Tuteja**
Independent Director

8 **Vellayan Subbiah**
Independent Director

9 **Vijay Kumar Chopra**
Independent Director

10 **Ameet Kumar Gupta**
Whole-time Director

4 **Puneet Bhatia**
Non-Independent
Non-Executive Director

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

6 **Jalaj Ashwin Dani**
Independent Director

7 **Pratima Ram**
Independent Director

11 **Surjit Kumar Gupta**
Non-Independent
Non-Executive Director

12 **Anil Rai Gupta**
Chairman and
Managing Director

13 **Rajesh Kumar Gupta**
Whole-time Director (Finance)
and Group CFO


Smart Home
Home
22.6°
17°
CLOUDY
45%
Monday
Tuesday
Wednesday
Music
Network
Security
Camera

Way back in 1982, we were ahead of the curve when we decided to invest our entire annual profit of ₹ 6.5 lakhs for the purchase of our first computer.

This was our first step into the future, making us the third company in India and the first company in the electrical equipment space to get future-ready and to start our digital journey.

At Havells, the future always begins today.

The first step has today become a giant leap. Our consistent strategy of envisaging the future has made us thought-leaders and trend-setters in our industry, enabling us to delight our dealers and consumers alike.

As the world stands at the cusp of a digital transformation and promises to change our lifestyles, we continue to move ahead by becoming the first in our space to leverage technology for both, internal and external stakeholders.

By changing the role and momentum of IT, we are ushering in a new era of customer delight, dealer relationship, manufacturing efficiencies and employee engagement.
An eco-system of higher transparency and productivity to enhance ease of business and peace of mind, opening new vistas of growth and expansion, is already here powered by the technology of tomorrow.

THE FUTURE
has already begun at Havells.

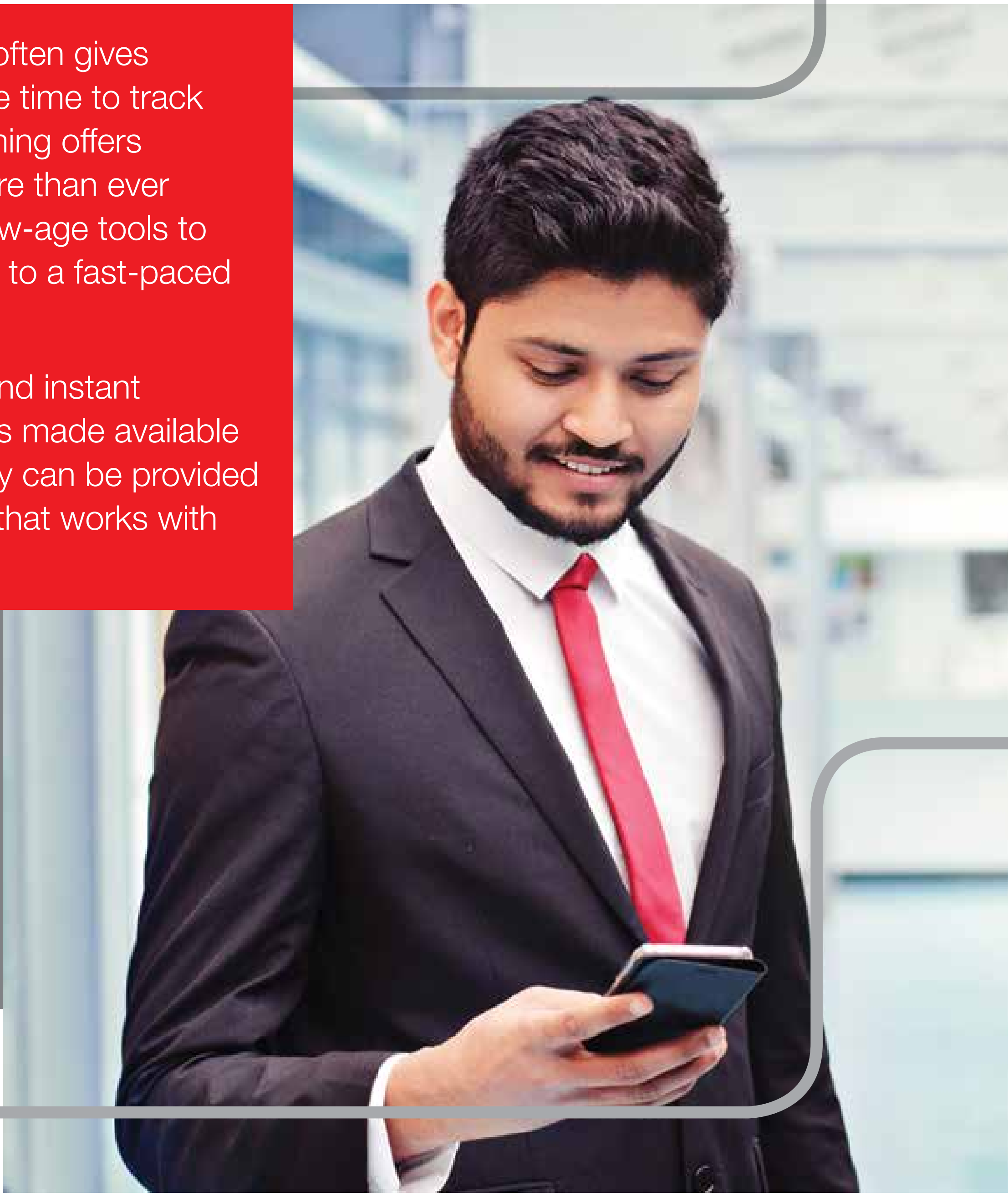
FACILITATING CHANNEL PARTNERS
TO BE FUTURE-READY

The future is already connected

A busy day at work often gives channel partners little time to track inventory and upcoming offers and promotions. More than ever before, they seek new-age tools to respond dynamically to a fast-paced marketplace.

What if convenient and instant product ordering was made available to them? What if they can be provided with the technology that works with them, for them?

Facilitating our channel partners with advanced IT solutions, many of them being offered for the first time in the Indian Fast Moving Electrical Goods (FMEG) industry, we are meeting their future business needs.



"With the Havells Dealer App, I can place my order from my mobile phone at any time of the day or night without having to switch on my computer!"

– ***Nand Lal,*** *Dealer, Chandigarh*

Distribution Management System

During the year, we launched our Distribution Management System (DMS) to 1,300 of our distributors, launched in a record time of eight months. This helped them to be more productive and run their business more effectively.

Serving as a mini ERP system, DMS provides several benefits to distributors such as real-time monitoring of receivables, tracking of targets, faster settlement of secondary schemes and better inventory management leading to improved cash flows.

The implementation of DMS has not only benefited distributors but also the Company. It accurately identifies distribution coverage; helps track product sales performance and create upselling opportunity thereby helping distributors grow their business.

eSampark App

We have empowered our retailers with the launch of 'eSampark'- a retailer app that supports direct communication between Havells and its retailers. The mobile app has digitised consumption and redemption of loyalty programme thereby making the process easier and rewarding.

It provides retailers with information like product literature, profile data, points earned/redeemed, order history, incentive details etc. thereby making them self-reliant. This app has helped Havells become the first in the industry to offer 'Direct Benefit Transfer' (DBT) facility to retailers wherein all cash and points earned get credited to their accounts. The Company stands to save significant manpower costs incurred previously to help manage the loyalty programme.

Havells mKonnect (Dealer App)

In line with our 'mobile first strategy' for dealers and distributors, we have developed Havells mKonnect– a mobile application enabling them to place orders from the ease of their homes or on the go. Now, with the click of a button they can place sales order, get an update on products, promotions, price schemes, claim settlement and resolution of concerns. The mobile application is not only intuitive and reliable but has also enabled a two-way communication as well as increased dealer engagement by almost 50%. In a paradigm shift, 63% of orders are being booked from the mobile application. The app also provides real-time information
on fingertips thus facilitating better cash flows and inventory management.

The greatest benefit of eSampark is that physical collection of point coupons by Retail Last Mile (RLM) has been replaced by the facility of digital scanning by retailers. This automation has helped reduce RLM workforce by 50%.

FACILITATING CHANNEL PARTNERS
TO BE FUTURE-READY

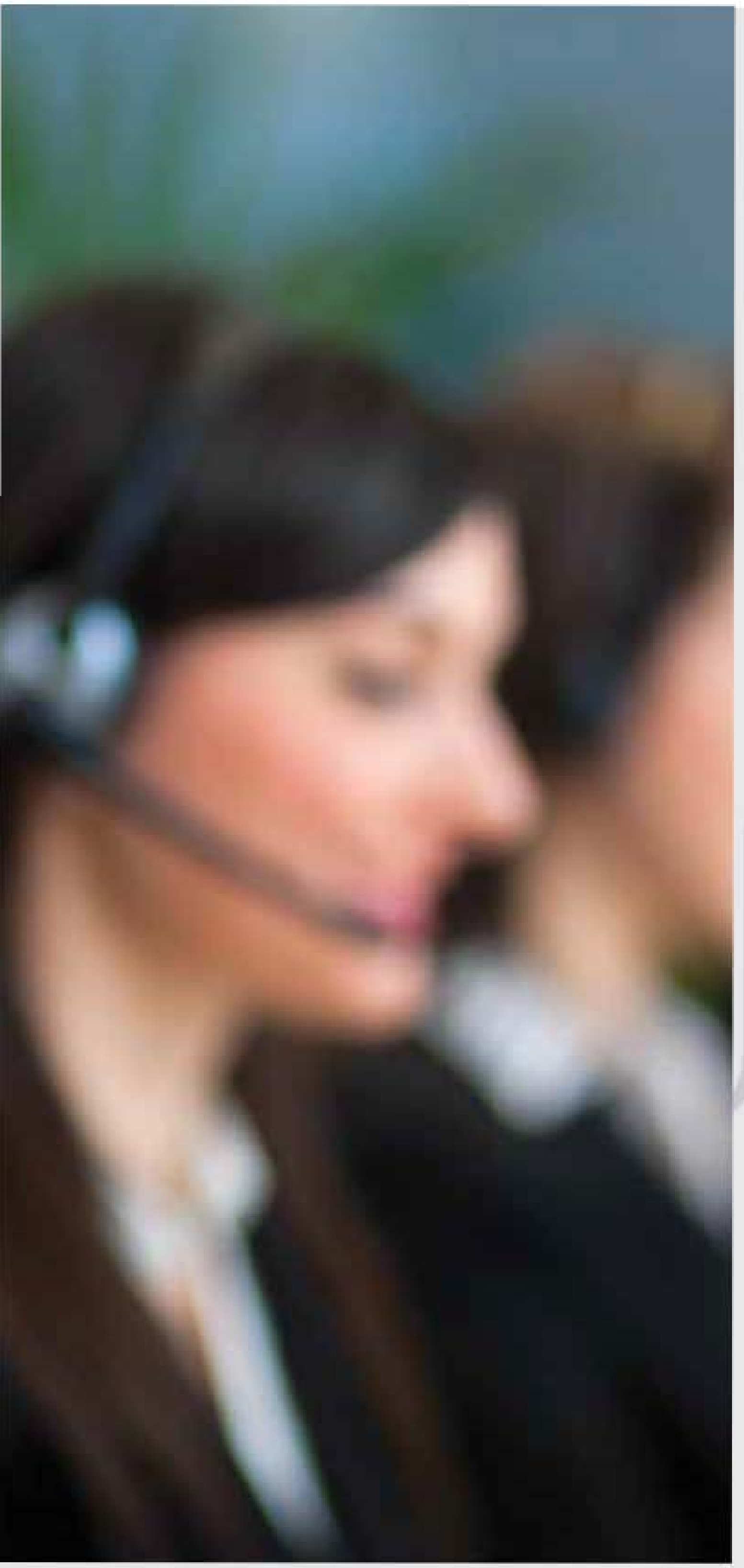
With the enhancement of our dealer portal, usage has jumped to

90% from 30% in a short span of few months.

"I was simply too preoccupied to keep a precise tab on my inventory. With the Havells mKonnect App, I now have ready access to my inventory levels and the power to make quicker decisions, leading to better cash flow."

- ***Sanjay Shah**, Dealer, Ahmedabad*

With the click of button, dealers can place sales order, get an update on products, promotions, price, schemes, claim settlement and resolution of concerns. Thus, making their lives simple and effective.



For channel partners to shape new markets, reach and spend more time with consumers and grow revenue, their business must embed new dimensions of connectivity. Through our IT efforts, we are bringing increased closeness and transparency amongst our distributors, dealers and retailers. We have already ushered in a future where doing business is easier and more rewarding for our channel partners.

IT Helpline

At Havells, our Information & Technology Department (IT) is constantly building various applications for our channel partners to make their lives simpler and more productive. However, multiple applications meant contacting multiple people for any query or complaint and hence this became a challenge for our channel partners. To address this challenge and bring simplicity to the system, the team created a single window for resolving all queries. Our dedicated IT Helpline with a centralised number serves as a one-stop shop for hassle-free and quick resolution of IT-related queries. This is the first time that an FMEG company has extended IT support to its channel partners.

In addition to our channel partners, the helpline benefits the Company as well. We can accurately conclude whether issues were resolved as per their expectations or not. With the use of data analysis, we are now able to take proactive steps to help make our channel partners work easier and simpler.

DELIGHTING CONSUMERS
WITH TOMORROW'S TECHNOLOGY

The future has already been re-imagined

In the gruelling heat of summers, while you are working in your office, your air conditioner is probably working overtime. What if your air conditioner was intelligent enough to trigger a service request based on the actual hours of usage, coil and fan condition, etc. rather than the date when it was last serviced? What if we can delight consumers in ways that truly matter to them?

Leveraging an expanded pallet of technology tools, a future of personalised extraordinary consumer experience has already unfolded at Havells.

Internet of Things

We are using the Internet of Things (IoT) technology to develop intelligent & connected products. From smart home lighting to air conditioners, fans and water heaters that genuinely respond to consumer needs and usage, our investment in IoT is enriching lives. A significant way by which IoT facilitates in delighting our consumers than just satisfying them, is that it anticipates consumer needs and solves problems even before they happen. For example, we are working on advanced analytics in our air conditioners which will enable us to predict service need, push notifications to service staff and consumers, allocate resources in advance, thus doing away with downtime and providing a personalised and friction-free consumer experience. IoT also gives consumers the ability to control their devices from anywhere in the world. Additionally, IoT products are integrated with voice assistance platforms to provide ease of control through voice command.

The key to truly delighting consumers is to understand, appreciate and meet their expectations, both for today and tomorrow. More importantly, great experience at every touch point matters more than only a great product, price or service. At Havells, we are investing in the technology of the future, be it digital, analytics or cloud, to deliver an experience that is truly differentiated, more human and relevant than ever before.

DELIGHTING CONSUMERS
WITH CRITICAL TECHNOLOGY

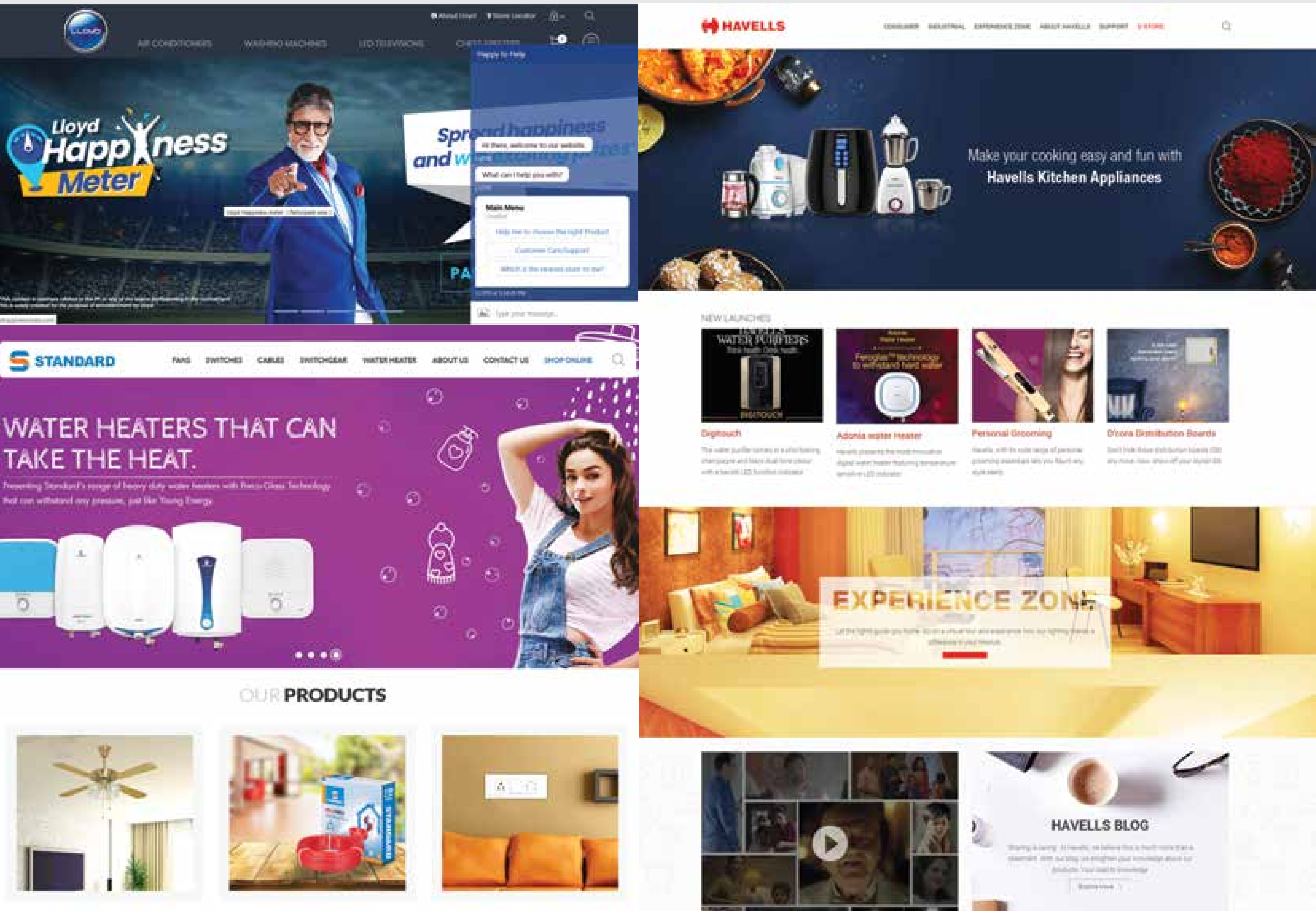
Better Web Experience

For a better online experience, we revamped all our brand websites namely - Havells, Crabtree, Lloyd and Standard. The websites offer easy and faster access, intuitive navigation, consistent visual appeal, rich user interface, e-commerce and m-commerce (mobile e-commerce) thus scoring high on consumer-centricity. All websites further offer easy product search, social media engagement, blogs, store locator, device responsive build and multilingual support. In order to delight and offer tailormade solutions to consumers, revamped websites support analytics to monitor and measure consumer preferences, track visitors etc.

Increased Website Traffic with Website Revamp

Havells.com traffic details

	2016 – 2017	2017 – 2018
Users	15,34,646	32,75,090
New Users	11,31,614	23,38,210
Returning Users	4,03,032	9,36,880
Page View	62,94,623	1,07,79,657
Unique Page Views	43,32,707	77,06,350



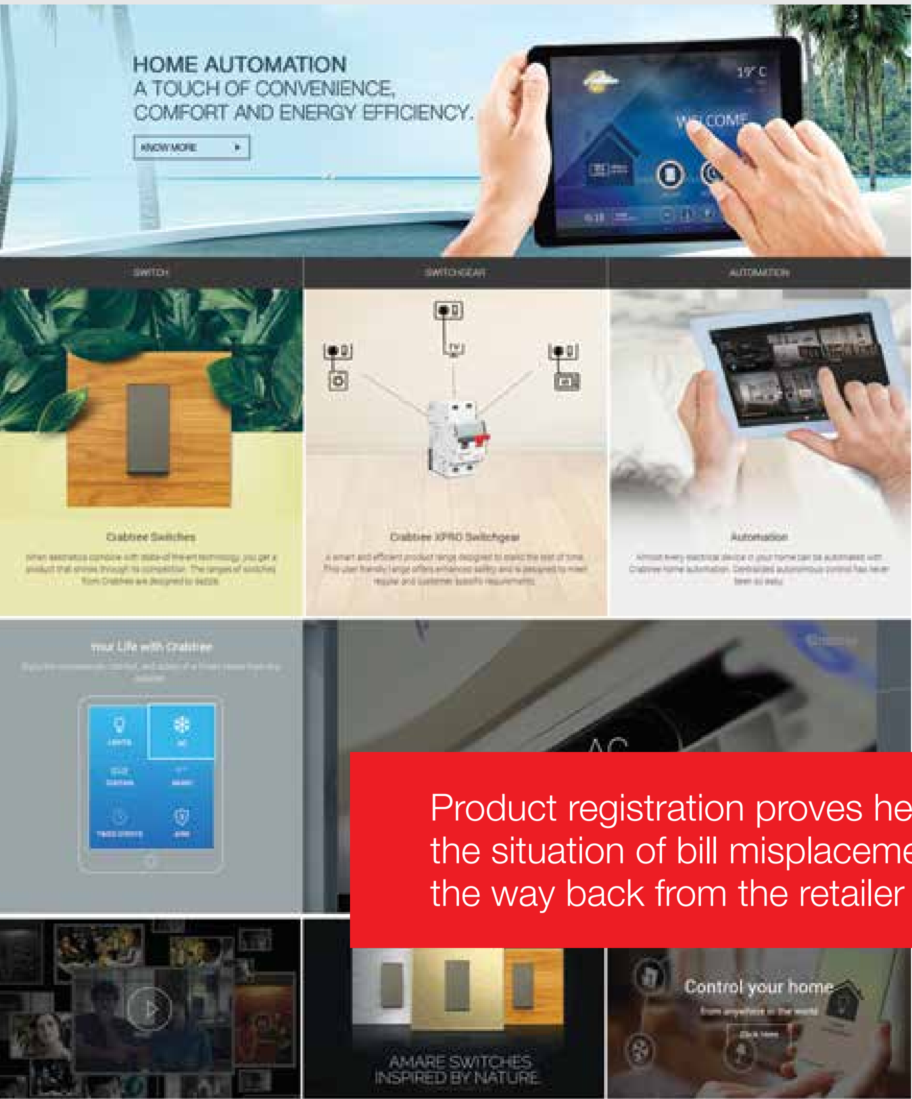
Customer Service Portal

During the year, we further enhanced our online service portal-Havells Connect, where consumers can log-in for efficient and hassle-free after-sales service and query resolution. They can also register a service call by sending an SMS.

Havells service offers widest coverage spread across over 450 towns with more than 2,000 trained technicians who are connected through state-of-the-art mobile application for real-time monitoring of consumer queries. The information technology has come handy in enhancing consumer satisfaction at every touchpoint and also helped in reducing costs.

Chatbots

Combining advanced Artificial Intelligence with the personal touch of chat interface, we have introduced chatbots on the Lloyd website to engage with our consumers. Site visitors who avail the self-service option can get responses via the chatbot to a series of structured questions. Simulating a real conversation, chatbots help visitors in product recommendations, locating galaxy/ dealer store, capturing consumer feedback, support and service etc. While consumers benefit from the instant messaging services, the Company is able to interact with more people faster than what is humanly possible. As a result, the human resource team is optimised as well as freed from repetitive tasks to focus on more important matters that build better consumer experience.



> As a working mother, there is little time to go for shopping. With Havells mobile website having a built-in shopping cart, I have access at my fingertips to a trusted retail outlet for all my electrical home appliance needs. Now I am shopping at my time!"

– ***Seema Biswas****, Consumer, Bhubaneshwar*

Product registration proves helpful to the consumers as even in the situation of bill misplacement, the purchase can be traced all the way back from the retailer to the date it was manufactured.

ENSURING BUSINESS READINESS WITH TECHNOLOGY

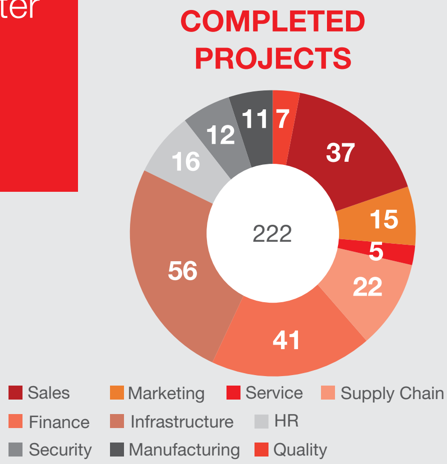
The future has already been mapped

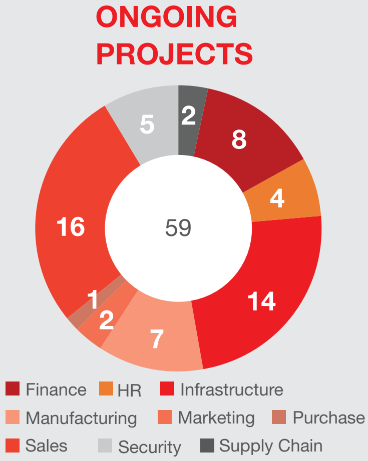
In today's fast-paced world, the sheer volume, variety and velocity of data being generated every day is inconceivable. How do we capture, analyse and share this data to unlock higher value for the organisation? How do we ensure that our business is better equipped to handle any future circumstances and is effective even in the long-term?

We are helping manage business with the power of technology. By leveraging data, we are creating insights that yield higher productivity, efficiency and transparency for long-term success.

Stepping up IT

Since April 2016, aligned with our goal of future readiness, we have stepped up our IT investments in projects as well as nearly tripled our IT team. IT projects, carried out across various business functions, have been carefully selected based on our organisational goals and strategy.





(Figures are for the period April 2016 – March 2018)

Master Data Management – "Centralised Masters"

To ensure the integrity, accuracy, stewardship and consistency of the master data, the entire data is now linked to a single central repository which serves as the authoritative point of reference in real time popularly known as 'Single Source of Truth'. This has helped such that we now have a greater control on the efficacy of the data with respect to our consumers, channel partners, suppliers etc. across the country.

Enterprise Data Warehouse

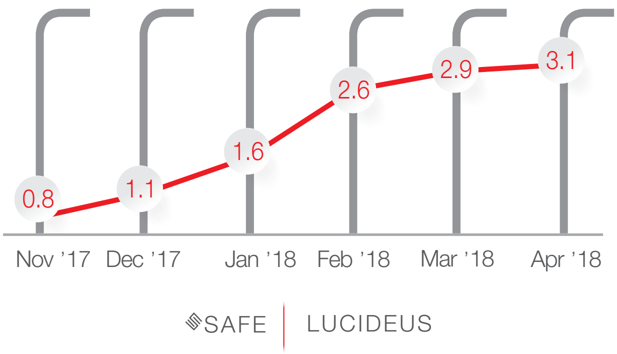
Enterprise Data Warehouse (EDW) is a centralised data repository that stores transactional data from SAP system, Non-SAP applications and various external data sources. The data warehouse is completely designed for decision-support, analytical-reporting, ad-hoc queries and data mining, thereby converting the enterprise-wide data into business insights for quick decision-making.

EDW facilitates timely and secured access to data, enhanced data quality and consistency along with predictive intelligence capability. Data warehouse and related BI (Business Intelligence) is being applied directly to business processes including marketing segmentation, inventory management, financial management and sales to help grow the business.

Security Compliance

We are the first Company in India to implement real-time security analytics dashboard, helping us measure maturity of our security systems on a scale of 0 to 5 at an enterprise level as well as location level like factory, branch, warehouse, service centre etc. We measure maturity of our IT system against industry best practices such as CIS, ISO 27001 and NIST. We also perform real-time vulnerability assessment and penetration testing to ensure safe working environment.

SAFE SCORE FOR HAVELLS



Big Data Analytics

In Havells, there are multiple points of data entry for structured and unstructured data such as social, IoT, consumer, external demographic, services, manufacturing, sales, e-commerce etc. leading to an enormous amount of raw data flowing into the organisation every day. By combining this big data with analytics, we are generating insights to uncover hidden patterns, correlations, market trends, customer preferences and other useful information that helps us make more informed business decisions.

We are able to generate precise answers for hard-to-solve problems and enable new growth opportunities – all the while using IT & analytics resources more effectively.

With our robust foundation in big data analytics, we are now ready to move into predictive models, statistical algorithms and what-if analysis powered by high-performance analytical systems.

ENSURING BUSINESS READINESS WITH TECHNOLOGY

IT Infrastructure Transformation 3.0

A dynamic business environment demands robust as well as secure infrastructure to compete and succeed effectively. During the year, we took massive strides in changing the technology and tools that we work with, including some pioneering initiatives. Infrastructure 3.0, placing the highest priority on functionality and disaster recovery, achieved a stunning 99.999% availability for the year. The key highlights of our IT infrastructure include:

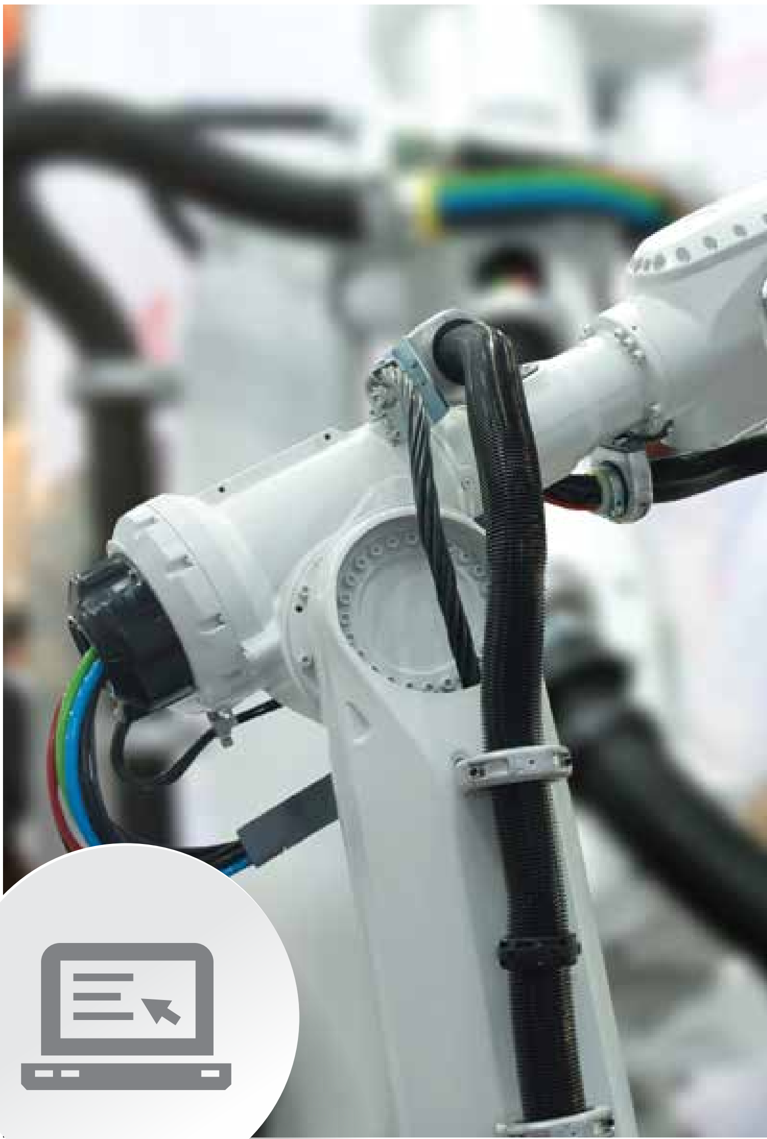
- Migrated ERP from traditional database technology to SAP HANA. This has increased user experience and ERP performance drastically by increasing the transaction speed from 2200ms to 600ms
- Increased our office connectivity uptime by implementing resilient network infrastructure with complete redundancy and using active-technology
- We have adopted cloud first strategy and we are present on both Amazon and Microsoft Azure public cloud
- We have built enterprise-wide seamless wireless access to connect enterprise network across multiple locations
- We are using centralised system management tool to manage our PC's, Laptops and Servers for software and patch installation. This also provides centralised view of all software and hardware available in the enterprise
- We have set up a centralised IT Service Desk which is a single point of contact for all IT-related requests for our employees wherein 60% of the calls are resolved at the first level

Industrial IoT

IIoT technologies in manufacturing, also known as Industrial Internet of Things (IIoT), hold immense potential for quality control, predictive analytics and sustainable manufacturing among others. We have already started harnessing IIoT to drive intelligence and high level of automation in our manufacturing operations. By capturing and analysing machine data on the IIoT platform, we will be predicting machine breakdown and ensuring proactive servicing, leading to minimisation of downtime and increase in overall equipment efficiency (OEE).

Industry 4.0

Computer-integrated manufacturing (CIM) is the future of manufacturing with its ability to yield significant efficiencies. We are exploring the potential of this futuristic technology in our plant operations to reduce downtime and improve productivity. Currently in pilot stage across a couple of facilities, we will expand the scale of CIM basis the results obtained.



GRC Implementation

We implemented governance risk and compliance (GRC) for SAP to ensure that employees get access to tasks and data which are relevant to their roles. This defines access levels when an employee joins, leaves or is transferred to another office.

Data Leakage Protection

While Information Technology is deeply embedded in our organisation, we are cognizant that sensitive data must be protected especially with growing cyber security threats. We not only educate our employees on the best security practices, but have comprehensive data leakage protection solutions including application firewall and web proxy. Our efforts in data protection stand vindicated as we were able to keep our data secured during 2017 ransomware attacks. DLP is used both on premises as well as on cloud to ensure 360° protection.

Powerful business outcomes need proactive measures towards planning for the future; technology unequivocally being amongst the most potent enablers. From a 'Single Source of Truth' for information reliability to capitalising on real-time information that is continually flowing within the organisation, we are enhancing our IT framework to unleash valuable insights, greater agility, better economics and long-term success.

Over

16 lakh threats

are prevented every month with the implementation of highly advanced security systems.

"The 'Single Source of Truth' data has made life at branch office easy by reducing number of reports and achieving faster decision-making."

– BM Mehrotra, BU Head, UP & Uttarakhand

By capturing and analysing machine data on the IIoT platform, we are beginning to predict machine breakdown and ensuring proactive servicing, leading to minimisation of downtime and increase in Overall Equipment Efficiency (OEE).

EMPOWERING PEOPLE BY
EMBRACING TECHNOLOGY

"Since April 2016, aligned with our goal of future readiness, we have stepped up our IT investments in projects as well as nearly tripled our IT team."

– ***Sachin Gupta, CIO, Havells***

THE FUTURE IS ALREADY MORE DYNAMIC

To win in an ever-changing business environment, agility is imperative. To embed business agility, employees must be empowered to take action. How do we make the task of our sales force easier and more effective? How do we empower teams so that every decision is based on knowledge and facts instead of instinct and past experiences alone?

We are driving digital technologies and workplaces to increase people engagement, build an agile and innovative work culture and deliver sustained business results.

Sales Force Automation (MORE)

Havells, being a multi-product, multi-market and multi-channel organisation, reaches out to an impressive number of dealers and retailers through the largest sales force in the FMEG industry. Sales Force Automation (SFA) in Havells is known as MORE (Market Operations Revenue Enhancement). To make the task of our 3000+ sales force easier, a customised SFA app was built and rolled out in a short span of six months. With various features such as exact location detail of every channel partner, 360-degree channel visibility and order requisition form among others, the app makes our salesperson more intelligent, informed and effective. The app also facilitates geo tagging of visits, which provides visibility into field sales activities and productivity and moreover provides the complete route map to reach Havells partners.

Collaborative Tools

In the digital age "with what you work" is an essential driver of business agility and people productivity. It is therefore imperative for an organisation to provide employees with the latest IT solutions. The shift from traditional email-only solution to complete collaboration suite with Microsoft Office 365 has not only increased user's productivity but also has offered easy access to robust email platform, mobility, secure data storage and enterprise social network.

All our offices are enabled with state-of-the-art video conference system. The use of future-looking technology solutions is inspiring a dynamic work culture and an ability to work on any device from anywhere in the world.

Product Tracking and Automation

During the year, we took pioneering strides in embedding advanced traceability across our value chain. Products in Havells are serialised with a QR code so as to enable tracking the product from manufacturing across the value chain. This helps to deter counterfeit products infiltrating the supply chain. Product Tracking and Automation (PTA) also helps in checking whether genuine spare parts are being fitted into the product. Havells is the first in the FMEG space to adapt to any generic QR code scanning application. The power to check the authenticity of products is thus now easily available at every touchpoint. In the future PTA will help us in improving after sales service to our consumers.

Since the recent launch of Havells Soch, **50+** ideas received, 13 ideas selected and 2 ideas converted into projects.

Single Sign-On

To bring in greater convenience for our employees without compromising on enterprise or individual security, we launched the Single Sign-On (SSO) authentication process where users can access multiple applications with one set of login credentials. Productivity has improved with doing away of credential re-authentication everytime. On the other hand, data security is enhanced with users having access to pre-approved applications optimised for their day-to-day working.

Dashboards

Analytical and operational dashboards are available to our employees to review consolidated, fact-based, key performance indicators and other strategic data across multiple dimensions. Descriptive and predictive dashboards provide an ability to make informed decisions based on collected business intelligence, thus aligning strategies and organisational goals. Dashboards increase data transparency, interactivity and provide on-demand access to data. The depth and breadth of dashboards is not just limited to executives and senior leaders; but across all levels, thus enabling online monthly branch reviews using dashboards.

Dashboards provide end users the freedom to access and analyse data, according to their role and responsibility.

Innovation Platform - Soch

Communication and collaboration is vital to inspire, encourage and empower new ideas. An innovation platform was set up in early 2018 to allow employees as well as channel partners, consumers and other stakeholders to submit their ideas and thoughts, big or small. Proactive discussions facilitate ideation, execution and scaling of such innovative ideas thus forging a culture of innovation and empower the organisation not just to survive but thrive in the long term.

An entrepreneurial culture is what we strive for, where the management thinks like professionals and our professionals think like entrepreneurs. To foster this culture of identifying opportunities, calculating risks and making decisions among all our employees, we are extending latest IT tools, thereby empowering our people to act with speed and conviction, now and in the future.

"The Single Sign-On is a boon. I just have to provide my credentials once to have access to all the applications that I need. I am relieved of the complex task of remembering multiple passwords."

– ***Neha Sarowgi,*** *Employee*

With features such as exact location detail of every channel partner, 360-degree channel visibility and order requisition form among others, the SFA app makes our salesperson more intelligent, informed and effective.

CREATING A BETTER WORLD WITH TECHNOLOGY

The Future is already more Green

More than 59,000 students across 692 government schools are served food every day in Rajasthan by Havells. This involves sharing significant data. What if this information could be transmitted digitally? What if we can cut down paper usage instead of trees while ensuring that every child gets the healthy meal he/she rightfully deserves?

Solve pressing community challenges by harnessing the efficacy of technology and building a future that is greener, more-inclusive and progressive.

Going Digital

To do away with hunger in classrooms and instead encourage an appetite for learning, we are serving nutritious mid-day meals in over 692 government schools of Alwar district, Rajasthan. The scale of the programme involves a significant amount of work, making sure that it meets high quality and all related compliance levels. A lot of these activities were being earlier done manually. To reduce this practice, we have now built a mobile application for our audience which includes school authorities, teachers, truck drivers, government officials, teams associated with preparation of food etc. This app digitally shares all the information on our social projects with them directly. Information includes details of van location, number of students for whom meals have to be prepared, names of schools, school cleanliness, etc. Digital content has helped to cut down our paper usage significantly. The use of technology has also facilitated real-time monitoring and tracking of activities, thus reducing food wastage and enhancing transparency, productivity and accountability.

Paperless Office

We are the first in our industry to embrace paperless office, all transactions and documentation being now done digitally and the use of paper almost eliminated. While this boosts productivity, saves space and makes information more accessible, we are more proud of being able to contribute towards a greener environment for future generations.

~5 tonnes of paper, which is equivalent to wood from 120 trees, is being saved every year with traditional physical copies replaced by digital documents all across the organisation.

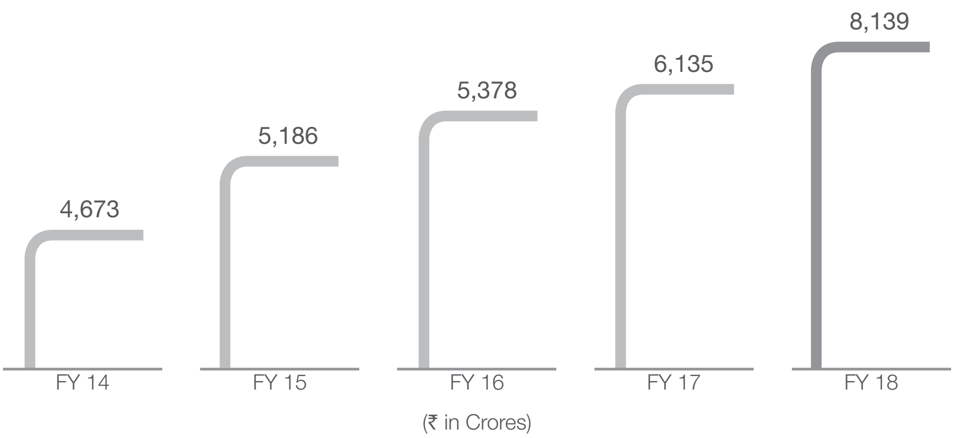
"We are delighted with the mobile app developed by Havells. It gives us clear visibility of the van driver and location, food being prepared and other related details while enabling us to share our school attendance at the touch of a key."

– ***Sudhir Pandey**, Principal,*
Bal Vikas Government School, Rajasthan

FINANCIAL PERFORMANCE

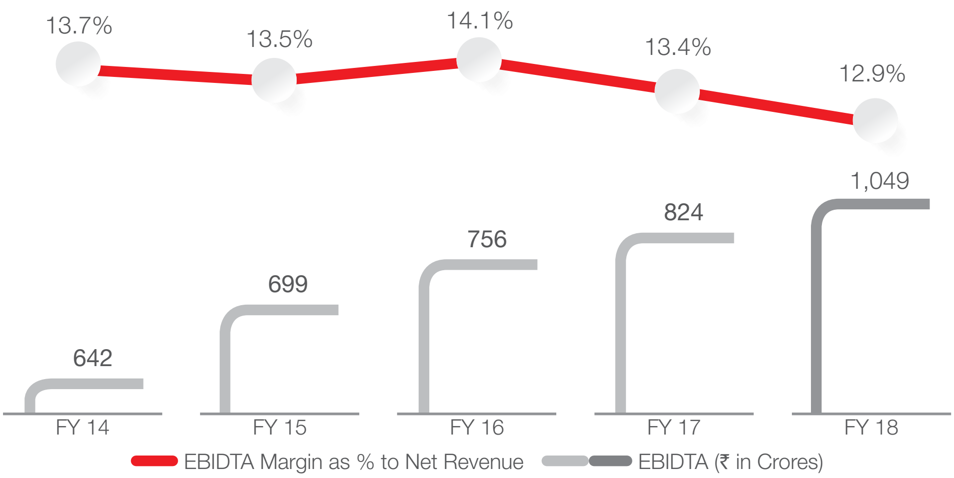
Net Revenue

33%
Growth



EBIDTA* & EBIDTA Margin (%)

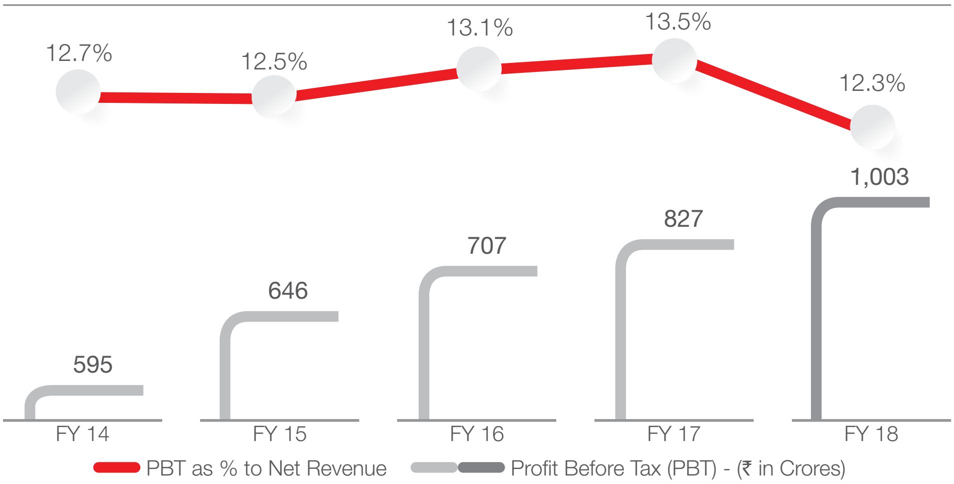
27%
Growth



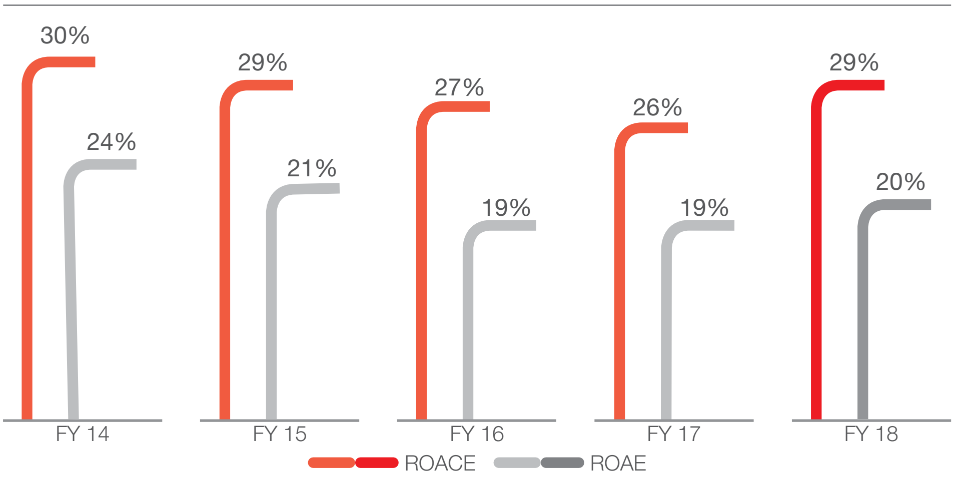
*Earnings Before Interest Depreciation, Tax & Amortisation

Profit (Before Tax and Exceptional Items) (PBT) & PBT as % to Net Revenue

21%
Growth

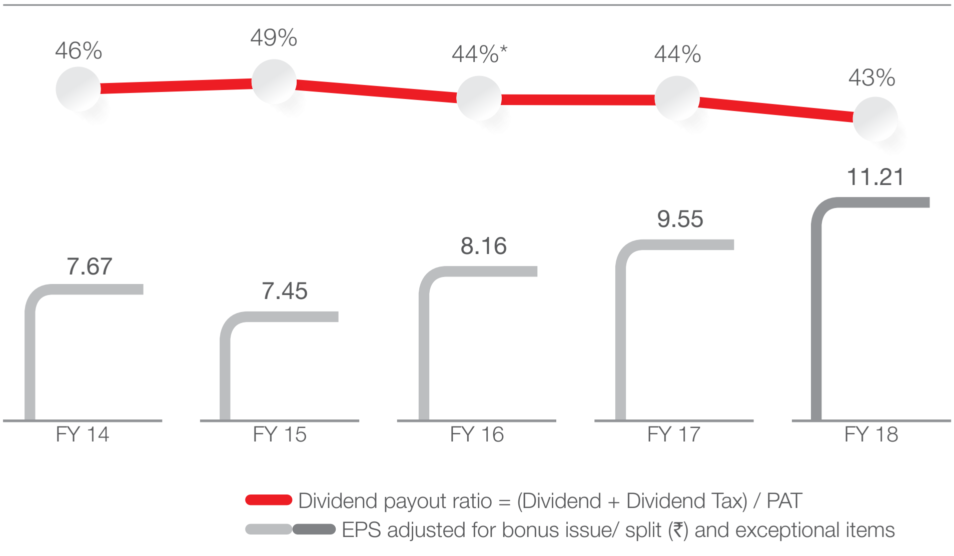


Return on Average Capital Employed (ROACE) & Return on Average Equity (ROAE) (%) (on normalised basis)



Earnings Per Share (₹) and Dividend Payout Ratio (%)

17%
Growth



*Excludes interim (special) dividend of ₹ 3 per share

CHAIRMAN'S MESSAGE

We have been amongst a select group of companies that has generated outstanding returns for its shareholders. You would be pleased to know that in the last 25 years we have been able to deliver return to our shareholders at a CAGR of ~37%.

Dear Shareholders,

I am happy to share that we have completed 25 years of our public listing. Through these years, we have registered consistent growth across all business parameters be it revenue, profitability, employment generation or contribution to exchequer with highest standards of corporate governance. We have been amongst a select group of companies that has generated outstanding returns for its shareholders. You would be pleased to know that in the last 25 years we have been able to deliver return to our shareholders at a CAGR of ~37%. We are committed to serve and enhance value for each of our stakeholder including our consumers, dealers, vendors, employees and shareholders.

33%
Company's revenue growth

17%
Company's PAT growth

11.8 mn
meals to around 59,000 children daily

The current business environment continues to pose new challenges; however, your Company has shown the resilience to manage such hurdles. We witnessed the historic roll out of Goods and Services Tax (GST). Initially, it caused certain disruption owing to uncertainty and lack of clarity yet we swiftly dealt with the situation. Today, we are encouraged and enthused the way GST is contributing to the formalisation of the economy.

During the year, we aligned and successfully integrated the consumer durable business of Lloyd. On the back of increasing urbanisation and growing middle class, the consumer durable business in addition to the electrical business offers new avenues of growth. It is a journey where we learn and improve as we move further. To further strengthen and in line with our philosophy of 'Make in India', we have committed to establish a state-of-the-art manufacturing plant for Lloyd air conditioners in Rajasthan.

Technology at Havells has been the cornerstone of everything we do. The fourth industrial and energy revolutions are resulting in technology advances that are driving greener and more energy-efficient solutions. We have embraced technology in every sphere of our business and manufacturing operations including channel management. Higher automation in manufacturing has led to greater efficiencies and enhancement in productivity. The rapid digitisation of our sales force has offered them ease and speed of doing business, whereas it offers greater transparency, peace of mind and ease of doing business to our channel partners.

Following the motto of "making a difference", your Company continued to focus on innovation. The Company entered into the residential water purifier business with the launch of a range of stylish, differentiated and premium products in December 2017.

This is India's first pH balancing water purifier that is capable of purifying new-age pollutants across geographies. We are gradually rolling out the product with enthusiastic initial response.

In its quest to reduce dependency on fossil fuel, your Company has enhanced its captive solar power capacity thus saving over 3.5 GWh of electricity. This will not only cut our carbon footprint but also help us save significant operating costs. We further committed ourselves to planting over 1.5 lakhs trees in FY 2018-19 that will not only make us 'Carbon Positive' but also add to the country's green cover.

Adding to our last year's efforts of providing mid-day meal to children, we served over 11.8 million meals to around 59,000 children daily across 692 government schools in Alwar, Rajasthan in FY 2017-18. We also constructed over 1,000 eco-friendly bio-toilets in addition to existing strength of around 1,800 bio-toilets, ensuring safe and clean sanitation facilities for both boys and girls. We have committed funds for the upkeep of these toilets, ensuring that bio-toilets do not go unused due to paucity of funds. We continued to counsel children through various workshops about the importance of hygiene and good sanitation practices enabling them inculcate good hygiene habits from an early age. This year, we also took a bold step of conserving our heritage. Along with Aga Khan Trust for Culture, we pledged sizeable investment in conserving Subz Burj, a 15th century monument in Central Delhi and also building of India's first underground heritage museum at Humayun's Tomb.

Financially, FY 2017-18 was a fulfilling year where the Company's revenue grew by 33% and the profitability grew by 32% (after exceptional items). The performance in the second half improved, laying the foundation for superior growth in 2019.

We are excited with the opportunity unfolding for Havells and our preparedness to capitalise upon the same. I perceive the enthusiasm of our people, a resolve to perform better and an urge to seize the opportunity. The foundation has been well laid, the tools are well provided and the ground is fertile. We are fortunate to be in India at this juncture when growth is palpable and within reach.

I would like to thank the employees for their efforts, the board for their guidance and all other stakeholders for their consistent support, and encouragement in our endeavours. We look forward to your continued support and guidance.

Thanking you,

With warm regards,
Anil Rai Gupta

OUR JOURNEY SO FAR

1958
- Our Founder Chairman Shri Qimat Rai Gupta commenced trading operations in Delhi in the name of Gupta jee & Co. in Delhi

1971
- Acquired Havells brand and started Havells Industries

1977
- Set up plant for manufacturing Rewirable Switches and Changeover Switches at Kirti Nagar, Delhi

1979
- Set up a plant for manufacturing HBC Fuses at Badli, Delhi

1980
- Started manufacturing high quality Energy Meters at Tilak Nagar, Delhi

2002
- Standard Electricals Ltd. became a 100% Subsidiary of Havells India Ltd.
- Attained IEC certification for Industrial Switchgear from CSA

2003
- Entered the business of Fans
- Started manufacturing CFLs
- Started the business of Lighting Fixtures

2004
- Set up a plant for manufacturing, Domestic Switchgear at Baddi, HP

2005
- Set up unit in Haridwar, Uttarakhand for manufacturing fans
- Set up R&D Centre at Noida H.O.
- Started Mid-Day Meal programme in Alwar, Rajasthan with 1,500 students
- Awarded KEMA certification by The Dutch Council for Accreditation

2006
- Expansion at Alwar manufacturing plant for increase of production capacity
- Set up an Export-Oriented Unit at Baddi, HP
- Crabtree India merged with Havells India Limited

2007
- Set up Capacitor manufacturing plant in Noida, UP
- Acquired "Sylvania", a global leader in lighting business
- Warburg Pincus, a global private equity firm and one of the largest investors in India, invested USD 110 million in Havells India Ltd.
- QRG Group entered healthcare business by acquiring a majority stake in Central Hospital and Research Centre, Faridabad

2008
- Set up fully automatic plant for Motors in collaboration with Lafert of Spain in Neemrana, Rajasthan
- First Indian CFL manufacturer to adopt RoHS, (European norms on Restriction of Hazardous substances) in CFLs
- Set up Global Corporate office QRG Towers in Noida, UP
- Adopted a new Corporate Brand identity
- Set up a factory for switchgears in Haridwar, Uttarakhand

2009
- Set up 2nd fully automatic manufacturing unit for switchgears at Baddi, HP
- Global consolidation of CFL manufacturing plant at Neemrana, Rajasthan for domestic and export purposes

2010
- Set up 2nd unit for manufacturing fans at Haridwar, Uttarakhand
- Set up world's first new generation CMH Lamp plant at Neemrana, Rajasthan
- Entered Electrical Water Heaters business

2016
- Re-launch of brand Standard
- Launched home automation and control in Crabtree brand
- Transfer of brand rights to Havells India Limited
- Entered the Solar business with streetlight, consumer products and rooftop generation solutions
- Built 800 eco-friendly bio-toilets in about 100 schools in Alwar district of Rajasthan

2017
- Launch of Personal grooming business
- Acquired the Consumer Durables Business of Lloyd Electric and Engineering Limited thereby entered the business of Air conditioners, LED TV and washing machines
- Built over 1,250 bio-toilets in about 150 schools in Alwar district of Rajasthan
- Pledge to conserve a 15th century heritage monument - 'Sabz Burj'
- Contributed for the construction of Humayun Tomb's Interpretation Centre
- Set up a new switchgear plant in Guwahati, Assam

1983
- Havells India Ltd. was incorporated
- Acquired Towers and Transformers Ltd. and turned it into a profitable company, manufacturing Energy Meters

1985
- Started manufacturing MCBs at Badli, Delhi, in joint venture with Geyer of Germany

1990
- Set up a manufacturing plant at Sahibabad, UP for Changeover Switches

1992
- Set up a manufacturing plant at Faridabad, Haryana for Control Gear Products
- Listed Havells on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE)

1996
- Started manufacturing MCCBs in Joint Venture with Electrium as Havells Dorman Smith Ltd.
- Set up a manufacturing plant for cables and wires in Alwar

1997
- Acquired Electric Control & Switchboards at Noida, UP, for manufacturing switchboards
- Launched Crabtree wiring accessories in joint venture with Electrium

1998
- Introduced high-end Ferraris meters in joint venture with DZG, Germany

1999
- Acquired business of Havells Industries Ltd.

2000
- Acquired controlling stake in Standard Electricals Ltd.
- Acquired controlling stake in Duke Arnics Electronics (P) Limited, engaged in manufacturing of Electronic Meters
- Acquired Crabtree brand for India, Pakistan, Nepal and Bangladesh. Merged ECS Limited in the Company

2001
- Acquired business of Havells Industries Ltd.
- Acquired MCCB business of Havells Dorman Smith Ltd.
- Acquired 100% of Havells Dorman Smith and renamed it to Crabtree India Ltd.

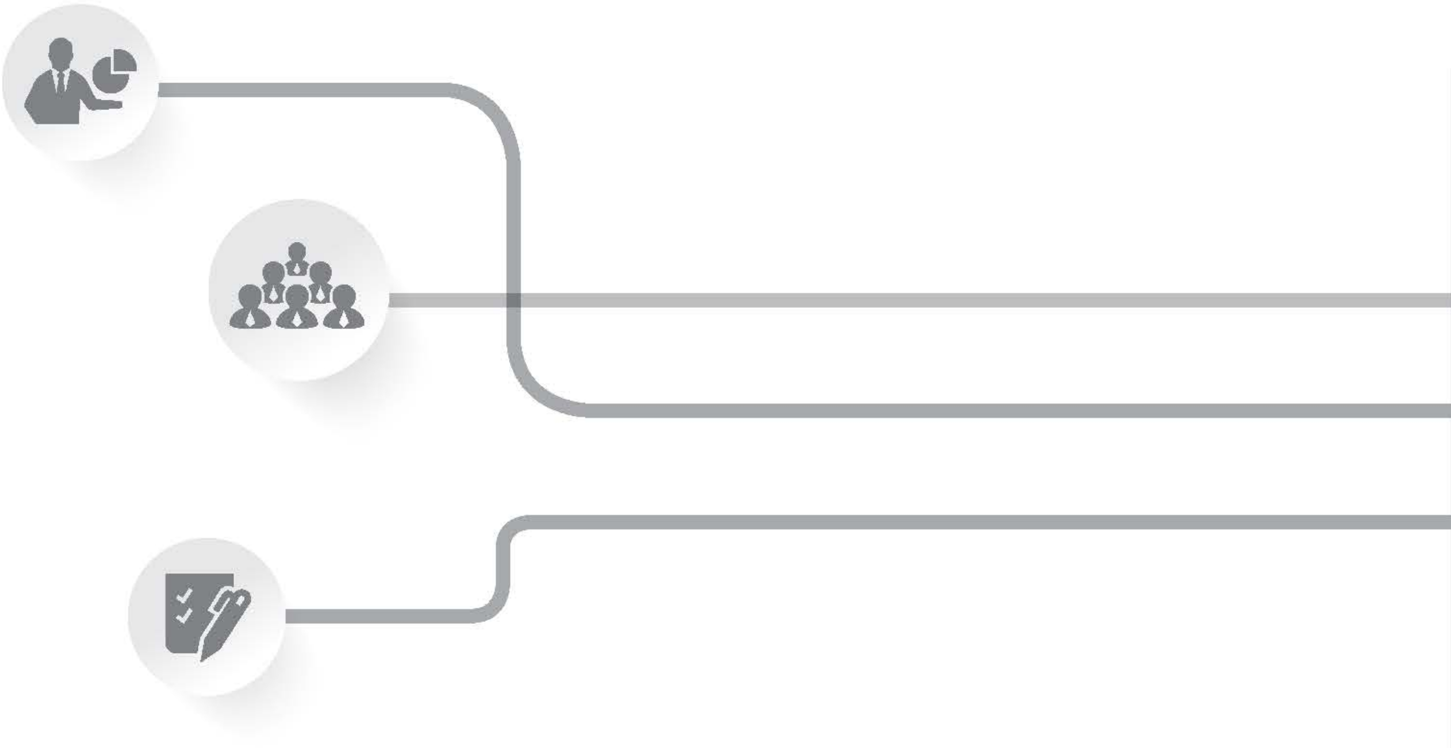
2011
- Set up a new Industrial Switchgear plant in Sahibabad, UP
- Launched Domestic Appliances Standard Electricals merged with Havells
- Entered into a Joint Venture with Shanghai Yaming Lighting, China

2012
- Set up India's first and only large scale Lighting Fixtures plant at Neemrana, Rajasthan
- Launched Copper Flexible Cables under the Standard brand
- Launched Crabtree XPRO Switchgear
- Entered new segment of piano switches under REO brand
- Expanded Baddi plant for manufacturing piano switches
- Set up a factory in Haridwar for manufacturing TPW range of fans

2013
- Set up first private cable & wire testing facility at Alwar plant
- Entered the business of Self-Priming Monoblock Pumps
- Introduced first Sustainability Report
- Announced transfer of brand rights from promoter company QRG Enterprises Limited to Havells India Limited

2014
- Introduced Premium Fans under Standard Brand
- Became the only company to manufacture entire range of Ceiling, Table, Pedestal and Wall range of Fans in-house

2015
- Pledged to build eco-friendly bio-toilets in Alwar district of Rajasthan
- Introduced India's First Brightest LED Lights
- Launched the world's most modern electric water heater plant in Neemrana, Rajasthan
- Divested 80% stake in Sylvania
- Acquired majority stake in Promptec Renewable Energy Solutions Pvt. Ltd.



Directors' Report

DIRECTORS' REPORT

To

The Members

Your Directors take pleasure in presenting their 35th Annual Report on the business and operations of the Company and the accounts for the financial year ended 31st March, 2018.

1 FINANCIAL SUMMARY OR HIGHLIGHTS

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

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Revenue from Operations	8,260.27	6,585.96	8,269.01	6,612.96
Other Income	116.99	134.28	117.90	138.18
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	1,166.28	958.42	1,161.30	956.35
Less: Depreciation and amortisation expenses	139.52	119.63	140.49	120.51
Finance Cost	23.97	12.15	24.83	13.34
Profit before Tax and Exceptional Items	**1,002.79**	**826.64**	**995.98**	**822.50**
Share of profit/ (loss) of joint venture (net of tax)	-	-	-	(4.77)
Add: Exceptional items	11.91	(57.81)	(18.67)	(106.80)
Less: Tax	302.18	229.79	303.83	228.76
Net Profit for the Year from Continuing operations	712.52	539.04	673.48	482.17
Net Profit for the Year from Discontinued Operations	-	-	(12.51)	11.94
Profit for the year	**712.52**	**539.04**	**660.97**	**494.11**
Other Comprehensive Income	1.68	(2.75)	8.62	(23.74)
Total comprehensive Income for the year, net of tax	**714.20**	**536.29**	**669.59**	**470.37**
Profit for the year attributable to				
Equity holders of the parent Company	712.52	539.04	662.37	494.53
Non-controlling interest	-	-	(1.40)	(0.42)
Total comprehensive income for the year attributable to				
Equity holders of the parent Company	714.20	536.29	670.99	470.79
Non-controlling interest	-	-	(1.40)	(0.42)

The business landscape witnessed a historical tax reform in indirect taxation, causing initial disruption. The Goods and Services Tax (GST) regime has since then stabilised. The recent rationalisation in GST rates is expected to trigger positive sentiments. Your Company posted a revenue growth of 33% fortified by assimilation of Lloyd consumer business. The Company registered ex-Lloyd revenue growth of 13% (adjusted for excise impact). Yearly performance of Company includes results of Lloyd business from 8th May, 2017 onwards.

During the year, the Company completed sale of remaining 20% stake in Feilo Malta Limited (formerly Havells Malta Limited) to Shanghai Feilo Acoustics Co. Limited. Company also sold Havells Sylvania (Thailand) Limited to Feilo group and has transferred its stake in OZLI do Brasil Iluminação Ltda (formerly Havells Sylvania Brasil Illuminação Ltda) to a local Brazilian Company OZLI International Holding Co.

The Company achieved Profit before Exceptional Items and Tax (PBT) of ₹ 1,003 crores in financial year 2017-18 against ₹ 827 crores in financial year 2016-17, thereby registering a growth of 21% on year to year basis.

Earnings Before Interest, Depreciation, Amortisation and Taxation margins (EBIDTA) for the financial year 2017-18 improved by 0.5% (from 13.4% in financial year 2016-17 to 13.9% in financial year 2017-18) owing to greater consciousness on cost management and profitability. Reduction in other income is due to funds deployed for Lloyd acquisition.

2 BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS

The GST rollout weighed on the growth in the first half of the year. The rationalisation of GST rates for electrical product categories by the government in the second half of the year enabled positive sentiments amongst consumers and we are optimistic about the growth opportunities it may bring.

The Company continued to reinforce its market position and product portfolio in the switchgear segment. Your Directors are pleased to share with you that the Company has tied up with South Korean major Hyundai Electric & Energy Systems Co. Ltd for technology transfer for Magnetic Contactor. Under the agreement, Hyundai Electric will provide technological know-how and grant an exclusive, non-transferable, irrevocable license in India under the transferred MC Technology to Havells. This agreement will enable the Company to manufacture in India for Indian and some overseas markets as well. With the latest state of art technology, Havells' industrial switchgear offering will get much stronger. On the other hand Havells will supply equipment such as Miniature Circuit Breakers (MCBs) & Magnetic Contactors (MC) to Hyundai Electric for overseas markets.

The lighting segment recorded a robust growth of about 19%. The business division launched intelligent Street Com lighting system that not only provides remote access to utility Companies but dimming options further helps save valuable energy. During the year we presented colour changing LED lighting solutions that are transforming architecture into iconic landmarks and making monuments more exciting for citizens. The business further strengthened its foothold in the institutional segment and is now fully equipped to maximise opportunities made available by various Smart City projects. The division bagged various projects in Delhi, Tamil Nadu and Punjab to offer various energy efficient lighting solutions.

The electrical consumer durable segment grew by about 13% along with significant margin improvement. Owing to our understanding of the 'Consumer of the Future', we unveiled various innovative and technology led products in different categories like fans, kitchen appliances, switches, personal grooming, lighting and home security.

Targeting the woman of the house and making her life better, the Company presented Country's first powerful digital mixer grinder- Premio-I and a unique cold press juicer- Nutrisense that retains all the goodness of fruits and vegetables. In the personal grooming segment, your Company offered yet another innovative product- Chopstick Curler, which again happens to be the first in the industry and the Country. Apart from this, the Company also introduced new variants in the existing range of Ceiling, Table, Wall and Pedestal Fans with incremental innovation thus delighting its consumers.

Despite rising commodity prices and the high GST rates, Havells maintained its growth in the cables segment. We are pleased to inform you that we entered into the EHV segment and enhanced our B2B sales. The business extended its existing communication cable portfolio by launching speaker wires, CCTV wires and LAN cables.

During the year, we smoothly completed the integration of the consumer durable business of Lloyd with Havells. We are enthused with the opportunities offered by both Havells and Lloyd to serve our consumers with a wide array of electrical and consumer durable products and a world class service. Lloyd is now part of the top 3 players in the air conditioning industry. To bolster its product portfolio, the Company launched Ultra HD 4K Smart LED TVs with a unique 'Air Surf' remote. In order to boost its manufacturing capabilities, the Company has pledged significant funds for setting up plants for Lloyd products in Rajasthan. Once completed, Havells will have 13 world class plants across 8 different locations in the Country.

In the course of the year, your Company made noteworthy investments in IT. Today a team of over 250 seasoned professionals are relentlessly working on over 200 projects for making the lives of consumers, partners, employees and vendors simple and productive. To be able to retain Company's competitive edge and enabling business growth, the team is using new age technologies such as artificial intelligence and IoT, while ensuring that the data and Intellectual Property is safe and secured.

We remained focused on our strategy of **"Deeper into Homes"** and forayed into the fast growing yet under-penetrated business of Water Purifier. The innovative and technologically advanced Water Purifiers are intelligently designed keeping in mind Indian consumers, kitchen space and changing water conditions, especially due to new age pollutants such as pesticides & industrial waste. The 100% water passes through various stages of purification including RO and UV and lastly through a special mineral fortification cartridge ensuring healthy pH levels and purity thereby providing safe drinking water. The response has been overwhelming.

With the aim of continuously improving Havells brand image amongst its stakeholders, the Company initiated brand health performance tracking research this year onwards. The findings have revealed that Havells has performed well with premium consumers and awareness for various Havells products has improved significantly. We enhanced our presence across various social media platforms to target youth of the Country. Our Lloyd Air Conditioner campaign with Amitabh Bachchan touched over 20 million views while Havells Fan's 'Ceiling Art' campaign touched close to 11 million views across various digital platforms.

Your Company also participated in major industry events like Elecrama and Acetech, showcasing its latest products across various categories. Havells constellations series in key cities across the Country was directed to enhance brands' connect with the Architects & Lighting experts.

We remain committed to the cause of sustainability. In line with that commitment, it enhanced its renewable energy footprint with an additional 0.9 MW plant at Neemrana Rajasthan in addition to solar power plants at Faridabad and Alwar. With this, around 6% of our power consumption is coming from solar power.

AWARDS AND ACCOLADES

Your Company received the following awards during the financial year ended 31st March, 2018:

1. Havells lighting received "Best ICT Implementer" in Smart City at Business world's third digital India Summit.
2. Havells India won the Dun & Bradstreet Corporate Award under the "electrical products".
3. Havells received "Bhamashah Samman" by Govt. of Rajasthan for its contribution towards construction of bio-toilets in Govt. schools of Alwar district.
4. Havells India won "CSR Excellence Award-2018" for its flagship CSR program – Mid-day meal under the agriculture food and nutrition segment by Govt. of Rajasthan.
5. Havells Neemrana plant won the Smartest Industrial Building Award by Network 18 and Honeywell.
6. Havells India won Frost and Sullivan 2017 India LED Lighting Company of the Year Award.
7. The Chairman and Managing Director of the Company received Emerging Business Leader award by AIMA (All India Management Association).
8. The Chairman and Managing Director of the Company won the "ET Family Business Award".
9. The Chief Information Officer won the CIO 100 award by IDG.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

During the financial year 2017-18

1. Havells Holdings Limited, a 100% subsidiary of Havells India Limited, has transferred its remaining 20% stake in Feilo Malta Limited (formerlly Havells Malta Limited) to Shanghai Feilo Acoustics Co. Limited for a consideration of Euro 34.5 million on 29th November, 2017. Accordingly, Havells Holdings Limited has partially redeemed its share capital worth Euro 26 million on 29th November, 2017.
2. Havells Holdings Limited, through its 100% subsidiary Havells International Limited has transferred 100% stake in Havells Sylvania (Thailand) Limited to Feilo group on 29th November, 2017 for a consideration of Euro 1.6 million.
3. Havells USA Inc. a 100% subsidiary of Havells Holdings Limited, has been dissolved with effect from 31st October, 2017 and approval from appropriate authorities has been received on 21st December, 2017.
4. Application for liquidation of Thai Lighting Asset Company Limited, a subsidiary of Havells International Limited, has been filed with relevant local authorities in Thailand.
5. Havells International Limited, a 100% subsidiary of Havells Holdings Limited has transferred its stake in OZLI do Brasil Iluminação Ltda (formerly Havells Sylvania Brasil Illuminação Ltda) to a local Brazilian Company OZLI International Holding Co. on 31st March, 2018.

As at 31st March, 2018, the Company has 7 (Seven) Direct subsidiaries

1. Havells Holdings Limited based at Isle of Man. This entity is an SPV formed for the purpose of holding investments and mobilising funds for the 4 (Four) step-down Subsidiaries of the Company.
2. Havells Guangzhou International Limited based at China. This entity acts as a facilitator for sourcing of material from China.
3. Havells Exim Limited based at Hong Kong. This entity acts as a facilitator for sourcing of material from China.
4. Promptec Renewable Energy Solutions Private Limited based at Bengaluru. This entity is engaged in marketing and manufacturing of LED products including street lighting, office lighting and Solar lighting.
5. Standard Electrical Limited based at Delhi.
6. Havells Global Limited based at Delhi.
7. Lloyd Consumer Private Limited based at Delhi.

As at 31st March, 2018, the Company has 4 (Four) Indirect (step-down) subsidiaries

1. Havells International Limited as a subsidiary of Havells Holdings Limited.

2. Havells Sylvania Illuminaciaon Chile Limited as a subsidiary of Havells Holdings Limited.

3. Havells USA Inc. as a subsidiary of Havells Holdings Limited. This entity was dissolved during the year, as mentioned hereinabove and the process of its formal winding up is in process.

4. Thai Lighting Assets Co. Limited as a subsidiary of Havells International Limited.

The Board of Directors of the Company has, by Resolution passed in its Meeting held on 11th May, 2018, given consent for not attaching the Balance Sheets of the subsidiaries concerned.

The Consolidated Financial Statements of the Company including all subsidiaries duly audited by the statutory auditors are presented in the Annual Report. The Consolidated Financial Statements have been prepared in strict compliance with applicable Accounting Standards, where applicable and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India.

A report on performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statement is presented in a separate section in this Annual Report. Please refer (Form No. AOC-1) annexed to the Financial Statements in this Annual Report.

The annual accounts of the Subsidiary Companies and the related detailed information shall be made available to Shareholders of the Company and its Subsidiary Companies upon request and it shall also be available on the website of the Company i.e. www.havells.com. The annual accounts of the Subsidiary Companies shall also be kept for inspection by any shareholder at the Corporate Office of the Company and the respective offices of its Subsidiary Companies.

JOINT VENTURE

Your Company had formed a 50:50 Joint Venture in People's Republic of China with Shanghai Yaming Lighting Co. Limited under the name of Jiangsu Havells Sylvania Lighting Co. Limited (JV).

This Joint Venture Company was created with an objective to produce energy efficient lighting lamps.

In financial year 2017-18, JV reported a turnover of USD 4.6 million with a loss of USD 4.4 million on account of write down of certain assets as part of Liquidation process against turnover of USD 16.20 million and loss of USD 0.6 million in financial year 2016-17.

Due to the technological changes in the lighting Industry, the Company along with its JV partner decided to close down the business and liquidate the JV, accordingly the Board of Directors was replaced by the Liquidation Committee formed on 30th June, 2017 and the regular operations have been fully closed in October 2017.

3 NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the financial year 2017-18, Havells Holdings Limited, a 100% subsidiary of the Company, transferred its remaining 20% stake in Feilo Malta Limited (formerly known as Havells Malta Ltd) to Shanghai Feilo Acoustics Co. Limited. Further, Havells Holdings Limited, through its 100% subsidiary Havells International Limited transferred 100% stake in Havells Sylvania (Thailand) Limited to Feilo group. Havells USA Inc. a 100% subsidiary of Havells Holdings Limited, has been dissolved with effect from 31st October, 2017. Havells International Limited, a 100% subsidiary of Havells Holdings Limited transferred its stake in OZLI do Brasil Iluminação Ltda (formerly Havells Sylvania Brasil Illuminação Ltda)

As a result, the following entities ceased to be Subsidiaries and Associates of the Company:

1. Feilo Malta Limited (formerly known as Havells Malta Ltd).

2. Feilo Sylvania (Thailand) Limited (Havells Sylvania (Thailand) Limited).

3. OZLI do Brasil Iluminação Ltda (formerly Havells Sylvania Brasil Illuminação Ltda).

During the financial year ended 31st March, 2018

1. Havells Exim Limited, a 100% subsidiary of Havells India Limited, was incorporated in Hongkong on 7th June, 2017.

2. Lloyd Consumer Private Limited, based in Delhi, became a wholly owned subsidiary of the Company with effect from 17th November, 2017.

4 RESERVES

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

5 DIVIDEND

Your Directors are pleased to recommend a Dividend @ ₹ 4/- per equity share for the year 2017-18. The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹ 301.46 crores (including Corporate Dividend Tax of ₹ 51.40 crores). The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Book Closure Date.

The Register of Members and Share Transfer books shall remain closed from 6th July, 2018, Friday, to 13th July, 2018, Friday (both days inclusive).

6 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

However, in terms of the Employee Stock Purchase Schemes of the Company, which are administered by Havells Employees Welfare Trust, 3,30,394 Equity Shares of ₹ 1/- each, were approved for Grant on 10th May, 2018 and Vested (pursuant to the respective Employee Stock Purchase Plan as hereunder) to the eligible employees, which, if exercised, shall result in an equivalent No. of Equity Shares of ₹ 1/- each to be allotted/ transferred to the eligible employees under the respective schemes. A summary is given below:

	No. of Shares Granted	No. of Shares Vested
Havells Employees Stock Purchase Plan 2014	1,68,861	1,68,861
Havells Employees Stock Purchase Scheme 2015	1,50,000	1,50,000
Havells Employees Stock Purchase Scheme 2016	11,533	7,302*

**3,844 Shares vested as 1st tranche out of a total of 11,533 Shares Granted for financial year 2017-18 and 3,458 Shares vested as 2nd tranche out of a total of 10,377 Shares Granted for financial year 2016-17*

7 CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2018.

8 DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the year, Shri Sunil Behari Mathur (DIN: 00013239), an Independent Director, ceased to be a Director of the Company effective 24th May, 2017. The Board of Directors place on record its appreciation towards Shri Mathur's contributions during his tenure as an Independent Director of the Company.

The Board, upon the recommendations of the Nomination and Remuneration Committee, through separate Resolutions passed by way of Circulation, appointed Shri Jalaj Ashwin Dani (DIN: 00019080) as an Additional Director (Independent) with effect from 16th August, 2017 and Shri Upendra Kumar Sinha (DIN: 00010336) as an Additional Director (Independent) with effect from 1st March, 2018. Both the Directors hold office upto the date of this Annual General Meeting.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved the appointment of Shri Jalaj Ashwin Dani (DIN: 00019080) and Shri Upendra Kumar Sinha (DIN: 00010336) as Independent Directors and recommends the same for the approval by the Shareholders of the Company in the ensuing AGM. The Company has received consent in writing from Shri Dani and Shri Sinha to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) to act as Directors.

Shri Jalaj Dani and Shri Upendra Sinha are eligible to be appointed as Directors of the Company and their appointment requires the approval of Members at the ensuing Annual General Meeting.

The Members may also note that, Shri T. V. Mohandas Pai (DIN: 00042167) and Shri Puneet Bhatia (DIN: 00143973), were appointed as directors liable to retire by rotation, in the AGM held on 13th July, 2015, for a period of 3 (Three) years as the First Term.

Further, Smt. Pratima Ram (DIN: 03518633) was also appointed as an Independent Director for a 1st term of 3 (Three) years with effect from 13th July, 2015 (the date of AGM 2015) upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2018.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 11th May, 2018, has approved and recommends the same for approval by the Shareholders, the re-appointment of Shri T. V. Mohandas Pai, Shri Puneet Bhatia and Smt. Pratima Ram, for a further period of 3 (Three) years as their Second Term beginning from the date of end of their tenure of the 1st Term upto the date of AGM to be held in the calendar year 2021.

The Company has received declaration from the Independent Directors that they meet the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the condition for appointment/ re-appointment as Independent Directors on the Board.

It may also be noted that pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Ameet Kumar Gupta, (DIN: 00002838) and Shri Surjit Kumar Gupta (DIN: 00002810), are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The Board recommends their appointment. In view of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018 which will come into force with effect from 1st April, 2019, no listed entity can continue the directorship of any person as a Non-Executive Director who has attained the age of 75 (Seventy Five) years unless a Special Resolution is passed to that effect. Accordingly, the reappointment of Shri Surjit Kumar Gupta, aged 76 (Seventy Six) years, is recommended at this AGM 2018 as Special Business by way of Special Resolution instead of Ordinary Business in compliance of Section 102 of the Act read with the amended Regulation 17 (1A) of the SEBI (LODR) Regulations 2015.

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

Appropriate Resolution(s) seeking your approval to the appointment/ re-appointment of Directors are also included in the Notice.

9 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2017-18, the Board of Directors of the Company, met 4 (Four) times on 11th May, 2017, 19th July, 2017, 23rd October, 2017 and 22nd January, 2018.

Additionally, the Board also passed 3 (Three) Resolutions through Circulation during the year, on 13th April, 2017 for the purpose of reconstitution of two of the Board Committees and on 16th August, 2017 and 28th February, 2018, for the appointment of additional Directors during the year.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 22nd January, 2018, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

10 DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

11 DECLARATION BY INDEPENDENT DIRECTOR(S)

All the Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations.

12 NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its Meeting held on 22nd December, 2014, approved a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **ANNEXURE – 1** and forms part of this Report.

13 FORMAL ANNUAL EVALUATION

Having a formalised Board evaluation gives Board Members an opportunity of assessing their own performance and brings out the importance of the contributions of individual Directors. It is a mechanism by which the Board Members candidly reflect on how well the Board is meeting its responsibilities.

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

Performance Evaluation of the Board and Committees

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on parameters like Board Composition in terms of its size; diversity; Experience of Directors; Mix of qualifications; Board processes in terms of communication; Disclosure of information such that each Board Meeting includes an opportunity for learning about the organisation's activities through various presentations made to the Board on corporate functions which facilitates effective decision making and active participation in the discussions.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as whether key items discussed in the Committee are suitably highlighted to the Board, whether Committee effectively performs support functions to the Board in fulfilling its responsibilities, whether Committee's recommendations contribute effectively to decisions of the Board etc.

Performance Evaluation of Non-Independent Directors

The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors, considering aspects such as Effectiveness as Chairman, in developing and articulating the strategic vision of the Company; in displaying efficient leadership, displaying and promoting throughout the Company a behaviour consistent with the culture and values of the organisation; Contribution to discussion and debate through thoughtful and clearly stated observations and opinions; Creation of a performance culture that drives value creation without exposing the Company to excessive risk; demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc).

Performance Evaluation of Independent Directors

The performance evaluation of the Independent Directors was carried out by the entire Board, other than the Independent Director concerned, taking into account parameters such as – refrain from any action that may lead to loss of independence; refrain from disclosing confidential information, including, unpublished price sensitive information, etc., support to CMD and Executive Directors in instilling appropriate culture, values and behaviour in the boardroom, well informed about the Company and the external environment in which it operates, moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholders' interest etc.

Evaluation Outcome

It was assessed that the process followed at Board Meetings led to active discussions on matters laid before the Members and well evaluated decisions being taken, thereby providing strategic guidance to the Company, reviewing business plans, major plans of action and ensuring effective monitoring of the Management. The Board fulfils its role and responsibility of oversight and it secures appropriate composition such as number of Directors and number of Independent Directors.

The individual Committees namely Audit Committee, Stakeholders Relationship/ Grievance Redressal Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Enterprises Risk Management Committee, Share Allotment and Transfer Committee and the Executive Committee were working effectively in performance of their respective key functions.

Based on the above mentioned analysis it could be concluded that the Board is kept well informed at all times through regular communication and meets once per quarter and more often during times of rapid growth or if Company needs merit additional oversight and guidance. Comprehensive agendas and notes are sent to all the Board Members well in advance to help them prepare and contribute constructively in decision making. Directors receive appropriate information and complementary explanation about items to be discussed, which enables them to freely express their opinion from different viewpoints in the Board, which also enhances its effectiveness.

The performance of the Chairman was evaluated to be an effective leader of the Board, ably demonstrating the skills and experience necessary for the role creating a synergy between the management and long term objectives. The Chairman ensures that appropriate strategic issues that are brought to the Board are discussed at length as per the importance they demand.

The Executive Directors and Non-Executive Directors provided entrepreneurial leadership of the Company within a framework of prudent and effective controls, with a balanced focus on policy formulation and development of operational procedures.

14 EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 forms part of the Board's Report and is annexed herewith as **ANNEXURE - 2.**

15 AUDITORS

1. **Statutory Auditors**

   As per provisions of Section 139(1) of the Act, the Company has appointed M/s S.R. Batliboi & Co. LLP, Chartered Accountant (Regn. No. 301003E/ E300005) as Statutory Auditors for a period of 5 (Five) years in the AGM of the company held on 13th July, 2016.

   Statutory Auditors' Report

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

2. **Cost Auditors**

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

   Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Sanjay Gupta & Associates, Cost Accountants (Firm Regn. No. 000212) were appointed as the Cost Auditor of the Company for the year ending 31st March 2018.

   The due date for filing the Cost Audit Report of the Company for the financial year ended 31st March, 2017 was 9th June, 2017 and the same was filed in XBRL mode by the Cost Auditor within due date.

3. **Secretarial Auditors**

   Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s MZ & Associates were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2018.

   Secretarial Audit Report

   A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **ANNEXURE – 3**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

16 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year ended 31st March, 2018, no Loan u/s 186 of the Companies Act, 2013 was made by the Company. The particulars of Investments made and Guarantees given by the Company under Section 186 are furnished in **ANNEXURE – 4** and form part of this Report.

17 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

18 CONTRIBUTION TO EXCHEQUER

The Company is a regular payer of taxes and other duties to the Government. During the year under review your Company paid ₹ 295.59 crores towards Corporate Income Tax (including Corporate Dividend Tax) as Compared to ₹ 247.10 crores paid during the last financial year.

Government of India has implemented Goods and Service Tax Act effective from 1st July, 2017 replacing Excise duty, service tax, VAT etc. The Company has paid Excise Duty and other indirect taxes amounting to ₹ 372.44 crores for the period April, 2017 to June, 2017. Further for the period July, 2017 to March, 2018, the Company has paid an amount of ₹ 1,562.18 crores on account of GST and Custom duty. Accordingly total amount of ₹ 1,934.62 crores has been paid during financial year 2017-18 as compared to ₹ 1,116.30 crores paid during last financial year.

19 DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

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

20 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes in touching some of the important aspects of human life. Over the years it has embarked on the journey of social change through inclusive growth, dedicated to the cause of its future and future generations. Therefore the CSR efforts taken revolve around six strong pillars of health & nutrition, sanitation, education, environment, skill development and heritage conservation. They not only move hand in hand with the ones envisioned by the Government but are also part of United Nations Sustainable Development Goals.

Havells Mid-Day Meal Program

Every day too many men and women across the globe struggle to feed their children a nutritious meal. In a world where we produce enough food to feed everyone, 795 million people – one in nine – still go to bed on an empty stomach each night and one in three – suffer from some form of malnutrition.

Guided by our ethos, eradicating hunger and malnutrition has been one of the focus areas for your Company. Not only the consequences of not enough – or the wrong – food cause suffering and poor health, they also slow the progress in many other areas of development like education and employment.

A humble beginning in this direction that started with serving just 1,500 children across 5 Schools has grown to serving over 60,000 students across 692 Schools daily in the district. The fresh, hygienic and nutritious food is prepared in the state-of-the-art kitchen in accordance with Government-approved diet charts.

Ownership of the entire mid-day meal value chain from procurement of food materials to food preparation, storage and transportation to School, gives Havells complete control over the quality and hygiene of the meals. This goes in line with your Company's philosophy of providing the best quality in all its offerings.

Sanitation

Havells understands that WaSH (Water, Sanitation and Health) are critical for ensuring overall development of children and their families. Focus on WaSH program in schools stems from Company's efforts to realise its vision of a world where all children go to School that provides safe, healthy and comfortable environment where they grow, learn and thrive. Schools are also a powerful agent of change for enabling and encouraging changes in the society.

Your Company has built 2,800 bio-toilets in 366 Government Schools in Alwar district of Rajasthan, an initiative that started in 2014. It amalgamates perfectly with the ambitious 'Swachh Bharat Mission' advocated by the Government of India and dovetails with United Nations Sustainable Development Goal No-3 & 6.

The next step in this direction was to sensitise students as well as the teachers about the importance of WaSH and inculcate good hygiene habits amongst children from tender age. To further improve sanitation facilities, the Company contributed equal amount of money as given by the Government for maintenance. A strict vigil on upkeep of these toilets ensures the funds are used properly. For this a mobile app was developed that aims to bring transparency and ease of operations in areas like Mid-day Meal and Sanitation.

While the Company worked on WaSH, a major problem faced by adolescent girls that came to fore was high absenteeism from school and wrong myths about menstruation which hampered their health and education. As part of the sanitation program, your Company also provided a kit of 3 sanitary pads to 1,165 girls of 3 Government Schools of Alwar district.

With these small steps, Havells has taken a 360 degree approach to this major problem of sanitation.

All these initiatives helped improve attendance, health and cognitive development, increased girls' participation, established positive hygiene behaviour and offers the opportunity to introduce better WaSH practices in families and communities and addresses issues of inequity and exclusion.

Conserving Heritage

For every Country its heritage is its pride. And India's heritage is definitely one of the richest in the world. So it's the responsibility of every citizen of the Country to be more thoughtful towards their heritage. We've always thought of future generations when it comes to being socially responsible. The Company realises the need to preserve its heritage and pass it on to the future generations in the best possible condition.

Keeping that in mind, your Company tied-up with Aga Khan Trust for Culture (AKTC) for contributing towards building Humayun's Tomb Interpretation Centre. The 10,000 sqm facility will be the largest public cultural facility built since the National Museum and is expected to receive 2 million visitors annually. Your Company has also contributed towards conserving the 15th century monument of National importance called the "Sabz Burj" situated at Nizamuddin, New Delhi. We are committed to keep contributing towards preserving our wonderful heritage.

Skill Development Programme

In an effort to offer youth a chance to gain industry- ready skills for employment, Havells has decided to adopt two Industrial Training Institutes in the Country, namely ITI PUSA in Delhi and ITI Nagaon in Assam. Under the program, your Company will set up Havells School of Electrical Education in order to tap opportunities in the growing electrical field in the Country by creating a pool of talented manpower. The School will provide students the trade specific training on various aspects of repair and troubleshooting for industrial and consumer electrical products such as industrial switchgears, motors, water heaters, fans, domestic appliances to name a few. Students will also get real time work experience at Company's authorised service centers and training on soft skills so they can provide exemplary customer service.

The First 'Water Positive Company'

Your Company is not just working towards improving the present but future too. In a significant milestone on your Company's sustainability journey, the Company is India's first FMEG Company to achieve 'Water Positive' status duly verified by SGS, a renowned Environment, Health & Safety auditor.

A number of initiatives were undertaken across all plants to achieve this status. All plant sites are zero discharge facilities and are equipped with modern water harvesting systems. The Company reduced its water usage by regular metering, monitoring and controlling of utilities consumption at all manufacturing sites.

An Environment Friendly Company

Havells has been focusing on tree plantation nearby its manufacturing plants. It has planted over 10,000 trees in and around our plants in Alwar, Rajasthan and Baddi, Himachal Pradesh and plan to add a huge number soon in various other locations in India. The Company will then become a carbon positive organisation too, bettering our existing status of being the First water positive Company. In this direction, the Company has also signed an MoU with the Madhya Pradesh Van Vikas Nigam Ltd. whereby the Company will provide funds for the plantation of 1 (One) Lakh trees per year for a period of 5 years and the maintenance cost of plantation for the next four years thereafter.

Further, the Board of Directors have also adopted the CSR Policy of the Company as approved by the Corporate Social Responsibility Committee which is also available on the website of the Company at www.havells.com. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed herewith as **ANNEXURE – 6** to this Report in the prescribed format.

21 AUDIT COMMITTEE

As at 31st March, 2018, the Audit Committee of the Board of Directors of the Company comprised of 4 (Four) Members, namely Shri Surender Kumar Tuteja, Shri Vijay Kumar Chopra, Smt. Pratima Ram and Shri Surjit Kumar Gupta, majority of them being Independent Directors except Shri Surjit Kumar Gupta, who is a Non-Independent Non-Executive Director. Shri Surender Kumar Tuteja, an Independent Director, is the Chairman of the Audit Committee.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

22 ENTERPRISE RISK MANAGEMENT FRAMEWORK

Havells continues to strengthen its robust Enterprise Risk Management Framework based on the internationally accepted COSO Model. The current Risk Management framework is reviewed by the ERM council comprising of the leadership team which reports to the Enterprises Risk Management Committee of the Board.

The ERM Council regularly meets for focused interaction with businesses, identifying and prioritising strategic, operational risk and formulating appropriate mitigation strategies and conducting frequent review of the progress on the management of the identified risk. Further a strong and independent internal audit function also conduct risk based audit across all business to identify processes requiring strengthening of Risk Management.

The SAP GRC software which was implemented last year has stabilised completely and is being used by the management to closely monitor the risk mitigation framework.

23 DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company continued to remain focused in ensuring a robust and effective internal financial control framework. The changing business and other operational dynamics warrant that we keep updating the framework in line with these changes.

Your Company is also transforming the control framework through automation of processes. This has helped in minimising the human intervention and increased adherence. The RMG (Risk Management & Governance) continuously keeps evaluating the existence and effectiveness of Risk & Control Matrices (RMCs).

The testing of key controls was also carried out independently by the Statutory Auditors of the Company as mandated under the provisions of the Companies Act, 2013. In the opinion of the Board, the existing internal financial controls framework is adequate and commensurate to the size and nature of the business of the Company.

24 DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has a very strong Whistle Blower Policy under the name "Satark", where by a forum is available for all Employee(s), business associate(s) engaged with the Company who can report any fraud, irregularity, wrong doing and unethical behaviour. The Policy provides that the Company investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld. The Whistle Blower Policy ("Satark") is overseen by the Chairman of the Audit Committee.

This Satark policy is available on the website www.havells.com.

25 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

26 EMPLOYEE RELATIONS

At Havells, we consider our employees as the most valuable resource and ensure strategic alignment of Human Resource practices to business priorities and objectives. Our constant endeavour is to establish strong systems and processes that will enable increased employee engagement, drive right performance behaviours and build capabilities to support organisational growth.

Building a highly engaged workforce, developing internal talent, hiring leadership capabilities will continue to be our strategic imperative to support our growth plans.

In building leadership capabilities, we have hired around 40 lateral talent at various leadership roles, from similar/ diversified industries to support us in Business, CRI (R&D) & Manufacturing.

There are continuous engagement activities at various levels through Performance Reviews, Feedback and interface by the Management to enable Strong employee and organisation alignment.

We also take employee feedback on various factors of their engagement to the Company by running Employee Engagement Surveys. We ran Employee Engagement Survey through GALLUP in 2016–17 where our "Overall Engagement" Score was 3.91 out of 5.00. In continuation, to check the effectiveness of the actions taken from the last survey, we ran a sample survey in 2017–18 and there is an improvement in the "Overall Engagement" Score from 3.91 to 4.08 in a scale of 5.0.

To cater to the Company's growth and develop internal leadership with strong general management abilities, the Company identified a potential talent pool of leaders. Customised General Management program was build with the support of IIM-Bangalore to train these leaders to take up general management and P&L responsibilities. The first batch of 21 potential leaders have completed a 7 days residential program which focuses on developing this team for larger roles. To enable implementation of their learning, this team has also been provided specific growth projects which could be implemented. We have also utilised Havells leadership competency framework and conducted a 360 degree feedback for all the participants of this program. This feedback enables employees get a view of their leadership capabilities from their manager, peers and subordinates. The participants are now using this feedback to develop their leadership.

Strengthening technical capabilities of our sales team was another initiative whereby an online product training modules was introduced. In 2017–18, around 70% (1,700 sales employees) have gone through the module, taken the test and got certified on various product categories.

To strengthen our pipeline in Sales, the Company has initiated a plan to hire talent from premier management institutes who would be taken through one year sales management program internally before they evolve into first level manager in sales. We have hired 25 such resources from various institutes.

Supervisors and managers in plants are critical in driving Production and efficiencies through people, we focused on training supervisors to handle contract labour and first level managers in handling supervisors effectively. Overall 279 supervisors and 107 managers were trained in the year. The employees in our plants have also gone through various functional trainings like Kaizen, VSM, Quality Functional Tool, Waste Management etc. with over 1,750 Mandays. Our overall Industrial relation situation are peaceful and conducive for progress.

At Havells, we ensure that there is full adherence to the code of ethics and fair business practices. Havells is an equal opportunities employer and employees are evaluated solely on the basis of their qualification and performance. We provide equal opportunity in all aspects of employment, including retirement, training, work conditions, career progression etc. that reconfirms our commitment that equal employment opportunity is component of our growth and competitiveness. Further, Havells is committed to maintaining a workplace where each employee's privacy and personal dignity is respected and protected from offensive or threatening behaviour including violence.

"Nirbhaya"

Prevention and control of sexual harassment at workplace constitutes an important part of corporate culture while aligning with international best practices and improving management processes. As part of the legal responsibility and zero tolerance towards sexual harassment at the workplace Havells has implemented the "Nirbhaya" policy for women employees and other workplace participants.

As statutorily required an Internal Complaints Committee has been constituted under the policy which provides a forum to all female personnel to lodge complaints (if any) therewith. The Committee meets at specified intervals to take note of useful tools, mobile applications, media excerpts, interactive sessions, etc. that enhance security of female employees.

An Annual Report by the Committee is submitted to the Audit Committee of the Board of Directors of your Company on the complaints received and action taken by it during the financial year.

During the year, no complaint was lodged with the Internal Complaints Committee (ICC) formed under Nirbhaya Policy.

27 DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

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

28 EMPLOYEES STOCK OPTION PLANS

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

All these benefit schemes are administered by Havells Employees Welfare Trust under the supervision of the Nomination and Remuneration Committee. Promoters, Independent Directors, Directors directly or indirectly holding 10% or above of the equity share capital of the Company, Employees not residing in India or Non-Resident Indians (NRIs) are not eligible for the grant of options/ issue of shares under any of the Schemes. The Company has received a certificate dated 7th May, 2018 from the Statutory Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Guidelines and the Resolutions passed by the shareholders dated 9th June, 2014, 4th December, 2015 and 13th July, 2016 in respect of LTIP 2014, ESPS 2015 and ESPS 2016 respectively.

The Certificate would be placed at the ensuing Annual General Meeting for inspection by Members. There has been no material change in any of the subsisting Schemes. Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, in respect of LTIP 2014, ESPS 2015 and ESPS 2016 as at 31st March, 2018 are available on the website of the Company at https://www.havells.com/en/investor-relations/Disclosures.html

29 CREDIT RATINGS

(i) Corporate Governance Rating

Havells has in its endeavour to reinforce and test its commitment for Corporate Governance opted to go for a Corporate Governance Rating from CARE. For a second year in a row, CARE has re-affirmed **CARE CGR 2+ [Two Plus]** Rating to the Corporate Governance practices of the Company. The Corporate Governance Rating reflects the Company's transparent ownership structure, qualified and experienced Board of Directors, satisfactory functioning of various committees of the Board, presence of prudent risk management policies and elaborate internal audit function. Furthermore, the rating derives comfort from elaborate communications and disclosures to shareholders, effective financial management and the Company's compliance with statutory and regulatory requirements.

(ii) Solar Energy Grading

CARE has assigned a '**SP1A**' grading to the Company upon its request for assigning Solar Energy Grading (Solar Integrator (PV)) under the Ministry of New and Renewable Energy (MNRE) scheme for accreditation of Channel Partners. The Solar Energy Grading indicates 'Highest' performance capability and 'Highest' financial strength of the graded entity.

(iii) Financial Facilities

CARE has yet again assigned an **AAA [Triple A]** rating to the long-term facilities of your Company during the current financial year. This rating is applicable to facilities having a tenure of more than one year. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.

CARE has also reaffirmed the **CARE A1+ [A One Plus]** rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having a tenure upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

CARE has also assigned a credit rating of **CARE A1+ [A One Plus]** to the Commercial Paper programme of the Company.

30 CERTIFICATIONS

The Company has acquired a number of international certifications, like BASEC, KEMA, TÜV Rheinland and CB, for its various products to expand its reach in international arena. During the year, CB certification for Fans, SABS Approval – AB Cable – South Africa and CE for Consumer Lighting were also acquired.

The New market specific certification is in process for

- TIS (Thailand Industrial Standards) for RCBO

- King Saud University Approval – Panel Wire – KSA (WIP Stage)
- G- Mark : Certification : Middle East (EWA range)

31 CORPORATE GOVERNANCE

A strong foundation of Corporate Governance builds confidence, faith and long term relationship with our Bankers, Customers and all other stakeholders. It is also an influential factor in determining our corporate image. The importance of Corporate Governance has always been recognised by your Company and is manifested in the Company's vision. We have successfully integrated our governance structure in order to further strengthen internal controls, promote timely decision making and continue to realise the ever more effective and efficient planning and execution of our business activities. We also recognize that it is an essential feature of our governance structure to integrate the sustainable development of the business in collaboration with various stakeholders and that our shareholders constitute our primary stakeholder. Based on this understanding, the Company strives to develop an environment wherein shareholders can adequately exercise their rights by providing them with a wide variety of information and opportunities to exercise their rights.

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

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

32 ENVIRONMENT, HEALTH AND SAFETY

Your Company has incorporated Sustainability framework as per GRI and UNGC principles ensuring high standards and strict compliance of Environment, Health and Safety parameters. Performing work safely and responsibly starts with our management systems, supporting standards and continues with the expertise and diligence of our employees across all locations. Each day, it is their integrity, attention to detail and concern for the health and safety of personnel and the environment in which we live that enables us to provide consistent superior performance, quality products, cost competitiveness and customer satisfaction. We have started monitoring "Risk levels" in Environmental and Health & Safety as per international standards. Risk management team and Plants are regularly working on mitigation of risks at high levels.

Environment

In line with current global environment situation, your Company has greatly focused on reducing CO_2 emissions, eliminating wastage of Water and adequately managing waste. In the last one year we helped generate over 5.50 Gwh of clean energy with the installation of 146 roof top solar projects across India. Similarly our water heater plant at Neemrana has installed a 0.9 mWp roof top solar system thereby using over 51% of clean energy for its manufacturing processes.

We have taken a step closer to the dream of becoming carbon, wood & paper positive by signing a MoU with Madhya Pradesh Van Vikas Nigam (MPVVN) with a commitment to plant over 1 lakh trees in the financial year 2018-19. Further reducing our carbon footprint and to reduce welding fumes at the Neemrana plant, we have installed one of the most advanced mobile filter units that can filter 99.99% of 0.1 micron size carcinogenic metal dust generated during the process.

Most of our manufacturing plants are ISO 50001 (Energy Management System) certified. In the financial year 2017-18 our plants have recorded a total reduction of about 12000 Gj energy by way of regular audits and initiatives to save precious fossil fuel based energy.

Havells continues to retain its 'Water Positive' status and recorded approx. 10% reduction in the per person water consumption in the year 2017-18. Your Company will continue to enhance its rain water harvesting capacity thus increasing ground water level.

Health

Good health and well-being of our people has been the nucleus of all our efforts. Not only our policies and procedures are employee friendly but we also follow best practices as per OHSAS requirements. All employees across all plants regularly undergo medical check-ups to ensure they are not subjected to any occupational health hazard. Various health awareness camps further ensure good quality of health and fitness for all our employees. We are happy to share that we achieved zero occupation health disease cases and fatalities across our plants.

Safety

Employee well-being and workplace safety is of paramount importance to us and is embedded in our culture. We have given extra focus on enhancing our management systems, standards and approaches towards developing a culture where we proactively identify potential risks, hazards and eliminate, or if not possible, mitigate the risk to as low as reasonably attainable.

We continue to concentrate on 'zero-incidents, absentee rate and lost days' rates. We do regular safety trainings on unsafe conditions, unsafe acts, incidents and accidents to ensure no harm to our workmen.

33 RESEARCH AND DEVELOPMENT

Because the industries in which the Company competes are characterised by rapid changes in consumer preferences and technological advances, the Company's ability to compete successfully depends heavily upon its ability to ensure a continual and timely flow of competitive products, services and technologies to the marketplace.

With the objective of First Mover and enhancing in-house R&D capabilities, the Company is investing in world class infrastructure and test laboratories at all plant locations. The Company has strong focus on in-house Research & Development and promotes culture for innovation. Company's CRI (Centre for Research and Innovation) team focuses on continuous and sustainable product innovations, working across the product lifecycle aspects including design, development, manufacturing and use phases. For this, Company is coming up with separate R & D Centre at Sector 59 Noida.

During the year, the R&D activities continued to focus on developing intelligent, eco-friendly and energy efficient products, as well as, extending the range of existing products catering to Low cost products to niche premium segment.

Also focusing on open Innovations with platform 'SOCH' wherein anybody can give innovative ideas orally and/ or in writing. Your Company has also extended the portal to vendors, customers to boost Innovation.

With an eye on the future technology trends, many advanced engineering study projects are being undertaken to further build on the Company's engineering capabilities. There is an increasing focus on six sigma, statistical tools for improving co-relation between virtual Computer Aided Engineering, Mold Flow Analysis and manufacturing, so as to reduce the number of trials in the development cycle.

The Company currently holds a broad collection of intellectual property rights. This includes patents, copyrights, trademarks and other forms of intellectual property rights in India and a number of foreign countries. The Company continues to develop new technologies to enhance existing products and services, and to expand the range of its offerings through R&D, intellectual property. This year Company had filed 100+ IPR's. Although the Company believes the ownership of such intellectual property rights is an important factor in its business and that its success does depend in part on such ownership, the Company relies primarily on the innovative skills, technical competence and marketing abilities of its personnel.

34 TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

(A) Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred ₹ 3,03,605 during the year to the Investor Education and Protection Fund (IEPF). This amount was lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Final Dividend for the financial year ended 31st March, 2010.

(B) Transfer of Shares Underlying Unpaid Dividend

The Share Allotment and Transfer Committee, in its Meeting held on 16th November, 2017, transmitted 1,69,690 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

These Equity Shares were the Shares of such 64 Shareholders whose unclaimed/ unpaid dividend (pertaining to financial years 2008-09, 2009-10 (Interim) and 2009-10 (Final) had been transferred into IEPF and who had not encashed their dividends for 7 (Seven) subsequent financial years.

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

Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority by making an application in the prescribed Form.

The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such DEMAT account shall not be transferred or dealt with in any manner whatsoever except for the purposes of transferring the shares back to the claimant as and when he approaches the Authority. All benefits accruing on such shares e.g., bonus shares, split, consolidation, fraction shares etc., except right issue shall also be credited to such DEMAT account.

Any further dividend received on such shares shall be credited to the IEPF Fund.

35 TRANSFER OF PHYSICAL SHARE CERTIFICATES TO UNCLAIMED SUSPENSE ACCOUNT IN ELECTRONIC MODE

During the year, the Share Allotment and Transfer Committee in its Meeting held on 12th May, 2017, transferred 2,27,100 (Two Lakhs Twenty Seven Thousand

and One Hundred Only) Equity Shares of the Company into Unclaimed Share Suspense Account in terms of Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These Equity Shares were lying with the Company as unclaimed since the sub-division of Company's Equity Shares of the nominal value of ₹ 5/- each into 5 Equity Shares of the nominal value of ₹ 1/- each.

These Shares have been dematerialised into Havells India Limited Unclaimed Suspense A/c held with IDBI Bank Limited (DP).

The voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares. The rightful owner can still claim his/ her shares from the suspense account after complying with the procedure laid down in the statute regarding the same.

Subsequently, the Company also received 2 (Two) claims from shareholders which were verified by the RTA (Registrars and Transfer Agents). After receipt of all documents, the Share Transfer and Allotment Committee, in its Meeting held on 13th April, 2018, approved the transfer of 15,000 Shares of ₹ 1/- each to the rightful owners in dematerialised form, as were opted by the shareholders.

Further, the unpaid dividend for the last 7 (Seven) years was also paid to the said shareholders.

36 LISTING OF SHARES

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2018-19 has already been paid to the credit of both the Stock Exchanges.

37 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

38 BUSINESS RESPONSIBILITY REPORT (BRR)

The BRR aims at describing the initiatives taken by the Company in discharging its responsibilities from an environmental, social and governance perspective. SEBI exempts Companies which have been submitting Sustainability Reports to overseas regulatory agencies/ stakeholders based on internationally accepted reporting frameworks from preparing a separate BRR and furnish the same report alongwith details of the framework under which Sustainability Report is prepared.

The Company has been annually publishing its Sustainability Report as per GRI Standard of the Global Reporting Initiative. Our Sustainability Report has been assessed and assured by KPMG. We have also provided the requisite mapping of principles between the Sustainability Report and the Business Responsibility Report as prescribed by SEBI. The same is also available on the website of the Company www.havells.com.

39 ACKNOWLEDGEMENTS

The Board places on record its appreciation for the continued co-operation and support extended to the Company by its customers which enables the Company to make every effort in understanding their unique needs and deliver maximum customer satisfaction. We place on record our appreciation of the contribution made by the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results.

We acknowledge the support of our vendors, the regulators, the esteemed league of bankers, financial institutions, rating agencies, government agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and other stakeholders.

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

Noida, 11th May, 2018

Anil Rai Gupta
Chairman and Managing Director

ANNEXURE - 1

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

(approved by the Board of Directors in its Meeting held on 22nd December, 2014)

PRINCIPLE AND RATIONALE

Section 178 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement with Stock Exchanges require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of Companies, to

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

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

COMPANY PHILOSOPHY

Havells is an equal opportunities employer. The organisation does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. The global workforce spread across continents, which has over the years transformed Havells into a global organisation forms the backbone of the entity. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.

Employee recognition schemes in the form of ESOPs/ ESPS have also been introduced as successful tools in acknowledging their contribution and making them partners in the wealth created by Havells.

The endeavour of the organisation is to acknowledge the contributions of its Directors, Key Managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

GUIDING PRINCIPLES

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavoured to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and the section on Responsibilities of Board under clause 49 of the Listing Agreement, summarised hereunder:

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

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

c) remuneration to Directors, Key Managerial Personnel and Senior Management reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

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

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

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

NOMINATION OF THE DIRECTORS

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

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

General Criteria

- The background and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.
- Directors should be selected so that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background, Country of citizenship and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively, the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body

of Directors from diverse professional and personal backgrounds.

- Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability, or any other basis prohibited by law.
- Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a Director.
- Commitment of the nominee to understanding the Company and its industry, embracing the organisation's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

Specific Criteria

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

REMUNERATION OF THE DIRECTORS

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

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

Appointment and Remuneration of Managing Director and Whole-time Director

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

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

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

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

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

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

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

Insurance Premium as part of Remuneration

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

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

Remuneration of Independent Directors
Independent Directors may receive remuneration by way of

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

Independent Directors shall not be entitled to any stock options.

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

Remuneration to Directors in other Capacity
The remuneration payable to the Directors including Managing or Whole-time Director or manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

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

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

EVALUATION OF THE DIRECTORS

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

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

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

NOMINATION AND REMUNERATION OF THE KEY MANAGERIAL PERSONNEL (OTHER THAN MANAGING/ WHOLE-TIME DIRECTORS), KEY-EXECUTIVES AND SENIOR MANAGEMENT

The executive management of a Company is responsible for the day to day management of a Company. The Companies Act, 2013 has used the term "Key Managerial Personnel" to define the executive management.

The KMPs are the point of first contact between the Company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the Key Managerial Personnel and the Senior Management who are responsible for not just laying down the strategies as well as its implementation.

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

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

(ii) the Whole-time Director;

(iii) the Chief Financial Officer;

(iv) the Company Secretary; and

(v) such other officer as may be prescribed.

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

Apart from the Directors, the remuneration of

- All the Other KMPs such as the Company Secretary or any other officer that may be prescribed under the statute from time to time; and
- "Senior Management" of the Company defined in the clause 49 of the Listing Agreement with the Stock Exchanges i.e. personnel who are members of its core management team excluding the Board of Directors. Senior executives one level below the Board i.e. President cadre shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director Finance.

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

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

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

REMUNERATION OF OTHER EMPLOYEES

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

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

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

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

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

General

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

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

ANNEXURE - 2

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	**L31900DL1983PLC016304**
ii)	Registration Date	**8th August, 1983**
iii)	Name of the Company	**HAVELLS INDIA LIMITED**
iv)	Category / Sub-Category of the Company	
	Category	**Public Company**
	Sub-Category	**Company Limited by Shares**
v)	Address of the Registered office and Contact Details	
	Address of Registered Office	**904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001**
	Contact	**Telephone No.: 0120-3331000; Fax No.: 0120-3332000**
vi)	Whether listed Company Yes / No	**Yes**
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	
	Name	**Link Intime India Private Limited**
	Address	**44, 2nd Floor, Naraina Community Centre Phase I Near PVR, New Delhi – 110 028**
	Contact	**Telephone No.: 011-41410592, 011-41410593 Fax No. : 011-41410591 Email id: delhi@linkintime.co.in; Website: www.linkintime.co.in**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Cable	2732	33%
2.	Electric Consumer Durables	2750	19%
3.	Switchgears	2710	17%
4.	Lighting & Fixtures	2740	14%
5.	Lloyd Consumer	2750, 2640	17%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Havells Sylvania Iluminacion (Chile) Ltda	Av. Apoquindo 3710, 13th Floor, Las Condes, Santiago	76.031.321-1	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
2	Thai Lighting Assets Co. Ltd.	No. 2 Ploenchit Center, 19th Floor, Sukhumvit Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok Metropolis	105,555,026,951	SUBSIDIARY	49%	Section 2(87) of Companies Act, 2013
3	Havells Holdings Limited	33, Athol Street, Douglas, Isle of Man	00475V	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
4	Havells International Limited	Level 2 West, Mercury Tower, The Exchange Financial and Business Centre, Elia Zammit Street, St. Julian's STJ3155, Malta	C73716	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
5	Havells USA Inc	125B Villanova DR., Atlanta, GA 30336	2,135,148	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
6	Promptec Renewable Energy Solutions Private Limited	"SHIBRA FARMS", Nagasandra Main Road, 8th Mile, Tumkur Road, Bangalore, Karnataka 560073	U40108KA2008PTC047683	SUBSIDIARY	69%	Section 2(87) of Companies Act, 2013
7	Havells Global Limited	904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110001	U31909DL2016PLC302444	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
8	Standard Electrical Limited	904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110001	U31900DL2016PLC305794	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
9	Jiangsu Havells Sylvania Lighting Co. Ltd.	1, Shanghai Road, Economic, Development Zone of Jianhu, County, Yan Cheng City, Jiangsu, Province	320900400022938	JOINT VENTURE	50%	
10	Havells Guangzhou International Limited	Room 362 Q Block A, 3rd Floor, East Railway Station Multi-Function Tower, No. 1 Dong Zhan Road, Tian He District, Guangzhou	S0102016009200 (1-1)	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
11	Havells Exim Limited	Unit 613, 6/F Tower A, Hunghom Commercial Centre, 39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong	67829336-000-06-17-9	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
12	Lloyd Consumer Private Limited	904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110001	U29309DL2017PTC317324	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year$
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals/ HUF	10,74,94,980	0	10,74,94,980	17.20	9,49,94,980	0	9,49,94,980	15.20	-2.01
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	25,86,00,540	0	25,86,00,540	41.39	25,86,00,540	0	25,86,00,540	41.37	-0.02
(e) Financial Instititions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other - Trust	1,88,62,400	0	1,88,62,400	3.02	1,88,62,400	0	1,88,62,400	3.02	0.00
Sub-Total (A)(1)	**38,49,57,920**	**0**	**38,49,57,920**	**61.61**	**37,24,57,920**	**0**	**37,24,57,920**	**59.58**	**-2.03**
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00			0	0.00	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	0.00	**0**	**0**	**0**	0.00	0.00
Total Shareholding of Prom. & Prom. Grp. (A)=(A)(1)+(A)(2)	**38,49,57,920**	**0**	**38,49,57,920**	**61.61**	**37,24,57,920**	**0**	**37,24,57,920**	**59.58**	-2.03

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year$
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	1,52,72,665	0	1,52,72,665	2.44	2,82,91,508	0	2,82,91,508	4.53	2.08
(b) Financial Institutions/Banks	12,98,909	0	12,98,909	0.21	31,05,430	0	31,05,430	0.50	0.29
(c) Central Government	0	0	0	0.00	7,53,376	0	7,53,376	0.12	0.12
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	16,58,03,640	0	16,58,03,640	26.53	15,58,41,064	0	15,58,41,064	24.93	-1.61
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
(a) Alternate Investment Funds	0	0	0	0.00	1,84,217	0	1,84,217	0.03	0.03
Sub-Total (B)(1)	**18,23,75,214**	**0**	**18,23,75,214**	29.19	**18,81,75,595**	**0**	**18,81,75,595**	30.10	0.91
(2) Non-Institutions									
(a) Bodies Corporate									
1) Indian	1,42,30,884	0	1,42,30,884	2.28	1,98,03,974	0	1,98,03,974	3.17	0.89
2) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individual									
(i) Indiv. hldg. nom. shr. cap.<= ₹ 1 Lakh	2,96,38,795	18,18,897	3,14,57,692	5.03	3,06,79,842	13,39,077	3,20,18,919	5.12	0.09
(ii) Indiv. hldg. nom. shr. cap.> ₹ 1 Lakh	65,07,114	1,04,000	66,11,114	1.06	60,38,157	0	60,38,157	0.97	-0.09
(c) Others									
(1) Trusts	36,431	0	36,431	0.01	14,44,464	0	14,44,464	0.23	0.23
(2) Non Resident Indians	26,18,175	8,33,000	34,51,175	0.55	24,44,637	7,13,000	31,57,637	0.51	-0.05
(3) Clearing Members	10,37,917	0	10,37,917	0.17	9,51,611	0	9,51,611	0.15	-0.01
(4) Hindu Undivided Families	6,96,995	0	6,96,995	0.11	7,03,406	0	7,03,406	0.11	0.00
(5) IEPF	0	0	0	0.00	1,69,690	0	1,69,690	0.03	0.03
(6) Unclaimed Shares	0	0	0	0.00	2,27,100	0	2,27,100	0.04	0.04
Sub-Total (B)(2)	**5,47,66,311**	**27,55,897**	**5,75,22,208**	**9.21**	**6,24,62,881**	**20,52,077**	**6,45,14,958**	**10.32**	**1.11**
Total Public Shareholding (B)=(B) (1)+(B)(2)	**23,71,41,525**	**27,55,897**	**23,98,97,422**	**38.39**	**25,06,38,476**	**20,52,077**	**25,26,90,553**	**40.42**	**2.03**
C. Shares held by Custodian for GDR & ADR	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
GRAND TOTAL (A+B+C)	**62,20,99,445**	**27,55,897**	**62,48,55,342**	**100.00**	**62,30,96,396**	**20,52,077**	**62,51,48,473**	**100.00**	**0.00**

**1,25,00,000 Equity Shares held by Promoters Smt. Vinod Gupta and Shri Surjit Kumar Gupta were sold during the year.*

$During the year on 6th June, 2017, 2,93,131 Equity Shares of Re. 1/- each were issued and allotted to Eligible Employees under the Havells Employees Long Term Incentive Plan 2014 (LTIP Plan), Havells Employees Stock Purchase Scheme 2015 (ESPS) and Havells Employees Stock Purchase Scheme 2016, thereby resulting in increased paid-up capital. The % change during the year is therefore purely on account of the increased paid-up capital due to allotment made under the ESPS Plans of the Company.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in shares holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares of the Company	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total sharesof the Company	
1	Qimat Rai Gupta*	1,35,84,000	2.17	N.A	1,35,84,000	2.17	N.A	0.00
2	Surjit Kumar Gupta	3,26,50,800	5.23	N.A	2,86,50,800	4.58	N.A	-0.64
3	Vinod Gupta	3,94,50,240	6.31	N.A	3,09,50,240	4.95	N.A	-1.36
4	Ameet Kumar Gupta	15,66,160	0.25	N.A	15,66,160	0.25	N.A	0.00
5	Anil Rai Gupta	1,17,97,340	1.89	N.A	1,17,97,340	1.89	N.A	0.00
6	Santosh Gupta	23,16,720	0.37	N.A	23,16,720	0.37	N.A	0.00
7	Shalini Gupta	38,98,500	0.62	N.A	38,98,500	0.62	N.A	0.00
8	Sangeeta Rai Gupta	22,31,220	0.36	N.A	22,31,220	0.36	N.A	0.00
9	Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	1,88,62,400	3.02	N.A	1,88,62,400	3.02	N.A	0.00
10	QRG Investments and Holdings Limited (Formerly Ajanta Mercantile Limited)	6,87,41,660	11.00	N.A	6,87,41,660	11.00	N.A	-0.01
11	QRG Enterprises Limited	18,98,58,880	30.38	N.A	18,98,58,880	30.37	N.A	-0.01
	TOTAL	**38,49,57,920**	**61.61**		**37,24,57,920**	**59.58**		**-2.03**

**After the death of Shri Qimat Rai Gupta (Founder Chairman of the Company), his shareholding is in the process of transmission to Smt. Vinod Gupta (Spouse).*

(iii) Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the year: No. of shares	Shareholding at the beginning of the year: % of total shares of the Company	Cumulative Shareholding during the year: No. of shares	Cumulative Shareholding during the year: % of total shares of the Company
1	**Surjit Kumar Gupta**				
	At the beginning of the year	3,26,50,800	5.23		
	Date wise Increase/Decrease in Promoters Share holding during the year Specifying the reasons for increase / decrease(allotment/transfer/bonus/sweat etc.) **31st January, 2018: Sale of shares**	-40,00,000	-0.64	2,86,50,800	4.58
	At the End of the Year	2,86,50,800	4.58		
2	**Vinod Gupta**				
	At the beginning of the year	3,94,50,240	6.31		
	Date wise Increase/Decrease in Promoters Share holding during the year Specifying the reasons for increase / decrease(allotment/transfer/bonus/sweat etc.) **31st January, 2018: Sale of Shares**	-85,00,000	-1.36	3,09,50,240	4.95
	At the End of the Year	3,09,50,240	4.95		

Apart from the above, there has been no change in the shareholding of promoter group of the Company during the year. The change in % is a reflection of and purely on account of the increase in paid-up capital due to allotment made to Eligible Employees of the Company under the Havells Employees Long Term Incentive Plan 2014 (LTIP Plan), Havells Employees Stock Purchase Scheme 2015 (ESPS) and Havells Employees Stock Purchase Scheme 2016.

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

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year: No. of shares	Shareholding at the beginning of the year: % of total shares of the Company	Cumulative Shareholding during the year: No. of shares	Cumulative Shareholding during the year: % of total shares of the Company
1	**NALANDA INDIA EQUITY FUND LIMITED**						
	At the beginning of the year			3,30,44,930	5.29		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			3,30,44,930	5.29		
2	**GOVERNMENT PENSION FUND GLOBAL**						
	At the beginning of the year			1,67,12,874	2.67		
	Sale(-)/Purchase (+) during the Year	**As on Benpos Date**	**No. of shares**				
		07.04.2017	6,33,866			1,73,46,740	2.78
		14.04.2017	6,50,000			1,79,96,740	2.88
		30.06.2017	-3,00,000			1,76,96,740	2.83
		07.07.2017	-2,51,509			1,74,45,231	2.79
		20.10.2017	-10,00,000			1,64,45,231	2.63
		27.10.2017	-15,00,000			1,49,45,231	2.39
		03.11.2017	-2,21,289			1,47,23,942	2.36
		10.11.2017	-12,31,611			1,34,92,331	2.16
		17.11.2017	-2,66,890			1,32,25,441	2.12
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,32,25,441	2.12		
3	**SMALLCAP WORLD FUND, INC**						
	At the beginning of the year			1,17,21,266	1.88		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		07.04.2017	-9,70,000			1,07,51,266	1.72
		02.06.2017	-2,20,232			1,05,31,034	1.69
		09.06.2017	-1,79,768			1,03,51,266	1.66
		16.06.2017	-3,29,845			1,00,21,421	1.60
		23.06.2017	-4,10,310			96,11,111	1.54
		30.06.2017	-77,183			95,33,928	1.53
		07.07.2017	-76,662			94,57,266	1.51
		22.12.2017	-14,08,145			80,49,121	1.29
		29.12.2017	-3,77,855			76,71,266	1.23
	At the End of the Year (or on the date of Separation, if Separated during the Year)			76,71,266	1.23		

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	**NEW WORLD FUND INC**						
	At the beginning of the year			79,40,000	1.27		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		24.11.2017	-6,75,000			72,65,000	1.16
	At the End of the Year (or on the date of Separation, if Separated during the Year)			72,65,000	1.16		
5	**TIAA-CREF FUNDS - TIAA CREF INTERNATIONAL EQUITY FUND**						
	At the beginning of the year			67,75,256	1.08		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		14.04.2017	-3,09,597			64,65,659	1.03
		21.04.2017	-1,23,369			63,42,290	1.02
		05.05.2017	-1,42,252			62,00,038	0.99
		26.05.2017	-1,37,075			60,62,963	0.97
		21.07.2017	-7,51,157			53,11,806	0.85
		28.07.2017	-90,165			52,21,641	0.84
		04.08.2017	-2,19,932			50,01,709	0.80
		08.09.2017	-22,565			49,79,144	0.80
		15.09.2017	-4,77,290			45,01,854	0.72
		29.09.2017	-3,39,624			41,62,230	0.67
		06.10.2017	-49,146			41,13,084	0.66
		13.10.2017	-3,88,389			37,24,695	0.60
		23.03.2018	-3,83,676			33,41,019	0.53
		31.03.2018	-10,66,304			22,74,715	0.36
	At the End of the Year (or on the date of Separation, if Separated during the Year)			22,74,715	0.36		
6	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**						
	At the beginning of the year			44,14,561	0.71		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		07.04.2017	-48,050			43,66,511	0.70
		14.04.2017	-54,797			43,11,714	0.69
		21.04.2017	-44,937			42,66,777	0.68
		28.04.2017	-65,703			42,01,074	0.67
		12.05.2017	200			42,01,274	0.67
		19.05.2017	-450			42,00,824	0.67
		26.05.2017	-42,00,824			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
7	**GOVERNMENT OF SINGAPORE**						
	At the beginning of the year			42,64,339	0.68		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		07.04.2017	-46,954			42,17,385	0.67
		14.04.2017	-10,778			42,06,607	0.67
		21.04.2017	-2,626			42,03,981	0.67
		28.04.2017	-89,621			41,14,360	0.66
		05.05.2017	-6,02,419			35,11,941	0.56
		26.05.2017	-3,081			35,08,860	0.56
		02.06.2017	5,09,239			40,18,099	0.64
		09.06.2017	11,643			40,29,742	0.64
		23.06.2017	-2,797			40,26,945	0.64
		07.07.2017	29,971			40,56,916	0.65
		14.07.2017	8,174			40,65,090	0.65

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		18.08.2017	-2,57,646			38,07,444	0.61
		01.09.2017	-80,695			37,26,749	0.60
		08.09.2017	-1,34,483			35,92,266	0.57
		06.10.2017	18,631			36,10,897	0.58
		03.11.2017	30,311			36,41,208	0.58
		10.11.2017	115			36,41,323	0.58
		17.11.2017	-1,410			36,39,913	0.58
		01.12.2017	-1,09,479			35,30,434	0.56
		08.12.2017	-49,232			34,81,202	0.56
		15.12.2017	8,094			34,89,296	0.56
		05.01.2018	87,356			35,76,652	0.57
		12.01.2018	43			35,76,695	0.57
		19.01.2018	72,571			36,49,266	0.58
		26.01.2018	45,853			36,95,119	0.59
		02.02.2018	20,517			37,15,636	0.59
		09.02.2018	-7,080			37,08,556	0.59
		16.02.2018	8,249			37,16,805	0.59
		23.02.2018	-17,727			36,99,078	0.59
		02.03.2018	-92,323			36,06,755	0.58
		09.03.2018	-64,983			35,41,772	0.57
		16.03.2018	3,150			35,44,922	0.57
		31.03.2018	27,986			35,72,908	0.57
	At the End of the Year (or on the date of Separation, if Separated during the Year)			35,72,908	0.57		
8	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND**						
	At the beginning of the year			35,25,806	0.56		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		07.04.2017	50,903			35,76,709	0.57
		28.04.2017	71,226			36,47,935	0.58
		05.05.2017	37,360			36,85,295	0.59
		12.05.2017	11,675			36,96,970	0.59
		19.05.2017	25,218			37,22,188	0.60
		02.06.2017	10,274			37,32,462	0.60
		07.07.2017	16,345			37,48,807	0.60
		14.07.2017	11,675			37,60,482	0.60
		04.08.2017	10,274			37,70,756	0.60
		11.08.2017	13,543			37,84,299	0.61
		25.08.2017	35,791			38,20,090	0.61
		01.09.2017	78,033			38,98,123	0.62
		08.09.2017	23,817			39,21,940	0.63
		15.09.2017	21,482			39,43,422	0.63
		06.10.2017	14,010			39,57,432	0.63
		13.10.2017	14,477			39,71,909	0.64
		20.10.2017	10,741			39,82,650	0.64
		27.10.2017	9,807			39,92,457	0.64
		22.12.2017	-5,447			39,87,010	0.64
		26.01.2018	19,693			40,06,703	0.64
		02.02.2018	17,598			40,24,301	0.64
		23.03.2018	-40,24,301			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	**HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAP OPPORTUNITIES FUND**						
	At the beginning of the year			34,59,800	0.55		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		26.05.2017	-2,02,000			32,57,800	0.52
		02.06.2017	-1,87,800			30,70,000	0.49
		09.06.2017	-1,70,000			29,00,000	0.46
		16.06.2017	-1,33,000			27,67,000	0.44
		21.07.2017	-5,90,000			21,77,000	0.35
		04.08.2017	-3,77,000			18,00,000	0.29
		11.08.2017	-30,000			17,70,000	0.28
		15.09.2017	-3,00,000			14,70,000	0.24
		29.09.2017	-39,664			14,30,336	0.23
		24.11.2017	-1,80,000			12,50,336	0.20
		01.12.2017	-6,29,000			6,21,336	0.10
		08.12.2017	-6,21,336			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
10	**ISHARES INDIA INDEX MAURITIUS COMPANY**						
	At the beginning of the year			30,25,185	0.48		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		07.04.2017	22,432			30,47,617	0.49
		14.04.2017	60,420			3,10,8037	0.50
		21.04.2017	21,147			31,29,184	0.50
		05.05.2017	14,098			31,43,282	0.50
		02.06.2017	-92,934			30,50,348	0.49
		23.06.2017	-11,486			30,38,862	0.49
		07.07.2017	-9,046			30,29,816	0.48
		21.07.2017	4,147			30,33,963	0.49
		04.08.2017	3,525			30,37,488	0.49
		18.08.2017	-4,860			30,32,628	0.49
		01.09.2017	-38,880			29,93,748	0.48
		15.09.2017	-15,919			29,77,829	0.48
		22.09.2017	-16,937			29,60,892	0.47
		29.09.2017	-19,380			29,41,512	0.47
		06.10.2017	-1,730			29,39,782	0.47
		13.10.2017	-3,235			29,36,547	0.47
		20.10.2017	-2,055			29,34,492	0.47
		27.10.2017	-2,931			29,31,561	0.47
		08.12.2017	-31,011			29,00,550	0.46
		29.12.2017	-5,432			28,95,118	0.46
		12.01.2018	26,544			29,21,662	0.47
		19.01.2018	3,792			29,25,454	0.47
		26.01.2018	9,480			29,34,934	0.47
		02.02.2018	17,064			29,51,998	0.47
		09.02.2018	-5,688			29,46,310	0.47
		16.02.2018	-12,324			29,33,986	0.47
		02.03.2018	-30,832			29,03,154	0.46
		09.03.2018	-2,814			29,00,340	0.46
	At the End of the Year (or on the date of Separation, if Separated during the Year)			29,00,340	0.46		

(v) Shareholding of Directors and Key Managerial Personnel

SL. No.	For Each of the Directors and KMP#			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**SHRI SURJIT KUMAR GUPTA**						
	At the beginning of the year			3,26,50,800	5.23		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Sale of shares	02.02.2018	-40,00,000			2,86,50,800	4.58
	At the End of the Year (or on the date of Separation, if Separated during the Year)			2,86,50,800	4.58		
2	**SHRI ANIL RAI GUPTA**						
	At the beginning of the year			1,17,97,340	1.89		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,17,97,340	1.89		
3	**SHRI AMEET KUMAR GUPTA**						
	At the beginning of the year			15,66,160	0.25		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			15,66,160	0.25		
4	**SHRI RAJESH KUMAR GUPTA**						
	At the beginning of the year			13,39,544	0.21		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Shares allotted under Havells Employees Stock Purchase Scheme 2015	23.06.2017	1,00,000			14,39,544	0.23
	Sale of shares	02.02.2018	-1,38,856			13,00,688	0.21
	At the End of the Year (or on the date of Separation, if Separated during the Year)			13,00,688	0.21		
5	**SHRI SUNIL BEHARI MATHUR***						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		

**Resigned as Independent Director w.e.f. 24th May, 2017.*

6	**SHRI VIJAY KUMAR CHOPRA**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		

SL. No.	For Each of the Directors and KMP#			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	**SHRI SURENDER KUMAR TUTEJA**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		
8	**DR. ADARSH KISHORE**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		
9	**SMT. PRATIMA RAM**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		
10	**SHRI T. V. MOHANDAS PAI**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		
11	**SHRI PUNEET BHATIA**						
	At the beginning of the year			49,750	0.01		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Sale of shares	10.11.2017	-49,750			0	0
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		
12	**SHRI VELLAYAN SUBBIAH**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		

SL. No.	For Each of the Directors and KMP#			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
13	**SHRI JALAJ ASHWIN DANI^**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		

^Appointed as Additional Director (Independent) w.e.f. 16th August, 2017

SL. No.	For Each of the Directors and KMP#			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
14	**SHRI UPENDRA KUMAR SINHA#**						
	At the beginning of the year			0	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		

#Appointed as Additional Director (Independent) w.e.f. 1st March, 2018

SL. No.	For Each of the Directors and KMP#			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
15	**SHRI SANJAY KUMAR GUPTA**						
	At the beginning of the year			6,586	0		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Shares Under Employees Stock Purchase Scheme 2014	23.06.2017	1,153			7,739	0
	Sale of shares	02.02.2018	-5,800			1,939	0
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,939	0		

**Shri Qimat Rai Gupta, founding Chairman and Managing Director of the Company, ceased office on 7th November, 2014 due to death. His shareholding is in the process of the transmission to Smt. Vinod Gupta (spouse).*

V. INDEBTEDNESS

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	50.00	148.03	-	198.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.02	-	-	0.02
Total (i+ii+iii)	**50.02**	**148.03**	**-**	**198.05**
Change in Indebtedness during the Financial Year				
• Addition	108.00	450.00	-	558.00
• Reduction	50.02	598.03	-	648.05
Net Change	**57.98**	**(148.03)**	**-**	(90.05)
Indebtedness at the end of the Financial Year				
i) Principal Amount	108.00	-	-	108.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**108.00**	**-**	**-**	**108.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹)
		Shri Anil Rai Gupta (Chairman and Managing Director)	Shri Ameet Kumar Gupta (Whole-time Director)	Shri Rajesh Kumar Gupta (Whole-time Director (Finance) and Group CFO)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,60,05,642	1,44,15,000	3,57,65,000	8,61,85,642
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	39,600	39,600	39,600$	1,18,800
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-
2.	Stock Option / ESPS (no. of shares)	-	-	1,00,000#	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	12,85,00,000*	5,14,00,000**	5,14,00,000**	23,13,00,000
	- others, specify…	-	-	-	-
				-	
5.	Others, (PF Contribution)	40,32,000	17,28,000	42,00,000	99,60,000
	TOTAL (A)	**16,85,77,242**	**6,75,82,600**	**9,14,04,600**	**32,75,64,442**
	Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole -Time Director			

$ Perquisites exclude value of shares exercised during financial year 2017-18 under the Havells Employees Stock Purchase Scheme 2015.

 # During the year 2017-18, 1,00,000 Equity Shares of ₹ 1/- each, were allotted to Shri Rajesh Kumar Gupta under Havells Employees Stock Purchase Scheme 2015.

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

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

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors											Total Amount (₹)
		Shri Vijay Kumar Chopra (ID)	Dr. Adarsh Kishore (ID)	Shri Surender Kumar Tuteja (ID)	Smt. Pratima Ram (ID)	Shri Sunil Behari Mathur (ID)*	Shri Surjit Kumar Gupta (NED, Non-Independent)	Shri Vellayan Subbiah (ID)	Shri Jalaj Ashwin Dani (ID)#	Shri Upendra Kumar Sinha (ID)#	Shri Puneet Bhatia (NED, Non-Independent)	Shri T. V. Mohandas Pai (NED, Non-Independent)	
1.	Independent Directors **(ID)**												
	• Fee for attending Board/ Committee Meetings	4,80,000	3,60,000	7,50,000	4,50,000	30,000	NA	2,10,000	1,50,000	-	NA	NA	24,30,000
	• Commission	5,00,000^	5,00,000^	5,00,000^	5,00,000^	72,603^	NA	5,00,000^	3,13,014^	42,466^	NA	NA	29,28,083
	• Others,	-	-	-	-	-	NA	-	-	-	NA	NA	-
	Total (1)	9,80,000	8,60,000	12,50,000	9,50,000	1,02,603	NA	7,10,000	4,63,014	42,466	NA	NA	53,58,083
2.	Other Non-Executive Directors **(NED)**												
	• Fee for attending Board/ Committee meetings	NA	NA	NA	NA	NA	-	NA	NA	NA	1,20,000	2,40,000	3,60,000
	• Commission	NA	NA	NA	NA	NA	-	NA	NA	NA	5,00,000^	5,00,000^	10,00,000
	• Others,	NA	NA	NA	NA	NA	-	NA	NA	NA	-	-	-
	Total (2)	NA	NA	NA	NA	NA	-	NA	NA	NA	6,20,000	7,40,000	13,60,000
	Total (B)=(1+2)	**9,80,000**	**8,60,000**	**12,50,000**	**9,50,000**	**1,02,603**	**NA**	**7,10,000**	**4,63,014**	**42,466**	**6,20,000**	**7,40,000**	**67,18,083**
	Total Managerial Remuneration$												33,42,82,525
	Overall Ceiling as per the Act		1% of Net Profits of the Company for all Non-executive Directors										

**Resigned as Independent Director w.e.f. 24th May, 2017*

#Appointed as Additional Director (Independent) w.e.f. 16th August, 2017

@Appointed as Additional Director (Independent) w.e.f. 1st March, 2018

^In terms of Shareholders approval dated 13th July, 2016, the Nomination and Remuneration Committee of the Board has decided that all the Non-Executive Directors (Except Promoters) of the Company are entitled for a commission of ₹ 5 lakhs per annum w.e.f. 1st April, 2016.

$Total Remuneration to MD/ WTD and other Director (being the total A and B)

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total Amount (₹)
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		60,70,679		60,70,679
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961		-		-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961		-		-
2.	Stock Option / ESPS (No. of Shares)		1,153#		
3.	Sweat Equity		-		-
4.	Commission				
	- as % of profit		-		-
	- others,		-		-
5.	Others, (PF Contribution)		3,21,327		3,21,327
	TOTAL		**63,92,006**		**63,92,006**

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

#During the year 2017-18, 1,153 Equity Shares of ₹ 1/- each, were allotted to the Company Secretary under Havells Employees Long Term Incentive Plan 2014. In respect of these shares, contribution of Company as perquisite is to the extent of ₹ 65,280 while the remaining amount has been contributed by the beneficiary himself.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

ANNEXURE - 3

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2018

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

To,
The Members,
Havells India Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 to ascertain the compliance of various provisions of:

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

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

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

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

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

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

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;

    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

    (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

    (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006 regarding the Companies Act and dealing with client.

  (vi) The Employees State Insurance Act, 1948;

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

  (viii) Employers Liability Act, 1938;

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

  (x) Air (Prevention and Control of pollution) Act, 1981;

  (xi) Factories Act, 1948;

  (xii) Industrial Dispute Act, 1947;

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

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

i. Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.
ii. Redemption / buy-back of securities.
iii. Merger / amalgamation / reconstruction, etc.
iv. Foreign technical collaborations

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

For **MZ & Associates**
Company Secretaries

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

New Delhi, 2nd May, 2018

ANNEXURE A

To
The Members,
Havells India Limited

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

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

For **MZ & Associates**
Company Secretaries

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

New Delhi, 2nd May, 2018

ANNEXURE - 4

Details of Investments as on 31st March, 2018

Name of Company	Amount (₹)
Havells Holdings Limited	1,18,74,365
Jiangsu Havells Sylvania Lighting Limited	16,20,72,388
Havells Exim Limited	12,79,050
Havells Guangzhou International Limited	45,29,301
Promptec Renewable Energy Solutions Private Limited	39,79,02,960
Havells Global Limited	5,00,000
Standard Electrical Limited	5,00,000
Lloyd Consumer Private Limited	5,00,000
TOTAL	**66,98,58,039**

Note:

a) *The Company is carrying an amount of ₹ 12.47 crores as provision for impairment of investment held in Havells Holding Limited (refer note 5A of Standalone Financial Statements).*

b) *The Company has measured its investment in its Joint Venture (Jiangsu Havells Sylvania Lighting Limited) at fair value less cost to sell (refer note 32(2)(c) of Standalone Financials Statements).*

Details of Guarantees as on 31st March, 2018

As at 31st March, 2018, the Company has not given any guarantee.

ANNEXURE - 5

FORM NO. AOC-2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Noida, 11th May, 2018

Anil Rai Gupta
Chairman and Managing Director

ANNEXURE - 6

ANNUAL REPORT ON CSR PURSUANT TO RULES 8 & 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

The CSR programmes and pursuits of the Company are illustrated in the Business Review section of the Annual Report on pages 22 & 23.

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.

   In adherence to section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 23rd April, 2014, approved a CSR Policy of the Company.

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

   The Corporate Social Responsibility Policy of the Company is available on the website of the Company www.havells.com in the **'Investor Section'** under **'Disclosures'**.

2. The Composition of CSR Committee:

   As at 31st March, 2018, the Corporate Social Responsibility Committee comprises of 5 (Five) Members of the Board, 3 (Three) of which are Independent Directors and remaining 2 (Two) are Executive. The Chairman of the Committee is an Independent Director.

Sr. No.	Name	Category	Designation
1.	Shri Vellayan Subbiah	Independent Director	Chairman
2.	Shri Surender Kumar Tuteja	Independent Director	Member
3.	Dr. Adarsh Kishore	Independent Director	Member
4.	Shri Anil Rai Gupta	Executive Director	Member
5.	Shri Rajesh Kumar Gupta	Executive Director	Member

3. Average net profit of the Company for last 3 (Three) financial years

   The Average Net Profit of 3 (Three) financial years preceding the reporting financial year (i.e. 2016-17, 2015-16 and 2014-15) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ **741.22 crores**.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

   The prescribed CSR Expenditure to be incurred during the financial year i.e. 2017-18 is ₹ **14.82 crores**.

   Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year = ₹ **14.82 crores**

   (b) Amount unspent, if any = **Nil**

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in crores)

Sr. No.	CSR project or activity defined	Sector in which the project is covered*	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise#	Amount spent on the projects or program Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative^ expenditure upto the reporting period (^ financial year 2014-15 onwards)	Amount spent: Direct or through implementing agency
1.	Mid-Day Meal (MDM) programme. - Serving Mid-day Meal to children in schools - Expenditure on GPS Tracking system for monitoring of MDM	(i)	Alwar, Rajasthan	5.00	2.55 0.09	16.79	MDM through QRG Foundation. Monitoring expenses directly
2.	Providing sanitation facilities. - Building toilets in schools where mid-day meals are provided. - Distribution of re-usable sanitary pads for young girls	(i)	Alwar, Rajasthan	2.50	2.48 0.03	11.67	Direct
3.	Supporting education of underprivileged children. - Providing tables and benches to children in government primary schools in Haridwar.	(ii)	Haridwar	0.50	0.02	10.97	Provision of furniture directly.
	Skill Development - Adoption and refurbishment of Electrical Wing		Assam, Delhi		0.25		Skill development through ITI
4.	Contributing to Aga Khan Foundation India, a private non-profit foundation registered under Companies Act. Engaged in restoration and conservation of various heritage monuments. - Restoration of Subz-Burj - Completion of Humayun's Tomb Interpretation Centre	(v)	Delhi	7.00	9.00	9.00	Through Aga Khan Foundation
5.	Plantation works	(iv)	Baddi (HP) Alwar (Rajasthan), Bhopal (MP)	1.00	0.46	0.72	Direct
6.	Supporting healthcare - Supporting differently abled people by providing specially designed vehicles	(iii)	Delhi	-	0.07	0.42	Direct
7.	Contribution to Relief/ Welfare Fund	(viii)		-	-	0.01	Direct
	TOTAL			**16.00**	**14.95**	**49.58**	

Sector refers to the Entries specified in Schedule VII to the Companies Act, 2013.
#Budget represents yearly budget for the reported financial year.

5. In case the Company has failed to spend the 2% of the average net profit of the last 3 (Three) financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board Report.

   Not Applicable.

6. Responsibility Statement

   The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Anil Rai Gupta
Chairman and Managing Director
Noida, 11th May, 2018

Vellayan Subbiah
Chairman CSR Committee

ANNEXURE – 7

(A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	- Ratio of the remuneration of Shri Anil Rai Gupta, Chairman and Managing Director to the median remuneration of the employees – **248:1** - Ratio of the remuneration of Shri Ameet Kumar Gupta, Whole-time Director to the median remuneration of the employees – **99:1** - Ratio of the remuneration of Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO – **134:1**
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	- Shri Anil Rai Gupta, CMD – **20.99%** - Shri Ameet Kumar Gupta, WTD – **21.25%** - Shri Rajesh Kumar Gupta, WTD (CFO) – **38.27%** - Shri Sanjay Kumar Gupta, CS – **16.57%**
(iii)	Percentage increase in the median remuneration of employees in the financial year	10.86%
(iv)	Number of permanent employees on the rolls of Company	5,866 Employees
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	- Average increase in remuneration of Managerial Personnel – **25.42%** - Average increase in remuneration of employees other than the Managerial Personnel – **11.57%** The top level compensation is linked to Profit Before Tax.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

(B) STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Top 10 Persons and those employed for the full year ended 31st March, 2018 who were in receipt of the remuneration which in the aggregate was not less than ₹ 1,02,00,000/- p.a.

Employee Name Designation Gross Remuneration (₹) Qualification Total Experience in Years Date of Commencement of Employment Age in Years Last Employer & Designation Held

Shri Anil Rai Gupta Chairman and Managing Director 16,85,37,642 MBA 26 30-09-1992 49; Shri Ameet Kumar Gupta Whole-time Director 6,75,43,000 BE, MBA 19 01-01-2015 46; Shri Rajesh Kumar Gupta Director (Finance) and Group CFO 9,13,65,000 (excluding the value of shares exercised under the ESPS) CA 37 21-03-1992 60; Shri Rajiv Goel Executive Director 7,92,34,760 CA, CS 26 01-04-2009 47 Rosewood Advisors (Director); Shri Cecil Prem Treasure Executive Vice President 1,56,69,659 MBA 25 20-01-2016 56 Jubilant Life Sciences (Director); Shri Saurabh Goel Executive Vice President 1,79,16,575 PGDBM 23 01-02-2016 49 Bharti Airtel Limited (Sr. Vice President); Shri Sachin Gupta Sr. Vice President & CIO 1,59,40,623 M.Sc. 29 16-02-2016 50 Times Group (CIO); Shri Amit Gupta Vice President 1,06,86,835 PGDBM 15 24-06-2015 37 McKinsey & Co. (Vice President); Shri Vivek Yadav Vice President 1,28,18,008 M.Tech 28 01-02-2016 52 Schneider Electric India Pvt Ltd (Vice President).

Persons employed for part of the year ended 31st March, 2018 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

Employee Name Designation Gross Remuneration Qualification Total Experience in Years Tenure of Employment (Date of Commencement Date of Cessation) Age in Years Last Employer & Designation Held

Shri Parag Kumar Bhatnagar Dy. Vice President 1,06,53,449 Diploma in Management 23 03-04-2017 - 45 Jubilant Agri & Consumer Products (Vice President); Shri Sachin Sharma EVP (Finance) 76,25,155 CA 21 01-09-2017 - 46 Jubilant Food Works (President & CFO); Shri Shashi Arora CEO Lloyd 41,81,591 MBA 28 01-02-2018 - 53 Bharti Airtel (Director); Shri Nipun Singhal EVP & CEO Lloyd 2,06,64,980 BE BA (Hons) 18 08-05-2017 15-11-2017 46 Lloyd (Director); Shri Vivek Khanna Sr. Vice President – Finance 1,59,79,350 CA, ISA 30 01-09-1989 04-01-2018 54 M/s S.S. Kothari & Co. (Audit Manager).

Notes:

1. Gross Remuneration includes basic salary, allowances, commission and perquisites. The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 2013.
2. The nature of employment is contractual in all the above cases.
3. All the employees have adequate experience to discharge the responsibility assigned to them.
4. Except Shri Anil Rai Gupta, none of the above employees holds more than 2% of the paid-up capital of the Company.

ANNEXURE - 8

DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy and the steps taken by the Company for utilising alternate sources of energy;

The Company remains conscious to achieve optimal energy efficiency, we aim to employ continuous measurement of energy consumption, identify leakages and review our operating procedures. We implemented several energy efficiency projects in 2017-18 across our operations, which further reduced emissions. Some of the activities carried out during the year towards environment, energy and water conservation are mentioned as under:

Alternate sources of energy

Steps taken by the Company for utilising alternate sources of energy:

- Solar tube lights.
- Natural wind ventilators instead of powered.
- Roof Top Solar Energy Initiative was taken up on priority in last year - Installation of Solar Panels had been completed in Neemrana and Alwar.

Energy Conservation

Saved 1569941 KWh YTD by implementation of following initiatives.

- Replacement of FTL, CFL, HPSV Lamp & T5 tube light with LED Lights.
- Replacement of 400 & 250 Watt Sodium Vapor lamp with LED in warehouse & street lights under process.

Optimisation/ Improvements of Processes

Reduction in Power Consumption by:

- Installation of Timer Variable frequency Drives.
- In Paint Shop by Major layout changes.
- Thermal insulation jacket in Moulding Shop.
- Integrated Machine feeding in single Wave soldering Machine.
- Use of Part sensing Mechanism.
- Dual Speed Control of the Hydraulic Motor.
- Rationalisation of Water Circulation Motors.
- Paint Shop Burners mode setting for optimum PNG burning efficiency.
- Thermal imaging/ audit for Electrical machines, Cables, ovens in shop and countermeasure.
- Use of Temperature Compensation factor software in MCCB to compensate testing current with temperature resulting in energy conservation by discontinuing use of AC in summer at Sahibabad Plant.
- Load management - Below measure has been taken to control lighting load:
  - (i) Occupancy sensor installation - Occupancy sensors installed for HVAC units and area lighting and fans.
  - (i) Consolidation of process lines - layout of Press shop, Tool room, Spot-welding has been changed to minimize lighting load.

Conservation of Water

- Using waste water of STP/ R.O. plant-by recycling and for hydrant system.
- Rain water harvesting.

- Re-use of treated water for processes like cooling towers, central coolant systems, de-sludge pool and incinerator, compressor cooling tower and AHU, etc.

(ii) Capital investment on energy conservation equipments – Approximately ₹ 8.47 crores

(B) TECHNOLOGY ABSORPTION

R&D has been expanding its team size in areas of design, analysis and validation in order to keep up with the rapidly expanding aspirations of the Company. R&D continued to enhance its design, computing, and prototype manufacturing and validation facilities. A number of new test facilities and prototyping facilities in-house/ outsourced were added. We undertook many significant initiatives across key focus areas – user experience, automation & ahead of curve (innovation).

This year Company had applied 100+ IPR's towards development of new products and technologies.

1. Technical tie up with Korean partners Hyundai for Switch Gear (MCCB & Contactors) with upgraded technology.
2. Troester make DCDC CCV insulation line for voltage grade upto 220 KV
3. Set up of 25 mm Lab Extruder complete line to understand our real world situation in our vicinity and develop cost effective recipe of PVC compound
4. Development of XLPE in-house with Dynamic absorption method
5. Video jet printer installed for modified interfacing and upgraded printing.
6. Use of battery operated articulators in warehouses.
7. 5-Axis Robot- 12 Nos Robots product segregation and placing both right/ wrong components at desired location.
8. MCB Testing and riveting machine upgraded with PLC based current measuring system
9. Conformal cooling for providing cooling in moulds to reduce cycle time and component surface finish.
10. Laser welding machine installed for mould tooling.
11. Ultrasonic cleaning machine implemented in Capacitor division instead of manual cleaning process.

(i) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)

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

Details of Technology Imported	Year of Import	Whether the Technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore
Microsoft Office PMO – Project Management Office	2018	Yes	Not Applicable
Troester make DCDC CCV insulation line for voltage grade upto 220 KV	2017	Yes	Not Applicable
12 nos IMM Robots from china	2017	Yes	Not Applicable
Laser welding machine from china	2017	Yes	Not Applicable
Laser marking 8 no's from china	2017	Yes	Not Applicable
Robotic glue dispensing machine from china	2017	Yes	Not Applicable
Minitab licenses	2017	Yes	Not Applicable
Ansys – Multiphysics software	2016	Yes	Not Applicable
Lambda make power source from USA (6 nos)	2016	Yes	Not Applicable
Fully automatic switch assembly machines from china	2015	Yes	Not Applicable
Fully automatic socket assembly machines china	2015	Yes	Not Applicable

(ii) The expenditure incurred on Research and Development.

(₹ in crores)

	2017-18	2016-17
a) Capital	3.70	3.13
b) Recurring	53.62	45.56
c) Total	57.32	48.69
d) Total R & D expenditure as a percentage of total turnover	0.69%	0.74%

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned in terms of actual inflows during the year & the Foreign Exchange outgo in terms of actual outflows

During the financial year 2017-18, the Company registered Export sales of ₹ 233.40 crores as against ₹ 279.40 crores in financial year 2016-17. The decline was largely due to cessation of export of Sylvania lighting business (₹ 90 crores) upon change in ownership. Excluding Sylvania exports, the business grew by 13%.

The highlights of Export Business in this financial year were:

- The major highlight of the year 2017-18 was the strategic alliance with Korean Electrical giant Hyundai Electricals for supply of Switchgear products for their domestic &

global markets. This will also strengthen the Havells IP range in the domestic & International markets. The strategic alliance has tremendous potential in medium term for various product categories.

- SAARC continued to build on the growth trajectory (50% growth approx.) with Bangladesh and Nepal spearheading the growth. With overall product and strategic channel expansion, the region is poised to grow to ₹ 80-100 crores market in financial year 2018-19
- After a low financial year 2016-17, business somewhat revived in Middle East with positive growth with newer categories like ECD & Lighting contributing to the growth.
- Deeper in roads in Ghana and penetration into other wester African markets like Sierra Leone, Ivory coast, Senegal etc. However Nigeria still remains a concern with overall economic slowdown.
- Entry into newer markets like Mauritius, Vietnam, Egypt, Malaysia, Fiji etc. Exploring other markets like UK, Australia and other ASEAN countries
- Strengthened the international market product roadmap with 15-20 innovative and market specific products developed. Initiative taken to obtain country-specific local certifications/ approvals like CB (Middle East), CE (Africa) and SABs (South Africa) across identified product categories.
- Continued Brand building & other marketing initiatives like Havells Brand launch (Vietnam & South Africa), Architect meet (Kenya), Middle East partner meet, retail branding (Nepal), Bangladesh (Product launch) etc.

Total Foreign Exchange used and earned

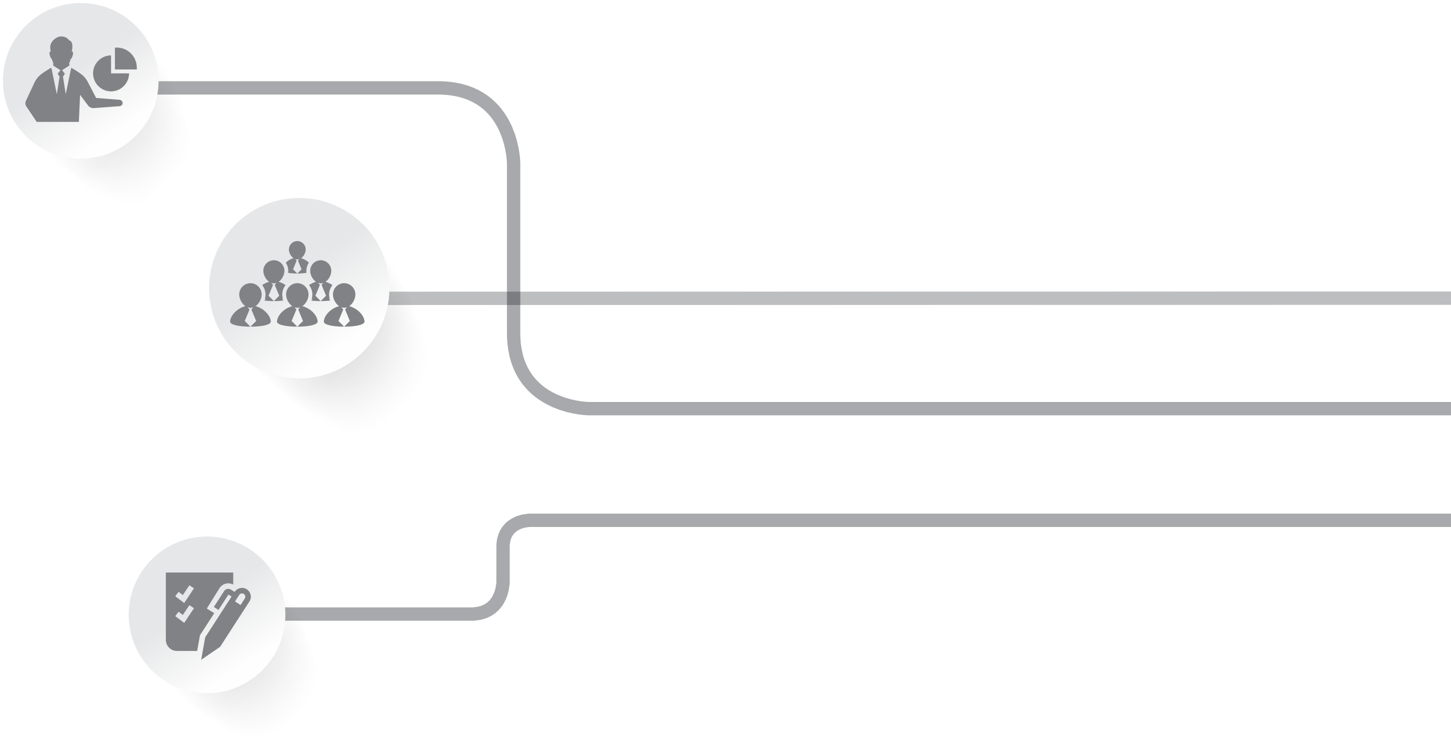
(₹ in Crores)

	2017-18	**2016-17**
Foreign exchange earned	230.17	276.73
Foreign exchange used	1,832.99	805.33

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

Noida, 11th May, 2018

Anil Rai Gupta
Chairman and Managing Director



Business Responsibility Report

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	Corporate Identity Number (CIN):	L31900DL1983PLC016304
2.	Name of the Company	Havells India Limited
3.	Registered Address	904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001
4.	Website	http://www.havells.com/
5.	Email id	investors@havells.com
6.	Financial Year reported	Financial Year 2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Fast Moving Electrical and Consumer Goods

Industrial Group	Description
Please refer to Form MGT-9 of annual return in Directors' Report on Page No. 47	

This classification is as per National Industrial Classification – Ministry of Statistics and Programme Implementation

8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet):	1. SWITCHGEAR: Switches,Capacitors, Industrial and Domestic Switchgears, Motors, Pumps, Automation and Control 2. CABLE AND WIRES : Power Cables and Flexible Cables 3. LIGHTING AND FIXTURES : LED, Luminaire, Professional and Consumer Luminaires 4. ELECTRICAL CONSUMER DURABLES : Fans, Small Domestic Appliances, Water Heaters, Air Coolers, Personal Grooming 5. LLOYD Consumer Division : AC, TV and Washing Machines
9.	Total number of locations where business activity is undertaken by the Company	Manufacturing Locations: 7
	Number of International Locations (Provide details of major 5)	Nil
	Number of National Locations	7 Locations; Alwar (Rajasthan), Neemrana (Rajasthan), Baddi (Himachal Pradesh), Faridabad (Haryana), Haridwar (Uttrakhand), Sahibabad (Uttar Pradesh), and Guwahati (Assam)
10.	Markets served by the Company - Local/ State/ National/ International	We have sales presence on over 52 countries

Section B: Financial Details of the Company

1. **Paid-up capital (₹)**: Please refer Directors' Report
2. **Total turnover (₹)**: Please refer Directors' Report
3. **Total profit after taxes (₹):** Please refer Directors' Report

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Please refer Directors' Report.

5. **List of activities in which expenditure in 4 above has been incurred:**
Please refer Directors' Report.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Please refer Directors' Report

2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s).**

   No

3. **Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]**
NA

Section D: BR Information

1. **Details of Director/ Directors responsible for BR:**

   a) **Details of the Director/ Directors responsible for implementation of the BR policy/ policies:**

DIN Number	:	00002838
Name	:	Shri Ameet Gupta
Designation	:	Director

b) **Details of the BR head:**

Name	:	Shri Anil Sharma
Designation	:	Head (Corporate Communications)
Telephone no.	:	+91-120 3332464
e-mail id	:	anil.sharma@havells.com

2. **Principle-wise (as per NVGs) BR Policy/ policies (Reply in Y/ N)**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for.....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Relevant internal and external stakeholders were consulted, as deemed appropriate, during the formulation of the policies.								
3.	Does the policy conform to any national/ international standards? If Yes, specify? (50 words)	All the policies have been developed considering relevant national and international standards including but not limited to Companies Act, Factories Act, UN Global compact-India and GRI Standard.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	Refer list of policies below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

List of policies

P1: Code of Conduct for Board Members and Senior Management Personnel, Idea and Satark Policy http://www.havells.com/en/investor-relations/Codes-and-Policies.html.

P2: EHS Policy – This is an internal policy available on Company's intranet.

P3: Human Resources Policies including Recruiting and Employment Policy, Leave Policy, Medical and Hospitalisation Policy – These are internal policies available on Company's intranet

P4: CSR Policy - http://www.havells.com/en/investor-relations/Codes-and-Policies.html.

P5: Human Resource policies, Supplier code of conduct – These are internal policies, available on Company's intranet

P6: EHS Policy- This is an internal policy available on Company's intranet.

P7: No specific policy exists for this principle; however Havells actively participate in policy advocacy through its memberships in various industry associations and forums

P8: CSR Policy - http://www.havells.com/en/investor-relations/Codes-and-Policies.html

P9: Quality Policy- This is an internal policy available on Company's intranet.

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	It is planned to be done within next six months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	It is planned to be done within next one year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

  The BR performance is discussed every 3 months

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  Yes. The Company annually publishes Sustainability Report on Global Reporting Initiative standard (GRI-Standard). The Company also participate in United nation global compact, India programs as a member. The link to view Sustainability report is available at www.havells.com/en/sustainability/Reports.html.

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability)

'Governance' and 'Stakeholder Satisfaction' section in Sustainability Report. Please refer page ***31, 35*** *and* ***87*** *of the Sustainability Report*

1. *Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.*
   NO

   Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   Yes, Havells Code of conduct defines the commitment on ethical behaviour by the Company and all employees sign the Havells Code of Conduct. Awareness program conducted for all employees across the locations, corporate and marketing offices.

   Please refer page **43** of Sustainability Report

2. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.*

   Please refer page **39** and **100** of Sustainability Report

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

'Responsible Sourcing', *'Energy', 'Water', 'Waste', 'Raw Materials', 'Product Responsibility' sections in Sustainability Report. Please refer* page **22, 49, 51–53, 69-74** of the Sustainability Report

1. *List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.*

   Please refer page **49, 51–53, 69-74** of Sustainability Report

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):*
   i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain.
   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. *Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Besides, provide details thereof in about 50 words or so.*

   Please refer page **22** of Sustainability Report

4. *Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?*

   Please refer page **22** of Sustainability Report

5. *Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Besides, provide details thereof in about 50 words or so.*

   Please refer page **78** of Sustainability Report

Principle 3: Businesses should promote employee well-being

'Workforce Profile', 'Employee Recruitment & Turnover', 'Labour Practices & Human Rights', 'Human Capital Development' sections in Sustainability Report. Please refer page 89, 91-93 of the Sustainability Report

1. *Please indicate the total number of employees:*

   Please refer page **89** of Sustainability Report as on 31st March, 2018.

2. *Please indicate the total number of employees hired on temporary/ contractual/ casual basis*

   Please refer page **89** of Sustainability Report as on 31st March, 2018.

3. Please indicate the number of permanent women employees:

   Please refer page **89** of Sustainability Report as on 31st March, 2018.

4. *Please indicate the number of permanent employees with disabilities:*

   Please refer page **92** of Sustainability Report

5. *Do you have an employee association that is recognised by the Management?*

   No

6. *What percentage of your permanent employees is member of this recognised employee association?*

   NA

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

   Please refer page **91** of Sustainability Report

8. *How many of your under-mentioned employees were given safety and skill up-gradation training in the last year?*

   Please refer page **93** of Sustainability Report

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

'Stakeholder Engagement & Materiality Analysis,' Labour Practices', 'Corporate Social Responsibility' sections in Sustainability Report. Please refer page **30, 92,** and **64-67** of the Sustainability Report

1. *Has the Company mapped its internal and external stakeholders? Yes/ No*

   Yes, Please refer page **30** of Sustainability Report

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

   Please refer page **30, 92,** and **64-67** of Sustainability Report

3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

   Please refer page **64-67** of the Sustainability Report

Principle 5: Businesses should respect and promote human rights

'Labour Practices & Human Rights', 'Stakeholder Satisfaction' section in Sustainability Report.

Please refer page **43, 92** and **100** of the Sustainability Report

1. *Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures /Suppliers/ Contractors/ NGOs/ Others?*

   Please refer page **43** of the Sustainability Report

2. *How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?*

   Please refer page **91** and **100** of the Sustainability Report

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

'Precautionary Approach', 'Energy', 'Emissions', 'Water Management', 'Raw Materials', 'Waste' sections in Sustainability Report. Please refer page **49, 51–53, 69-74** of the Sustainability Report.

1. Do the policies related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   Please refer page **49, 51–53** of the Sustainability Report

2. *Does the Company have strategies/ initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage and so on.*

   Please refer page **51–53, 69-74** of the Sustainability Report

3. Does the Company identify and assess potential environmental risks? Y/ N

   Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Besides, if yes, mention whether any environmental compliance report is filed?

   No

5. *Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.*

   Please refer page **51–53** of the Sustainability Report

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year under review?

   Please refer page **48, 84 - 85** of the Sustainability Report

7. *Number of show cause/ legal notices received from CPCB/ SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.*

   Please refer page **49** of the Sustainability Report

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

'Awards & Memberships', 'Stakeholder Engagement', sections in Sustainability Report.

Please refer page **28**, **30-31** of the Sustainability Report

1. *Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.*

   Please refer page **28** of the Sustainability Report

2. *Have you advocated/ lobbied through the above associations for the advancement or improvement of public good?*

   Yes/ No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)

   Please refer page **30** of the Sustainability Report

Principle 8: Businesses should support inclusive growth and equitable development.

Refer 'Economic Performance, 'Precautionary Approach', 'Corporate Social Responsibility' sections in Sustainability Report

Please refer page **48**, **49, 61-67** of the Sustainability Report

1. *Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.*

   Please refer page **48**, **61-67** of the Sustainability Report

2. *Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?*

   Please refer page **61-67** of the Sustainability Report

3. *Have you done any impact assessment of your initiative?*

   Please refer page **66** of the Sustainability Report

4. *What is the Company's direct contribution to community development projects? Provide the amount in ₹ and the details of the projects undertaken?*

   Please refer Directors' Report and page **48** of the Sustainability Report

5. *Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.*

   Please refer page **64-68, 98** of the Sustainability Report

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Refer 'Product labeling', 'Customer Satisfaction', Section in Sustainability Report

Please refer page **58**, **100** of the Sustainability Report

1. *What percentage of customer complaints/ consumer cases is pending, as at the end of the financial year?*

   Please refer page **100** of the Sustainability Report

2. *Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information).*

   Please refer page **58** of the Sustainability Report

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as at the end of the financial year? If so, provide details thereof, in about 50 words or so.

   Please refer page **100** of the Sustainability Report

4. *Did your Company carry out any consumer survey/ consumer satisfaction trends?*

   Please refer page **100** of the Sustainability Report

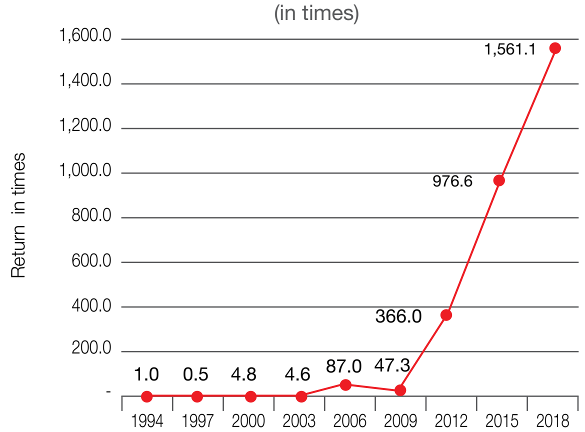
Management Discussion & Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

25 Years of Public Listing

You would be delighted to know that Havells has completed 25 years of Public listing. The Company issued its equity to public in October 1993, era of public listing of several illustrious companies. It has been in top decile of shareholders returns in companies with ~ 25 years of listing. Has achieved consistent growth in each of the business parameters - be it revenue, profitability, employment generation or contribution to exchequer with highest standards of Corporate Governance. The accomplishment has been well recognised and has enabled the Company in value creation for its shareholders, employees, dealers, consumers and society in general. An initial investment of ₹ 2,500 (on 100 equity shares) has, over this period, grown into ~₹ 41 lakhs (including dividend payout of ~₹ 1.63 lakhs).

Return on Havells Share from FY 1994 - 2018
(in times)



As on 31st March each year

Consistent Growth Since Listing

(₹ in Crores)

	1994	2018	Compounded Annual Growth Rate
Revenues	17.1	8,139	29%
EBIDTA	1.6	1,049	31%
Profit Before Tax	1.3	1,003	32%
Profit After Tax	0.9	713	32%
Net Worth	8.5	3,739	29%
Market Capitalisation	15	30,498	37%
No. of Employees (excl. Workers)	~350	5,789	12%

Excited with opportunities ahead, Havells is well prepared to serve the aspiring nation and retain its streak of innovation-led growth.

Havells growth predicated on people connect and proper use of technology will continue to drive towards the next level of growth.

GST

A momentous tax reform, causing initial disruption due to uncertainty and lack of clarity impacting business for a significant period during the year. With trade stabilising post GST transition, the sweeping rationalisation in GST rates to 18% (from 28%) is expected to trigger positive sentiments.

We are encouraged and enthused with GST and its transformational impact on formalisation of economy.

Lloyd

Havells acquired the consumer durables business of Lloyd in May 2017 which is now fully integrated with the organisation. With this acquisition, the Company now has access to two large pools of consumer goods category. While Electrical industry continues to provide opportunity for growth, the Lloyd consumer appliances brings Havells closer to fulfilling the aspirations of its consumers.

Air conditioner is a major part of Lloyd's business where it has already made a mark, endeavour is to strengthen the offering in other product categories such as Televisions and Washing Machines.

The Consumer durables industry is undergoing disruption due to frequent improvement in technology and consumer preferences. The focus is on energy-efficient and 'smart' products thereby creating opportunity for a well-capitalised and focused player like Havells. Havells is already committed to significant investment towards manufacturing of consumer durables, starting with Air Conditioners at its facility in Rajasthan.

Channel expansion will be one of the key strategic initiative involving greater engagement with modern format retails, Exclusive brand stores and online platforms along with continuity of excellent relationships which the company have with its distributors and direct dealers.

Thrust on quality investment in brand to elevate brand imagery and create strong connect with consumers.

Strengthening Arms Through Information Technology

Havells has always embraced technology appropriate to the prevailing business environment to synergise operations and to provide seamless integration between the external and internal stakeholders. Technology and appropriate use of data analytics is the need of the hour and will form the tool for the next level of growth.

Selected Domains Where 'Information Technology' is Being Employed:

- **Consumer and Products**

  Havells provides online ordering solutions through its own website, e-commerce and mobile-based applications to enhance easy accessibility of the products. We are offering high-end automation solutions for new homes and retrofit solutions for existing homes.

  Company is capitalising R&D to provide products with latest technology such as 'Bluetooth' enabled fans, 'QR codes' in products to tackle counterfeit, interactive lighting solutions among others.

- **Sales Force Automation (SFA)**

  Havells has initiated Sales Force Automation (SFA), an in-house developed mobile application to keep a track of a number of business activities which includes sales dashboard, scheme visibility, daily task planner, Geo-tagging of visits of sales representatives, real-time order booking, 360° visibility of channel etc. SFA covers retail, project and channel partners enabling fast execution of orders and automating the sales force.

- **Distribution Management System (DMS)**

  Ensuring 'Peace of Mind' of our channel partners is always key focus area of Havells. Continuing with this objective, the Company successfully implemented Distribution Management System (DMS), a mini-ERP solution in the channel. DMS facilitates effective execution of schemes, real-time trade statistics and market-related intelligence.

- **Vendor Management System**

  With a continuing quest for better business deliverables, Havells has put in place a healthy mechanism for management of vendors to ensure timely availability of material with superior quality at best prices. A proper usage of SAP along with appropriately defined authorisation matrix is developed to effectively manage the vendors. Vendors are timely evaluated based on parameters like price, quality, delivery and services.

- **Planning and Forecast**

  Havells is utilising IT tools effectively in planning and forecasting functions, which includes Advance Planning Optimisation (APO) which is used for forecasting of inventory requirements across India. Additionally, Company has launched Dispatch Requirements Planning (DRP) tool wherein statistical tools like time series are employed to achieve planning precision.

- **Risk Management and Governance**

  The Company has integrated all risk management and compliance activities across the organisation through SAP GRC (Governance, Risk and Compliance), an ERP-linked platform to monitor both statutory and internal compliances.

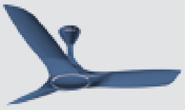
Segmentwise Overview

Switchgears

Switchgear continues to be affected by slow growth phase in the housing segment. The growth strategy for Switchgear entails:

Some of the product launches where latest technology is being employed:

Stealth: Silent Ceiling Fan



- Superior air delivery of 260 CMM
- Wide blades with high twist angle
- Dust and mark resistant coating

Water Purifier

- 100% RO and UV Purification
- Double UV Purification
- Corrects pH of water

Lloyds: 4D Air Conditioner

- 4D Express Cooling
- Built-In WIFI
- Twin Rotary Compressor with PM 2.5 filter

Gold Juicer

- Slowest juicing at 47RPM ensuring nutritional quality and taste
- Low-noise operation
- Quick and easy self-cleaning

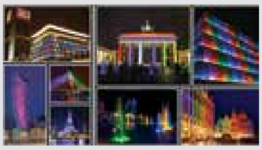
Smart LED Mood Lighting: Triyca Range

- Right lighting for the right mood
- Three different lights in single batten

Street Com Intelligent Lighting

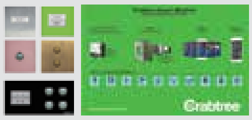
- Advanced lighting control by Remote scheduling
- Astronomical ON/OFF
- Extended Energy Saving by ON/OFF and Dimming as per the need of the hour

Dynamic Colour Changing LED Lighting



- Lighting becoming tool of artwork
- Easy to control
- Transforming architecture into iconic landmarks

EWA: Automation



- Customised approach
- High-end automation for new homes
- Retrofit: Taking automation into existing homes

- Introduction of new products such as Photo-voltaic Range, Surge Protection Device, Industrial P&S, Communication ready MCB and Modular contactor
- Building a multi-brand portfolio where Crabtree, Havells, Standard and REO are positioned to take care of the needs of the different customer profile
- Technology tie-up with HYUNDAI to increase the product range
- Enterprise Business, expanding non-residential category

Cables

Cable business has been impacted by the rising commodity prices and the high GST rates during significant part of the year. After the GST rate rationalisation we feel that the implementation of GST and RERA will give impetus to the organised sector. Infrastructure spend by the Government and focus on digitalisation to push demand for specialised communication cable. Some of the specific efforts in this segment are:

- Entry into EHV cable market
- Continuous innovation, offering features like HRFR & S3 properties in regular product range
- Enhancing share of B2B sales
- Extended existing portfolio of communication cables by launching speaker wires, CCTV wires and LAN cables

- Introduced new wires in projects based on POE concept, wherein same wires will be used for both power distribution and signal transmission

Lighting and Fixtures

LED lamps and luminaries continues to show promising growth reflective of the change in consumer preference towards energy-efficient and smart lighting. Consequently, the traditional lighting products have been on decline and LED now constitutes 87% of the business. GST rate rationalisation will help the organised players. In consumer lighting, focus will be to get primary and secondary reach while In professional lighting, focus will be on product innovation and use of latest technology for customer delight. B2B & B2G customers will be the growth driver for Professional lighting.

Electrical Consumer Durables

Launch of water purifiers during the year has excited the category with yet another high quality product offering from Havells. All the subcategories saw healthy growth with Water heaters taking the lead. Fans which is still the major sub category was able to further strengthen its market position in the decorative segment. Growth drivers for this category are:

- Design, Aesthetics
- Innovation
- Alternate Channels (Ecommerce, MFR)

Key Opportunities:

1. **Favourable Macro Economic Levers:** With focus of Government on electrification and commitment to improve infrastructure and housing and implementation of GST, electrical space is self-assured of growth in time to come.

2. **Demography:** Emerging middle-class people aspiring for better and improved standard of living, Company is expecting good growth in the future.

3. **Distribution:** Having pan-India dealer network, Havells is in an advantageous position for better growth. On such a wider base of distribution, Company can leverage it to introduce more new products and enter new geographies.

4. **Product Portfolio:** Having wide product portfolio, Havells has access to both Consumer and Professional customer category giving superior opportunity to succeed.

Key Threats:

1. **Slowdown in Construction Activities:** Given that Company's Switchgears and Cables segment are dependent on Capital expenditure in housing and infrastructure, a slow growth in this sector would affect segment revenue growth.

2. **Increase in Competition:** In view of growth potential in the industry and low entry barriers, the space could have increased number of players entering the market. Increased competition could put pressure on existing players.

3. **Non-Availability of Regular and Quality Power:** Non-availability of regular and quality electricity supply may impact overall demand for electrical products.

Human Resource

We consider our employees as our most important assets. The competency development of our employees is a key focus area for us. This ensures to garner leadership competencies like business acumen, strategic thinking, and customer connect and flawless execution. Strategic Business Unit (SBUs) has been fully integrated with complete business responsibility to drive respective business segments along with focus on profitability.

Internal Control Systems and Their Adequacy

The Company has a robust internal control system (including Internal Financial Controls) that facilitates efficiency, reliability and completeness of accounting records and timely preparation of reliable financial and management information. The internal control system ensures compliance with all applicable laws and regulations, facilitates in optimum utilisation of resources and protect the Company's assets and investors' interests.

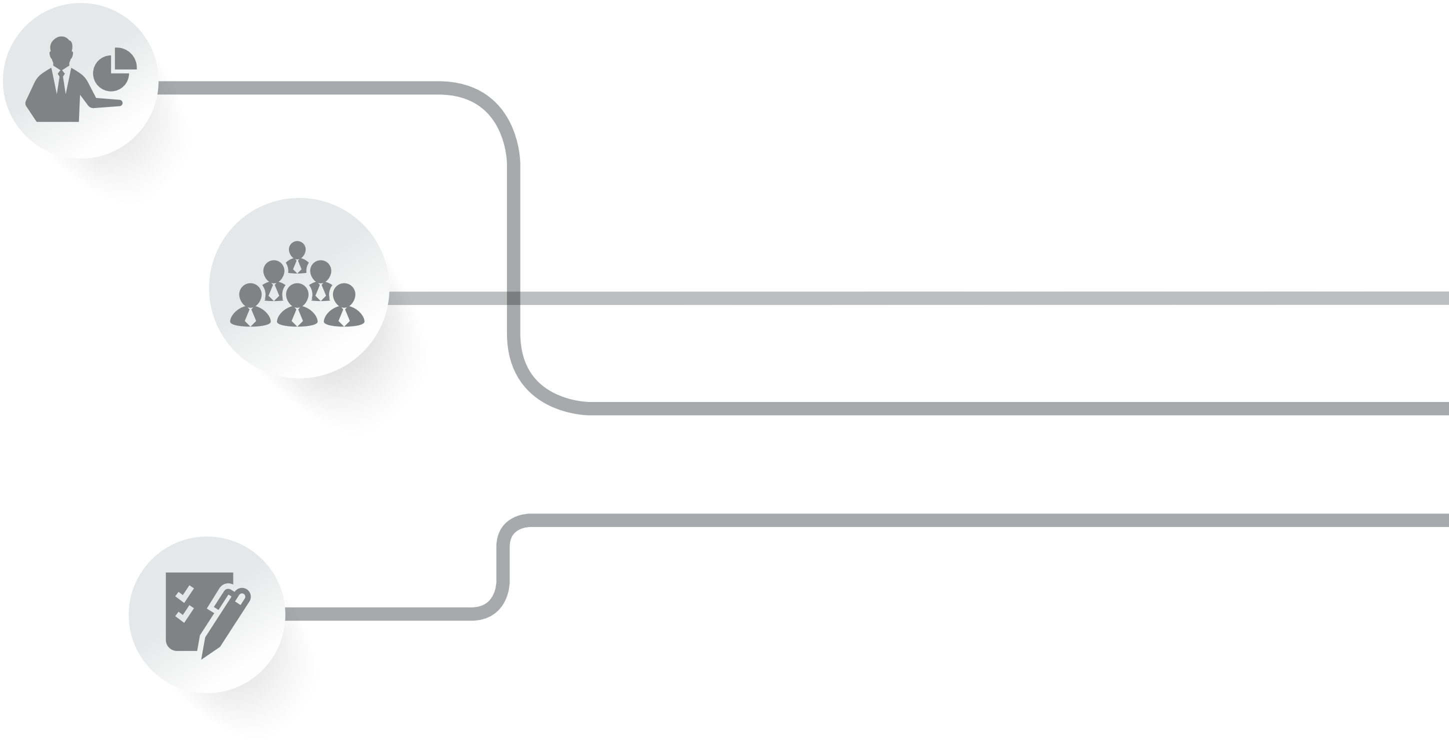
The Company has a clearly defined organisational structure, decision rights, manuals and operating procedures for its business units and verticals to ensure orderly and efficient conduct of its business.

The Company has identified the Enterprise Risks and taken mitigation measures. Risk Control Matrix (RCM) has been prepared for financial and operational functions and their mapping done with ERP and Compliance management system.

The Company has a whistle blower policy and anti-fraud policy to address fraud risk. The Audit Committee of the Board regularly reviews significant audit findings of the Internal Audit Department covering operational, financial and other areas and provides guidance on further strengthening the internal controls framework.

Disclaimer Clause

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.



Corporate Governance Report

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2018 is presented below:

1 A Brief Statement on Listed Entity's Philosophy on Code of Governance

Who we are is defined by what we do and how we do it

This simple philosophy underlines our approach to Corporate Governance. So, if growth is our intention, how we achieve this growth is a part of our Corporate Governance. For us, Corporate Governance goes beyond philanthropy and compliance but actually deals with how we manage our triple bottom lines – economic, social and environmental impacts. It monitors our role as well as the quality of our relationships in key spheres of influence including the workplace, the market place, the supply chain, the community and the public policy realm.

As a Company, we distinguish ourselves in the market by offering a portfolio of ecologically responsible electrical products and services that deliver powerful, sustainable and energy efficient solutions that do not compromise on capacity or security.

Our eco-friendly approach is evident in our efforts to develop an alternate energy strategy so as to reduce the environmental impact from our business. We are equally committed to managing a responsible supply chain in a manner that is consistent and compliant with our high standards for environment and business practices.

We recognise that there are barriers that 'constrain innovation, both, in individuals and communities and we work to overcome them.' We build communities and promote the exchange of ideas through assistive technologies; participative programs and standardisation that transforms the way people experience our products. Our energy efficient solutions enable people to save money and protect their capital investment while also lowering their energy usage and protecting the environment.

This contributes to our CSR responsibility of sustenance of depleting environmental resources.

Corporate Governance and Ethics

As a Company we have always worked on the side of ethics and have shunned expediency in any form. We believe that if something is important enough to be done, it is important that we do it ethically. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our efforts in financial, propriety, customer care and business excellence.

We uphold the policy of "Leadership with trust" that has come to play a vital role in how our customers perceive us. This is important, given the climate of unparalleled public distrust of people in positions of power and authority in contemporary business and politics.

2 Board of Directors

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with one woman Director and more than fifty per cent of the Board of Directors comprises of Non-Executive and Non-Independent Directors. The Chairperson of the Board is an Executive Director. The Board meets at least 4 (Four) times a year and more often if Company needs merit additional oversight and guidance. During the financial year 2017-18, the time gap between any two Board Meetings did not exceed 120 (One Hundred and Twenty) days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

(a) Composition and category of Directors (e.g. Promoter, Executive, Non-Executive, Independent, Nominee Director- institution represented and whether as lender or as equity investor)

As at 31st March, 2018, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of the Director		Category
1	Shri Anil Rai Gupta	Promoters	Executive Chairman and Managing Director
2	Shri Surjit Kumar Gupta		Non-Executive Director
3	Shri Ameet Kumar Gupta		Executive Whole-time Director
4	Shri Rajesh Kumar Gupta	Non-Promoters	Executive Whole-time Director (Finance) and Group CFO
5	Shri Vijay Kumar Chopra		Independent Director
6	Shri Surender Kumar Tuteja		Independent Director
7	Dr. Adarsh Kishore		Independent Director
8	Smt. Pratima Ram		Independent Director
9	Shri T. V. Mohandas Pai		Non-Executive Non-Independent Director
10	Shri Puneet Bhatia		Non-Executive Non-Independent Director
11	Shri Vellayan Subbiah		Independent Director
12	Shri Jalaj Ashwin Dani*		Independent Director
13	Shri Upendra Kumar Sinha@		Independent Director

**Appointed as Additional Director (Independent) w.e.f. 16st August, 2017.*

@Appointed as Additional Director (Independent) w.e.f. 1st March, 2018.

(b) Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting

Sr. No.	Name of the Director	Attendance in Board Meetings				
		11 May 17	19 July 17	23 Oct 17	22 Jan 18	AGM 7 Jul 17
1	Shri Anil Rai Gupta	√	√	√	√	√
2	Shri Surjit Kumar Gupta	√	√	√	√	√
3	Shri Ameet Kumar Gupta	√	√	√	√	√
4	Shri Rajesh Kumar Gupta	√	√	√	√	√
5	Shri Sunil Behari Mathur*	X	N.A.	N.A.	N.A.	N.A.
6	Shri Vijay Kumar Chopra	√	√	√	X	√
7	Shri Surender Kumar Tuteja	√	√	√	√	√
8	Dr. Adarsh Kishore	√	√	X	√	X
9	Smt. Pratima Ram	√	√	√	√	√
10	Shri T. V. Mohandas Pai	√	√	√	√	X
11	Shri Puneet Bhatia	X	X	√	√	X
12	Shri Vellayan Subbiah	√	√	√	X	X
13	Shri Jalaj Ashwin Dani@	N.A.	N.A.	√	√	N.A.
14	Shri Upendra Kumar Sinha#	N.A.	N.A.	N.A.	N.A.	N.A.

**Resigned as Independent Director w.e.f. 24th May, 2017.*

@Appointed as Additional Director (Independent) w.e.f. 16th August, 2017.

#Appointed as Additional Director (Independent) w.e.f. 1st March, 2018.

Note: During the financial year 2017-18, the Board of Directors also passed 3 (Three) Resolutions by Circulation dated 14th April, 2017, 16th August, 2017 and 28th February, 2018 with the consent of the majority Directors in India.

(c) Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31st March, 2018

Sr. No.	Name of the Director	Directorships in Other Board of Directors*	Membership of Committees of Other Boards**	Chairmanship of Committees of Other Boards**
1	Shri Anil Rai Gupta	1	2	1
2	Shri Surjit Kumar Gupta	1	3	0
3	Shri Ameet Kumar Gupta	1	3	0
4	Shri Rajesh Kumar Gupta	1	0	0
5	Shri Vijay Kumar Chopra	7	9	5
6	Shri Surender Kumar Tuteja	4	10	5
7	Dr. Adarsh Kishore	1	1	1
8	Smt. Pratima Ram	5	5	1
9	Shri T. V. Mohandas Pai	2	1	0
10	Shri Puneet Bhatia	2	2	0
11	Shri Vellayan Subbiah	3	1	0
12	Shri Jalaj Ashwin Dani	2	0	0
13	Shri Upendra Kumar Sinha	2	2	0

Directorships are reported for listed companies only including Havells India Limited in terms of Regulation 25(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

***Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including Havells India Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.*

(d) Number of Meetings of the Board of Directors held and dates on which held

During the financial year 2017-18, 4 (Four) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) hereinabove. Additionally, during the financial year 2017-18, the Board of Directors also passed 3 (Three) Resolutions by Circulation dated 14th April, 2017, 16th August, 2017 and 28th February, 2018 with the consent of the majority directors in India.

(e) Disclosure of relationships between Directors inter-se

Shri Ameet Kumar Gupta, Whole-time Director on the Board of Directors is the son of Shri Surjit Kumar Gupta, Non-Executive Director.

(f) Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors holds any share in the Company except for Shri Surjit Kumar Gupta, who holds 2,86,50,800 Equity Shares of ₹ 1/- each in the Company.

(g) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed

All Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

The details regarding Independent Directors' Familiarisation Programmes are given under the "Codes & Policies" in the "Corporate Governance" section on the website of the Company and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

Separate Meeting of the Independent Directors

In terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company is held every financial year, whereat the following prescribed items are discussed:

a) Review of performance of Non-Independent Directors and the Board as a whole;

b) Review of performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;

c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In respect of the financial year 2017-18, the Independent Directors met separately on 22nd January, 2018 without the presence of any Non-Independent Directors or representatives of management and discussed the aforesaid Items.

Company's Policy on Prohibition of Insider Trading

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the Code is available on the website of Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

For the purpose of monitoring the Policy, the Company uses a system-based software through which reports and analytics are made available based on the criteria defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Subsidiary

After the divestment in one of the step-down subsidiaries which took place on 31st March, 2018, the Company remained with 11 (Eleven) Subsidiary Companies. Out of these 11, 7 (Seven) are incorporated outside India and 4 (Four) are incorporated in India. Please refer to the Directors' Report for further details regarding subsidiaries.

The Board has approved a "Policy for determining Material Subsidiaries" of the Company viz. Havells India Limited and the same is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.

The Minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

Related Party Transactions

The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions.

The Policy is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

The shareholders of the Company vide Special Resolution passed on 9th June, 2014 approved per annum limits (beginning 1st April, 2014) for certain Related Party Transactions of the Company.

Within the Shareholder approved limits, the Audit Committee and Board approve the annual limits for Related Party Transactions projected for the next financial year.

Further, a Statement on all Related Party Transactions is presented before the Audit Committee on a quarterly basis for its review.

3 Audit Committee

(a) Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

(i) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(v) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

(vii) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

(viii) approval or any subsequent modification of transactions of the Company with related parties;

(ix) scrutiny of inter-corporate loans and investments;

(x) valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) evaluation of internal financial controls and risk management systems;

(xii) reviewing, with the management, performance of statutory and internal auditors,

(xiii) reviewing the adequacy of the internal control systems;

(xiv) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xv) discussion with internal auditors of any significant findings and follow up thereon;

(xvi) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvii) discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xviii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xix) to review the functioning of the whistle blower mechanism;

(xx) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(xxi) considering such other matters the Board may specify;

(xxii) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, from time to time.

The Audit Committee has been granted powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee also mandatorily reviews the information as specified in the SEBI Regulations– management discussion and analysis of financial condition and results of operations, statement of significant related party transactions submitted by management, management letters/ letters of internal control weaknesses issued by the statutory auditors, if any, internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the chief internal auditor.

(b) Composition, Name of Members and Chairperson

The Audit Committee comprises of 4 (Four) Non-Executive Directors as Members. All Members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2018, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surender Kumar Tuteja*	Non-Executive Independent	Chairman
2	Shri Vijay Kumar Chopra	Non-Executive Independent	Member
3	Smt. Pratima Ram#	Non-Executive Independent	Member
4	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

**Inducted as Member and Chairman of the Committee w.e.f. 13th April, 2017.*

#Inducted as Member of the Committee w.e.f. 23rd October, 2017.

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(c) Meetings and attendance during the year

Sr. No.	Name	Attendance in Audit Committee Meetings held on						
		3 Apr 17	11 May 17	19 Jul 17	20 Sep 17	23 Oct 17	22 Jan 18	22 Mar 18
1	Shri Surender Kumar Tuteja#	N.A.	√	√	√	√	√	√
2	Shri Sunil Behari Mathur*	√	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Shri Vijay Kumar Chopra	√	√	√	√	√	X	√
4	Smt. Pratima Ram$	N.A.	N.A.	N.A.	N.A.	N.A.	√	√
5	Shri Surjit Kumar Gupta	√	√	√	√	√	√	√

**Ceased to be Member and Chairman of the Audit Committee w.e.f. 4th April, 2017.*

#Inducted as Member and Chairman of the Committee w.e.f. 13th April, 2017.

$Inducted as Member of the Committee w.e.f. 23rd October, 2017.

4 Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the ESOP/ ESPS Plans of the Company namely - Havells Employees Long Term Incentive Plan 2014, Havells Employees Stock Purchase Scheme 2015 and Havells Employees Stock Purchase Scheme 2016.

(b) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on 31st March, 2018, is given below:

Sr. No.	Name	Category	Designation
1	Shri Vijay Kumar Chopra*	Non-Executive Independent	Chairman
2	Shri Surender Kumar Tuteja*	Non-Executive Independent	Member
3	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

**Pursuant to the Board Policy on rotation of Committee members and chairs, Shri Vijay Kumar Chopra was appointed as the Chairman of the Committee in place of Shri Surender Kumar Tuteja w.e.f. 23rd October, 2017.*

(c) Meeting and attendance during the year

Sr. No.	Name	Attendance in Nomination and Remuneration Committee Meeting held on
		11 May, 17
1	Shri Vijay Kumar Chopra	√
2	Shri Surender Kumar Tuteja	√
3	Shri Surjit Kumar Gupta	√

Note: During the financial year 2017-18, the Nomination and Remuneration Committee also passed 2 (Two) Resolutions by Circulation dated 12th August, 2017 and 27th February, 2018 with the consent of majority of Members.

(d) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the Individual Directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5 Remuneration of Directors

(a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity shall be disclosed in the Annual Report

None except for the Sitting Fee or the payment of Commission to Non-Executive Directors, except for Promoter Director.

(b) Criteria of making payments to Non-Executive Directors

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company www.havells.com in the "Codes & Policies" section in Corporate Governance.

The Non-Executive Directors, except for Promoter Director, are entitled to Sitting fees for attending Meetings of the Board, its Committees and the Shareholders. The Non-Executive Directors, except Promoter Director are also paid an annual commission of ₹ 5 lakhs per annum in addition to the fee payable to such Directors for attending the Board and other Meetings or reimbursement of expenses, if any.

The remuneration to the Managing Director and Whole-time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting.

(c) Disclosures with Respect to Remuneration

(i) Details of remuneration/sitting fees paid to Directors during the Financial Year 2017-18 are given below

(₹ in lakhs)

Sr. No.	Name of Director	Service Term	No. of shares held	Sitting Fee (A)	Salary (B)	Perks (C)	Commission (D)	Total (A+B+C+D)
1	Shri Anil Rai Gupta* (Chairman and Managing Director)	1-4-14 to 31-3-19	1,17,97,340	-	400.38	0.40	1,285.00	1,685.78
2	Shri Ameet Kumar Gupta** (Whole-time Director)	1-1-15 to 31-12-19	15,66,160	-	161.43	0.40	514.00	675.83
3	Shri Rajesh Kumar Gupta** (Whole-time Director (Finance) and Group CFO)	1-4-15 to 31-3-20	13,00,688	-	399.65	0.40#	514.00	914.05
4	Shri Surjit Kumar Gupta	-	2,86,50,800	-	-	-	-	-
5	Shri Vijay Kumar Chopra	-	-	4.80	-	-	5.00^	9.80
6	Shri Surender Kumar Tuteja	-	-	7.50	-	-	5.00^	12.50
7	Dr. Adarsh Kishore	-	-	3.60	-	-	5.00^	8.60
8	Smt. Pratima Ram	-	-	4.50	-	-	5.00^	9.50
9	Shri T. V. Mohandas Pai	-	-	2.40	-	-	5.00^	7.40
10	Shri Puneet Bhatia	-	-	1.20	-	-	5.00^	6.20
11	Shri Vellayan Subbiah	-	-	2.10	-	-	5.00^	7.10
12	Shri Sunil Behari Mathur%	-	-	0.30	-	-	0.73^	1.03
13	Shri Jalaj Ashwin Dani@	-	-	1.50	-	-	3.13^	4.63
14	Shri Upendra Kumar Sinha$	-	-	-	-	-	0.42^	0.42

**Entitled to Commission @ 1.25% of the profit before tax.*

***Entitled to Commission @ 0.50% of the profit before tax*

^In terms of Shareholders approval dated 13th July, 2016, all the Non-Executive Directors except the Promoter Directors of the Company are entitled for a commission of ₹ 5 lakhs per annum w.e.f. 1st April, 2016 as decided by the Nomination and Remuneration Committee of the Board.

%Resigned as Independent Director w.e.f. 24th May, 2017.

@Appointed as Additional Director (Independent) w.e.f. 16th August, 2017.

$Appointed as Additional Director (Independent) w.e.f. 1st March, 2018.

#Excluding the value of shares i.e. ₹ 502.15 lakhs, exercised during the financial year 2017-18 under the Havells Employees Stock Purchase Scheme 2015.

(ii) Service contracts, notice period, severance fees

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

During the financial year 2017-18, 1,00,000 Equity Shares of ₹ 1/- each were allotted to Shri Rajesh Kumar Gupta under Havells Employees Stock Purchase Scheme 2015.

6 Stakeholders Relationship/ Grievance Redressal Committee

The terms of reference and the ambit of powers of Stakeholders Relationship/ Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee which meets at quarterly intervals.

(a) Name of Non-Executive Director heading the Committee

Dr. Adarsh Kishore, Non-Executive Independent Director is the Chairman of the Stakeholders Relationship/ Grievance Redressal Committee.

The Stakeholders Relationship/ Grievance Redressal Committee comprises of 4 (Four) members of which, 3 (Three) are Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship/ Grievance Redressal Committee. The Composition of Stakeholders Relationship/ Grievance Redressal Committee as on 31st March, 2018, is given below:

Sr. No.	Name	Category	Designation
1	Dr. Adarsh Kishore	Non-Executive Independent	Chairman
2	Shri Surender Kumar Tuteja*	Non-Executive Independent	Member
3	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member
4	Shri Anil Rai Gupta	Executive	Member

Inducted as Member of the Committee w.e.f. 13th April, 2017.

(b) Name and designation of Compliance Officer

Shri Sanjay Kumar Gupta, Vice President and Company Secretary is the Compliance Officer of the Company.

(c) Number of shareholders' complaints received so far

The number of shareholders' complaints received and resolved during financial year 2017-18 is given below:

(i) Number of shareholders' complaints received – 5

(ii) Number of shareholders' complaints resolved – 5

(d) Number not solved to the satisfaction of shareholders

None. All complaints were resolved to the satisfaction of shareholders.

(e) Number of pending complaints

As at 31st March, 2018, no complaint was pending unresolved.

(f) Meetings and attendance during the year

Sr. No.	Name	Attendance in Stakeholders Relationship/ Grievance Redressal Committee Meetings held on			
		11 May 17	19 Jul 17	23 Oct 17	22 Jan 18
1	Dr. Adarsh Kishore	√	√	X	√
2	Shri Surender Kumar Tuteja*	√	√	√	√
3	Shri Surjit Kumar Gupta	√	√	√	√
4	Shri Anil Rai Gupta	√	√	√	√

Inducted as Member of the Committee w.e.f. 13th April, 2017.

Besides the above, the Board of Directors has Corporate Social Responsibility (CSR) Committee, Enterprises Risk Management Committee, Share Allotment and Transfer Committee and an Executive Committee. In respect of these Committees brief details of the role, terms of reference, composition and No. of Meetings held etc. are given below.

Corporate Social Responsibility Committee

(a) Brief description of terms of reference

The Corporate Social Responsibility Committee was formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company under "Codes & Policies" in the Corporate Governance section.

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

(b) Composition, Name of Members and Chairperson

The Corporate Social Responsibility Committee Comprises of 5 (Five) Members of which 3 (Three) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on 31st March, 2018, is given below:

Sr. No.	Name	Category	Designation
1	Shri Vellayan Subbiah*	Non-Executive Independent	Chairman
2	Shri Surender Kumar Tuteja*	Non-Executive Independent	Member
3	Dr. Adarsh Kishore	Non-Executive Independent	Member
4	Shri Anil Rai Gupta	Executive	Member
5	Shri Rajesh Kumar Gupta	Executive	Member

**Pursuant to the Board Policy on rotation of Committee members and chairs, Shri Vellayan Subbiah was inducted as a Member and appointed as Chairman of Committee w.e.f. 23rd October, 2017. Prior to him, Shri Surendra Kumar Tuteja was the Chairman.*

(c) Meetings and attendance during the year

Sr. No.	Name	Attendance in Corporate Social Responsibility Committee Meetings held on: 11 May 17	Attendance in Corporate Social Responsibility Committee Meetings held on: 23 Oct 17
1	Shri Vellayan Subbiah*	N.A.	N.A.
2	Shri Surender Kumar Tuteja	√	√
3	Dr. Adarsh Kishore	√	X
4	Shri Anil Rai Gupta	√	√
5	Shri Rajesh Kumar Gupta	√	√

**Shri Vellayan Subbiah was inducted as a Member and appointed as Chairman of the Committee w.e.f. 23rd October, 2017.*

Enterprises Risk Management Committee

The role of the Enterprises Risk Management Committee is to identify the risks impacting the Company's business and formulate and administer policies/ strategies aimed at risk minimisation and risk mitigation as part of risk management.

The Committee is chaired by a Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary to the Enterprises Risk Management Committee. The Composition of Enterprises Risk Management Committee as on 31st March, 2018, is given below:

Sr. No.	Name	Category	Designation
1	Smt. Pratima Ram*	Non-Executive Independent	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Rajesh Kumar Gupta	Executive	Member

**Inducted as a Member and appointed Chairman w.e.f. 23rd October, 2017.*

During the financial year 2017-18, the Enterprises Risk Management Committee met once on 22nd March, 2018 and the Meeting was attended by all the Members of the Committee.

Share Allotment and Transfer Committee

The Share Allotment and Transfer Committee meets regularly to consider requests of share transfer/ transmission/ transposition/ split/ consolidation/ sub-division/ duplicate share certificate etc. and also to take note of the investor grievances. The summary of number of requests/ grievances received and resolved in every quarter is also placed before the Stakeholders Relationship/ Grievance Redressal Committee for its information and review.

The Committee comprises of 1 (One) Non-Executive Director and 2 (Two) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Share Allotment and Transfer Committee. The Composition of Share Allotment and Transfer Committee as on 31st March, 2018, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Rajesh Kumar Gupta	Executive	Member

During the financial year 2017-18, the Share Allotment and Transfer Committee met 7 (Seven) times.

Executive Committee

The role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference of the Board. The Committee comprises of 1 (One) Non-Executive Director and 3 (Three) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive Committee as on 31st March, 2018, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Ameet Kumar Gupta	Executive	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

During the financial year 2017-18, the Executive Committee met 19 (Nineteen) times.

7 General Body Meetings

(a) Location and time, where last three Annual General Meetings held

Date of AGM	Location	Time
7th July, 2017	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003	10:00 a.m.
13th July, 2016		
13th July, 2015		

(b) Whether any Special Resolutions passed in the previous three Annual General Meetings

Date of AGM	Details of Special Resolutions passed, if any
7th July, 2017	Nil
13th July, 2016	1. Approval of Havells Employee Stock Purchase Scheme 2016 and its implementation through Trust.
	2. Authorisation for Havells Employee Welfare Trust to subscribe to shares for and under the Havells Employees Stock Purchase Scheme 2016.
	3. Provisioning of money by the Company to the Havells Employee Welfare Trust/ Trustees for subscription of shares under the Havells Employees Stock Purchase Scheme 2016.
	4. Re-appointment of Shri Avinash Parkash Gandhi as an Independent Director of the Company for a Second Term.
	5. Re-appointment of Shri Vijay Kumar Chopra as an Independent Director of the Company for a Second Term.
	6. Re-appointment of Shri Sunil Behari Mathur as an Independent Director of the Company for a Second Term.
	7. Re-appointment of Shri Surender Kumar Tuteja as an Independent Director of the Company for a Second Term.
	8. Re-appointment of Dr. Adarsh Kishore as an Independent Director of the Company for a Second Term.
13th July, 2015	Amendment of Articles of Association of the Company.

(c) (1) Special Resolution passed last year through postal ballot – details of voting pattern and procedure thereof

No Special Resolution was passed through postal ballot during the last year.

(2) Special Resolution proposed to be conducted through postal ballot

At the ensuing Annual General Meeting of the Company, approval of the Members is sought by way of a Special Resolution for amending the Objects Clause of the Memorandum of Association of the Company. The proposed Special Resolution is contained as Resolution No. 11 in the Notice of AGM.

By virtue of section 13 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 approval of Members by way of Special Resolution was required to be mandatorily sought under Postal Ballot in order to amend the object clause of the Company. However, pursuant to the newly inserted proviso to section 110(b), effective 9th February, 2018, any item of business required to be transacted by means of postal ballot u/s 110(a), may be transacted at a General Meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.

8 Means of Communication

(a) Quarterly results

The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

(b) Newspapers wherein results normally published

The quarterly/ half-yearly/ annual financial results are generally published in Economic Times in both English and Hindi Daily editions.

(c) Website, where displayed

The financial results and the official news releases are also placed on the Company's website www.havells.com in the investor relations section.

(d) Official news releases

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the investor relations section.

(e) Presentations made to institutional investors or to the analysts

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

9 General Shareholder Information

(a) Annual General Meeting - date, time and venue

Day : Friday

Date : 20th July, 2018

Time : 10:00 am

Venue : Kamani Auditorium,
1, Copernicus Marg, New Delhi- 110 001

(b) Financial Year

The financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

(c) Dividend Payment Date

The Board of Directors of your Company has recommended a dividend of ₹ 4/- per equity share of ₹ 1/- each i.e. @ 400% for the financial year 2017-18. Date of payment of dividend would be within 30 days from 20th July, 2018.

(d) Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s)

The equity shares of the Company are listed at:

- The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C/1, Block , Bandra Kurla Complex, Bandra (E), Mumbai- 400 051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The annual listing fee for the financial year 2018-19 has been paid by the Company to both the Stock Exchanges within the stipulated time.

(e) Stock code

NSE	BSE	ISIN
HAVELLS	517354	INE176B01034 (Shares)

(f) Market price data - high, low during each month in last Financial Year

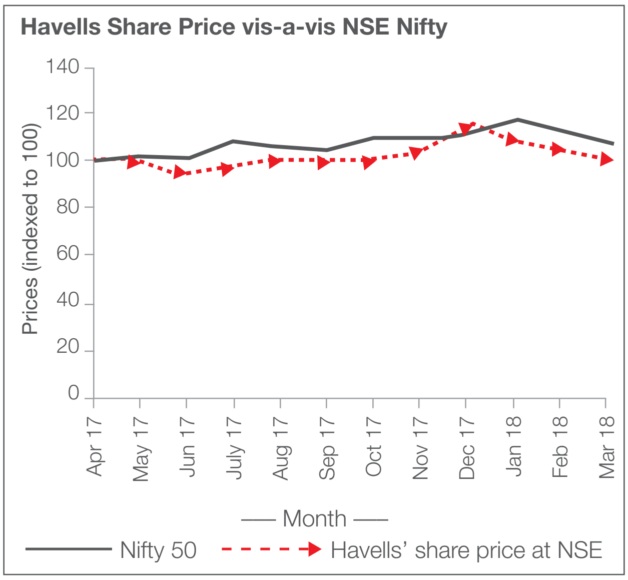
Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Ltd. (Nifty) and BSE Limited (Sensex) during financial year 2017-18 are as under:

	NSE			BSE		
Period	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr 2017	499.45	459.20	1,57,98,427	498.75	460.30	11,09,637
May 2017	526.30	433.60	3,45,27,910	525.40	434.00	24,13,456
Jun 2017	511.50	440.85	1,89,04,100	510.90	441.30	13,91,971
Jul 2017	485.55	451.30	2,53,37,021	510.05	452.00	19,17,223
Aug 2017	501.90	453.85	2,29,26,785	502.00	453.35	14,81,262
Sep 2017	521.45	469.55	2,22,82,980	521.35	468.80	16,62,084
Oct 2017	564.60	479.50	4,21,56,211	564.30	480.25	23,57,650
Nov 2017	527.90	486.05	2,88,15,618	527.35	486.50	19,79,618
Dec 2017	569.90	502.60	2,59,15,311	573.00	502.95	14,05,001
Jan 2018	592.50	518.10	3,33,49,341	592.70	517.00	2,53,12,181
Feb 2018	532.70	450.00	2,15,70,341	532.50	454.00	14,74,940
Mar 2018	527.70	486.20	2,02,45,719	528.00	486.75	10,13,054

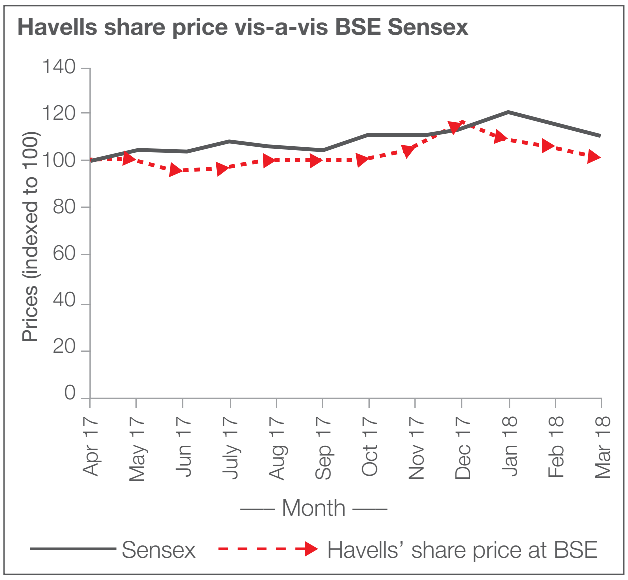
(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchanges.

(g) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc.



Note: The graph indicates monthly closing positions. Share prices and NSE Nifty are indexed to 100 as on 1st April.



Note: The graph indicates monthly closing positions. Share prices and BSE Sensex are indexed to 100 as on 1st April.

(h) In case the securities are suspended from trading, the Director's Report shall explain the reason there of

Not applicable.

(i) Registrar to an issue and share transfer agents

Link Intime India Private Limited
44, 2nd Floor, Naraina Community Centre Phase I
Near PVR, New Delhi – 110 028
Telephone No.: 011-41410592, 011-41410593
Fax No.: 011-41410591
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

(j) Share transfer system

Trading in equity shares of the Company through recognised Stock Exchanges can be done only in dematerialised form.

In case of shares held in physical form, the transferred share certificates duly endorsed are despatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects. In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/ her.

In case of request for dematerialisation of shares, confirmation of dematerialisation is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

(k) Distribution of shareholding as on 31st March, 2018

Shareholding of Nominal Value of ₹ 1/- each	Shareholders (Numbers)	% of Total Shareholders	No. of Shares	Nominal Value (in ₹)	% of Nominal Value
Upto 5,000	92,744	98.05	2,12,35,587	2,12,35,587	3.40
5,001 - 10,000	885	0.94	66,27,973	66,27,973	1.06
10,001 - 20,000	343	0.36	50,01,072	50,01,072	0.80
20,001 - 30,000	147	0.16	36,83,764	36,83,764	0.59
30,001 - 40,000	77	0.08	27,36,509	27,36,509	0.44
40,001 - 50,000	43	0.05	19,44,318	19,44,318	0.31
50,001 - 1,00,000	113	0.12	80,81,771	80,81,771	1.29
1,00,001 & Above	238	0.25	57,58,37,479	57,58,37,479	92.11
GRAND TOTAL	**94,590**	**100.00**	**62,51,48,473**	**62,51,48,473**	**100.00**

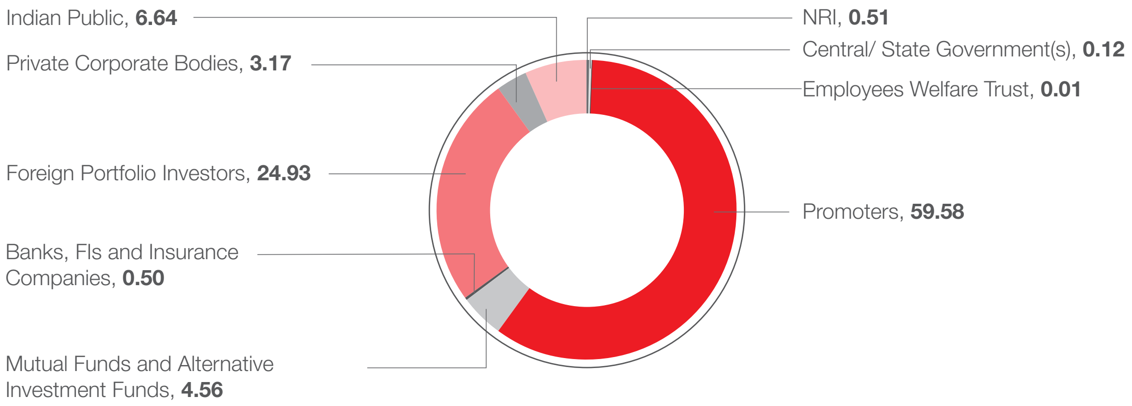
Ownership Pattern as on 31st March, 2018

Category	No. of Shareholders	No. of Shares Held	% of Total Holding
Promoters			
Indian Promoters	11	37,24,57,920	59.58
Non Promoters			
Institutional Investors			
Mutual Fund and Alternative Investment Funds	27	2,84,75,725	4.56
Foreign Portfolio Investors	416	15,58,41,064	24.93
Bank, Financial Institutions and Insurance Companies	8	31,05,430	0.50
Central Government/ State Government(s)	2	7,53,376	0.12
Non-Institutions			
Indian Public*	88,435	4,15,11,387	6.64
NRI	2,609	31,57,637	0.51
Bodies Corporate	892	1,98,03,974	3.17
Non Promoter Non Public			
Employee Benefit Trust	1	41,960	0.01
GRAND TOTAL	**92,401**	**62,51,48,473**	**100.00**

**Indian Public shareholding includes shareholdings of individuals, shares with IEPF Authority, Trust, HUF, Unclaimed Suspense A/c and Clearing Members.*

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchanges as at 31st March, 2018, wherein the Shareholding is consolidated on the basis of PAN in terms of SEBI Circular dated 19th December, 2017.

Ownership Pattern as on 31st March, 2018



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2018

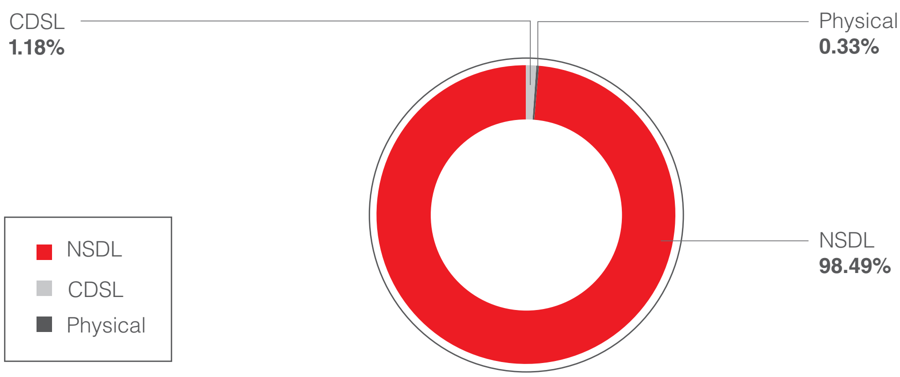
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Shareholding
1	Nalanda India Equity Fund Limited	3,30,44,930	5.29
2	Government Pension Fund Global	1,32,25,441	2.12
3	Smallcap World Fund, Inc	76,71,266	1.22
4	New World Fund Inc	72,65,000	1.16
TOTAL		**6,12,06,637**	**9.79**

(l) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2018, 62,30,96,396 Equity shares out of 62,51,48,473 Equity Shares of the Company, forming 99.67% of the Company's paid-up capital is held in the dematerialised form. Majority of demat shares are with National Securities Depository Limited. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the NSE and BSE.

Particulars	As on 31st March, 2018		As on 31st March, 2017	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form	**62,30,96,396**	**99.67**	**62,20,99,445**	**99.56**
NSDL	61,57,04,856	98.49	61,58,23,717	98.56
CDSL	73,91,540	1.18	62,75,728	1.00
Shares in Physical Form	20,52,077	0.33	27,55,897	0.44
TOTAL	**62,51,48,473**	**100.00**	**62,48,55,342**	**100.00**

Ownership in Demat and Physical Mode



(m) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ ADRs/ Warrants outstanding as on 31st March, 2018.

(n) Commodity price risk or foreign exchange risk and hedging activities

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

(o) Plant locations

Sr. No.	Products	Location Address
1.	Electrical wire Accessories and Switchgears	Distt. Solan, Baddi, Himachal Pradesh
2.	Switchgears and Appliances	Plot No. 2 and 2A, Sector - 12, SIDCUL Industrial Area, Haridwar, Uttarakhand
3.	Electrical wire Accessories and Switchgears	NH-31, Dara Kahara (Bhahkajan) Mouza Madartoal, Kamrup, Assam
4.	Switchgears	14/3, Mathura Road, Faridabad, Haryana
5.	Switchgears and Capacitors	Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)
6.	• Motor and Pump • Lighting & Fixture and Appliances	SP-181 – 189 & 191(A) Industrial Area, Phase II, Neemrana, Alwar, Rajasthan
7.	Industrial & Domestic Cable	A/461-462, & SP – 215, 204 & 204(A) Matsya Industrial Area, Alwar, Rajasthan
8.	Fan	Plot No. 2A, Sector - 10, SIDCUL Industrial Area, Haridwar, Uttarakhand

(p) Address for correspondence

The Company Secretary
Havells India Limited
(Secretarial Department)
QRG Towers, 2D, Sector – 126,
Expressway, Noida – (U.P.), Pin – 201 304
Telephone No.: 0120 – 3331000
Fax No.: 0120 – 3332000
Email : investors@havells.com

Address for Correspondence with the Registrar and Transfer Agents

Link Intime India Private Limited
44, 2nd Floor, Naraina Community Centre Phase I,
Near PVR Cinema, New Delhi – 110 028
Telephone No.: 011-41410592, 011-41410593
Fax No.: 011-41410591
Email: delhi@linkintime.co.in

10 Other Disclosures

(a) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large

During the financial year 2017-18, there was no materially significant Related Party Transaction that may have potential conflict with the interests of the Company at large. For reference, the details of Related Party Transactions in accordance with AS–18 are given in Note No. 32(7) of Other Notes on Accounts of the Annual Report.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years

The Company has not been penalised, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

(c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee

The Company has adopted a Whistle Blower Policy called 'Satark' which means alert/ vigilant empowering any person associated with the organisation to file a grievance if he/ she notices any irregularity.

No person has been denied access to the Audit Committee for any grievance.

The Company has in addition to Whistle Blower Policy also adopted a policy named 'Idea' to promote a culture of innovative thinking, creativity and vigilance in all areas of its business. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspect that may benefit the Company.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(f) Web link where policy on dealing with Related Party Transactions is disclosed

The policy on dealing with Related Party Transactions is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(g) Disclosure of commodity price risks and commodity hedging activities

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

The Foreign Currency exposure is given under Note No. 32(11) of Other Notes on Accounts of the Annual Report.

11 Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

(a) The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a Non-Executive Chairperson is not applicable.

(b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website www.havells.com

(c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

(d) Separate posts of Chairperson and CEO: Presently, Shri Anil Rai Gupta is the Chairman and Managing Director of the Company. He is also the CEO of the Company.

(e) Reporting of Internal Auditor: The Company has appointed KPMG as the Internal Auditors for conducting the internal audit, representatives whereof report to the Head, Risk Management and Governance Department who reports to the Director (Finance) and Group CFO and has direct access to the Audit Committee.

12 Disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub– regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration Signed by the Chief Executive Officer stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Ethics for the Financial Year ended 31st March, 2018.

Anil Rai Gupta
Chairman and
Noida, 11th May, 2018 **Managing Director**

Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report.

Disclosures with respect to Demat suspense account/ unclaimed suspense Account

During the last financial year, in compliance of Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company transferred 2,27,100 Equity Shares of ₹ 1/- each in respect of 33 Shareholders, lying undelivered/ unclaimed with the Company, into one folio, namely, the Unclaimed Suspense A/c and got them dematerialised with NSDL (IN30045014669162). The said Transfer of Shares was approved in the Committee Meeting held on 12th May, 2017. Further, the dividend accruing on such Shares was also credited to Unpaid Dividend Account.

Subsequently, 2 (Two) Shareholders, holding 15,000 (Fifteen Thousand only) Shares approached the Company claiming Shares out of the Unclaimed Suspense A/c. These claims were found rightful after verification of all the documents as per the records and procedures of the RTA and were transferred to the shareholders demat accounts (as opted by them) pursuant to the approval of Share Transfer and Allotment Committee granted in its Meeting on 13th April, 2018. The unpaid dividend in respect of last 7 years was also paid to these Shareholders on their respective shares.

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year – Nil*

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year – 2*

(c) Number of shareholders to whom shares were transferred from suspense account during the year – Nil

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year – 33 (No. of shareholders) 2,27,100 (No. of shares) respectively

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**Note: After the end of financial year, the claims in respect of 2 shareholders, which were lodged during the year, after being found rightful, were paid out of the Unclaimed Suspense Account, as a result of which, No. of Shareholders and the Outstanding Shares were reduced to 31 and 2,12,100* respectively.

Other useful information for shareholders ECS facility

The Company provides facility of "Electronic Clearing Service" (ECS) for payment of dividend to its shareholders. ECS facility assists in quick remittance of dividend without possible loss/ delay in postal transit. Shareholders holding shares in physical form are requested to provide details of their bank account for availing ECS facility. However, if the shares are held in dematerialised form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

Update E-mails for receiving notice/ documents in e-mode

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavour.

In accordance of the same, your Company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report alongwith Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the Company in the KYC Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

Encash Dividend Promptly

The shareholders are advised to encash their dividend promptly to avoid hassles of revalidation or losing right to claim dividend owing to transfer of unclaimed dividends beyond 7 (Seven) years to the Investor Education and Protection Fund.

Unpaid Dividend

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of 7 (Seven) years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by the investors. To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

The Company in the past has also made special efforts by engaging its service franchisees to visit the relevant shareholders at their registered addresses to help locate the cause of dividend remaining unpaid/ unclaimed and redress it so that the dividend can be paid to the people entitled to it before it falls due for credit to IEPF.

Unclaimed Dividend in respect of the financial year 2010-11 will be due for transfer to Investor Education and Protection Fund on 7th September, 2018 in terms of Section 124 of the Companies Act, 2013. Members who have not encashed their Dividends for the financial year ended 31st March, 2011 or any subsequent year(s) are requested to lodge their claims with the Company.

A separate communication in this regard has already been sent to the Shareholders of the Company who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

In respect of Final Dividend for the financial year ended 31st March, 2011, it will not be possible to entertain claims which are received by the Company after 7th September, 2018. Members are advised that in terms of the provisions of Section 124(5) of the Companies Act, 2013, once unclaimed dividend is transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for refund with the IEPF authority by making an application in the prescribed Form alongwith fee.

Financial Year	Dividend Type	Dividend Per Share (₹)	Date of Declaration	Due date of transfer to IEPF
2010-11	Final	2.50	01.08.2011	07.09.2018
2011-12	Final	6.50	16.07.2012	22.08.2019
2012-13	Final	7.50	05.07.2013	11.08.2020
2013-14	Interim	5.00	14.03.2014	20.04.2021
2013-14	Final	10.00	09.07.2014	15.08.2021
2014-15	Final	3.00*	13.07.2015	19.08.2022
2015-16	Interim	3.00	03.02.2016	12.03.2023
2015-16	Final	3.00	13.07.2016	19.08.2023
2016-17	Final	3.50	07.07.2017	14.08.2024

**During the financial year 2014-15, the Equity Shares of the Company, which were of the face value of ₹ 5/- each, were sub-divided into 5 Equity Shares of ₹ 1/- each.*

Dematerialisation of Shares

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, Members are advised to consider dematerialisation of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/ misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

Separate communications in this regard were also sent during the financial year to all those Shareholders of the Company who have not yet dematerialised their physical share certificates, outlining the procedure for dematerialisation and benefits thereof.

Transfer/ Transmission/ Transposition of Shares

The Securities and Exchange Board of India (SEBI), vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009 and Circular No. MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010 made it mandatory that a copy of the PAN Card is to be furnished to the Company in the following cases:

- registration of physical transfer of shares;
- deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;
- transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder; and
- transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders.

Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests.

Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

Consolidation of Multiple Folios

Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

Nomination Facility

Provision of Section 72 of the Companies Act, 2013 read with rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/ successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialised form are requested to register their nominations directly with their respective DPs.

Update your Correspondence Address/ Bank Mandate/ PAN/ Email Id

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address/ bank details/ PAN/ email Id instantly by written request under the signatures of sole/ first joint holder.

Shareholder(s) holding shares in dematerialised form are requested to notify change in bank details/ address/ email Id directly with their respective DPs.

Quote Folio No. / DP ID No.

Shareholders/ Beneficial Owners are requested to quote their Folio Nos./ DP ID Nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their E-mail IDs, and Contact number for prompt reply to their correspondence.

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

Noida, 11th May, 2018

Anil Rai Gupta
Chairman and Managing Director

CEO'S/ CFO'S CERTIFICATE

We, Anil Rai Gupta, Chairman and Managing Director and Rajesh Kumar Gupta, Director (Finance) and Group CFO of Havells India Limited, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

    i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee, wherever applicable,

    i. significant changes in internal control over financial reporting during the year;

    ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

    iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Havells India Limited**

(Anil Rai Gupta)
Chairman and Managing Director

Noida, 11th May, 2018

For **Havells India Limited**

(Rajesh Kumar Gupta)
Director (Finance) and Group CFO

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of Havells India Limited
Havells India Limited
QRG Towers, 2D, Sector 126,
Noida-Greater Noida Expressway,
Noida, Uttar Pradesh 201 304

1. The Corporate Governance Report prepared by Havells India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held April 01, 2017 to March 31, 2018:

      (a) Board of Directors Meeting;

      (b) Audit Committee;

      (c) Annual General Meeting;

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship/ Grievance Redressal Committee;

      (f) Independent Directors Meeting; and

      (g) Corporate Social Responsibility Committee;

      (h) Enterprise Risk Management Committee;

      (i) Share Allotment and Transfer Committee;

      (j) Executive Committee;

   v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

   vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

8. Based on the procedures performed by us as referred in paragraph 8 above, and according to the information and explanations given to us, that, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 2 above.

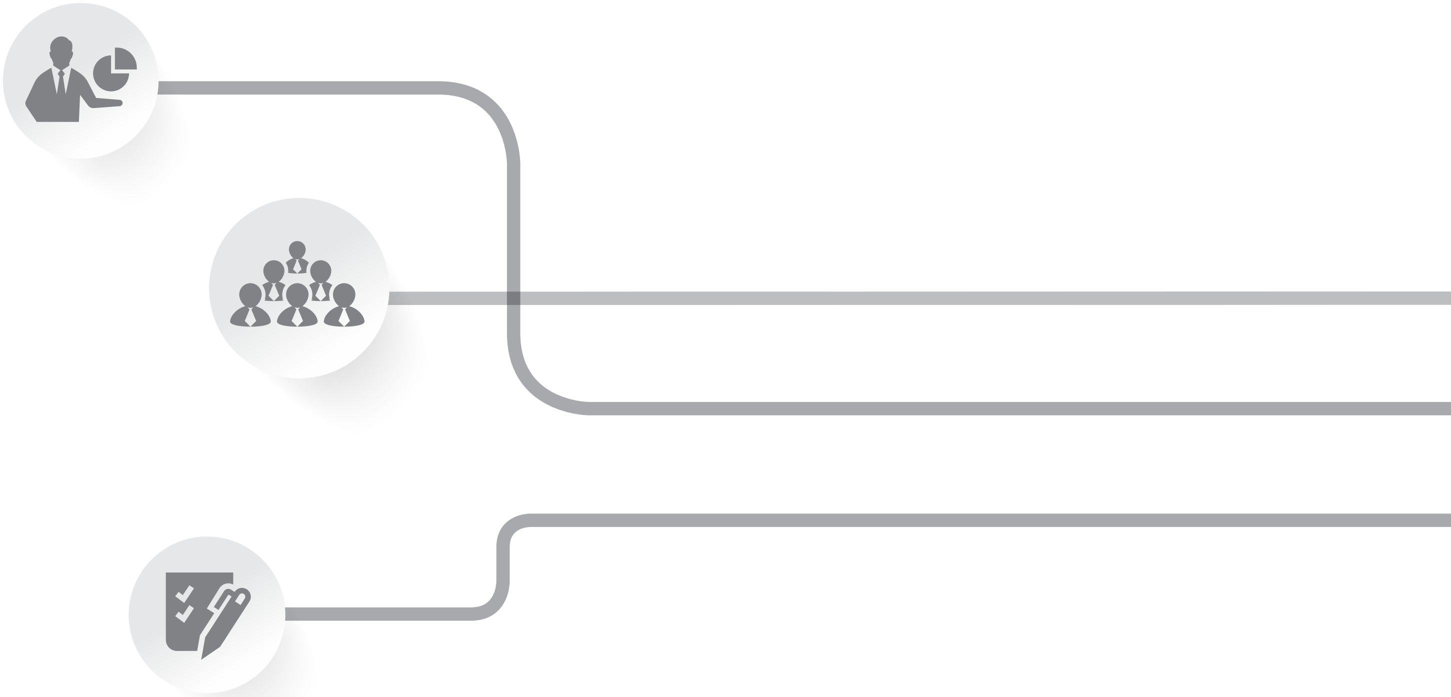
Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta
Partner
Membership Number: 083906
Place: Noida
Date: 11 May 2018



STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Havells India Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Havells India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31A to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta
Partner
Membership Number: 83906
Date: May 11, 2018
Place: Noida

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Havells India Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for :

- Land taken on lease by the Company from its group company duly approved by board of directors for which lease deed is yet to be registered with appropriate authorities. The Company has constructed building on such land which is appearing in the Company's property, plant and equipment having gross block of ₹15.46 crores and net block of ₹ 14.77 crores.

- Four immovable properties having aggregate gross block of ₹ 41.44 crores and net block of ₹ 40.89 crores for which title deed is not in the name of the Company for which the Company is in the process of getting them registered in its name.

- Land taken on lease during the year having gross block of ₹ 71.21 crores and net block of ₹ 71.07 crores for which allotment letter and possession letter is in name of the Company. As explained to us, the Company is in process of entering into lease deed for this land.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electrical and electronic goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute are as follows.

Name of the Statute	Nature of the Dues	Amount of demand without netting of amount paid under protest (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowances and additions to taxable income.	29.55	10.76	AY 2004-05 to AY 2013-14	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income.	25.79	0.51	AY 2006-07 to AY 2014-15	Commissioner of Income Tax (Appeal) New Delhi
Central Excise Act, 1944	Excise duty demand/ disallowance of Cenvat credit on various items.	0.33	-	FY 2005-06 to 2009-10	CESTAT, (Chandigarh)
Central Excise Act, 1944	Excise duty demand/ disallowance of Cenvat credit on various items.	0.12	0.01	FY 2012-13 to FY 2014-15	The Commissioner (Appeals), Jaipur
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	5.09	1.07	FY 2001-02 to FY 2015-16	Joint Commissioner (Appeals)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	1.20	0.28	FY 2012-13	Additional Commissioner (Appeals)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	0.03	0.03	FY 2010-11	Nagpur Municipal Corporation
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	0.05	0.02	FY 2007-08	Commissioner (Appeal)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	21.09	10.90	FY 2005-06 to FY 2014-15	Tribunal (Commercial Tax Department)
Sales Tax/ VAT	Sales tax / VAT demand on various matters	0.64	0.33	FY 2005-06 to FY 2011-12	Deputy Commissioner (Appeals)
Sales Tax/ VAT	Sales tax / VAT demand on various matters	0.15	0.15	FY 2005-06 to FY 2006-07	High Court

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders or government.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer/ further public offer/ debt instruments.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta
Partner
Membership Number: 83906
Date: May 11, 2018
Place: Noida

Annexure 2 to the independent auditor's report of even date on the standalone financial statements of Havells India Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Havells India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta
Partner
Membership Number: 83906
Date: May 11, 2018
Place: Noida

BALANCE SHEET

as at March 31, 2018

(₹ in crores)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	1,247.90	1,191.67
Capital work in progress	3	24.05	11.91
Investment property	4	53.79	55.92
Goodwill	5	310.47	-
Other intangible assets	5	1,173.00	18.16
Investment in subsidiaries	6	41.70	227.41
Financial assets	7		
(i) Investments		-	161.66
(ii) Other financial assets		17.21	13.55
(iii) Other bank balances		0.41	-
Other non-current assets	8	40.15	88.59
		2,908.68	**1,768.87**
2 Current assets			
Inventories	9	1,621.65	928.43
Financial assets	10		
(i) Trade receivables		325.40	228.50
(ii) Cash and cash equivalents		301.20	554.96
(iii) Other bank balances		1,224.97	1,382.57
(iv) Other financial assets		7.97	6.02
Other current assets	11	135.21	74.37
		3,616.40	**3,174.85**
Assets classified as held for sale	12	16.33	16.27
		3,632.73	**3,191.12**
Total Assets		**6,541.41**	**4,959.99**
EQUITY AND LIABILITIES			
1 Equity	13		
Equity share capital		62.51	62.49
Other equity		3,676.64	3,211.09
		3,739.15	**3,273.58**
2 Liabilities			
Non-current liabilities			
Financial liabilities	14		
(i) Borrowings		81.00	-
(ii) Other financial liabilities		5.48	2.93
Provisions	15	23.88	9.08
Deferred tax liabilities (Net)	16	206.95	113.76
Other non-current liabilities	17	17.71	1.64
		335.02	**127.41**
Current liabilities			
Financial liabilities	18		
(i) Borrowings		27.00	198.05
(ii) Trade payables		1,633.99	629.56
(iii) Other financial liabilities		513.29	444.29
Other current liabilities	19	107.55	110.53
Provisions	20	154.09	110.19
Current tax liabilities (Net)	21	31.32	66.38
		2,467.24	**1,559.00**
Total Equity and Liabilities		**6,541.41**	**4,959.99**
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	31		
Other notes on accounts	32		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in crores)

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
I	**INCOME**			
	Revenue from operations	22	8,260.27	6,585.96
	Other income	23	116.99	134.28
	Total Income		**8,377.26**	**6,720.24**
II	**EXPENSES**			
	Cost of materials consumed	24	3,586.69	3,268.69
	Purchase of traded goods	25	1,719.96	493.30
	Change in inventories of finished goods, traded goods and work in progress	26	(325.88)	(113.52)
	Excise duty on sale of goods	22(a)	121.70	450.70
	Employee benefits expense	27	649.73	500.40
	Finance costs	28	23.97	12.15
	Depreciation and amortisation expenses	29	139.52	119.63
	Other expenses	30	1,458.78	1,162.25
	Total Expenses		**7,374.47**	**5,893.60**
III	**Profit before exceptional items and tax**		**1,002.79**	**826.64**
	Add : Exceptional items {refer note no 32(1A)}		11.91	(57.81)
IV	**Profit before tax**		**1,014.70**	**768.83**
V	**Income Tax expenses**	16		
	Current tax		208.99	234.48
	Less: MAT credit entitlement		(43.09)	-
	Deferred tax		136.28	(4.69)
	Total tax expense		**302.18**	**229.79**
VI	**Profit for the year**		**712.52**	**539.04**
VII	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
	i) Re-measurement (gains)/ losses on defined benefit plans (refer note 32(5))		(2.59)	4.21
	ii) Income tax effect {refer note no 16(b)}		0.91	(1.46)
	Other comprehensive income for the year, net of tax		**(1.68)**	**2.75**
VIII	**Total comprehensive income for the year, net of tax**		**714.20**	**536.29**
IX	**Earnings per equity share (refer note no. 32(13)) (nominal value of share ₹ 1/-)**			
	Basic (₹)		11.40	8.63
	Diluted (₹)		11.40	8.63
	Summary of significant accounting policies	2		
	Contingent liabilities, commitments and litigations	31		
	Other notes on accounts	32		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

A) Equity Share Capital

(₹ in crores)

Particulars	Nos.	Amount
As at April 1, 2016	**624,587,780**	**62.46**
Add: Equity shares issued under ESPP	267,562	0.03
As at March 31, 2017	**624,855,342**	**62.49**
Add: Equity shares issued under ESPP	293,131	0.02
As at March 31, 2018	**625,148,473**	**62.51**

B) Other Equity

(₹ in crores)

Particulars	Reserves and surplus				Total other equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	
As at April 1, 2016	**7.61**	**14.55**	**748.84**	**2,120.21**	**2,891.21**
Profit for the year	-	-	-	539.04	539.04
Other comprehensive income for the year					
Remeasurements gain/(loss) on defined benefit plans	-	-	-	(2.75)	(2.75)
Dividends					
Final dividend	-	-	-	(187.46)	(187.46)
Corporate dividend tax	-	-	-	(38.17)	(38.17)
Addition on equity shares issued under ESPP	-	9.22	-	-	9.22
As at March 31, 2017	**7.61**	**23.77**	**748.84**	**2,430.87**	**3,211.09**
Profit for the year	-	-	-	712.52	712.52
Other comprehensive income for the year					
Remeasurements gain/(loss) on defined benefit plans	-	-	-	1.68	1.68
Dividends					
Final dividend	-	-	-	(218.80)	(218.80)
Corporate dividend tax	-	-	-	(44.54)	(44.54)
Addition on equity shares issued under ESPP	-	14.69	-	-	14.69
As at March 31, 2018	**7.61**	**38.46**	**748.84**	**2,881.73**	**3,676.64**

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	31
Other notes on accounts	32

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

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Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

STATEMENT OF CASH FLOW

for the year ended March 31, 2018

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before Income tax	1,014.70	768.83
	Adjustments to reconcile profit before tax to net cash flows		
	Exceptional Items	(11.91)	57.81
	Profit on sale of non-current financial investments	(18.49)	-
	Depreciation and amortisation expense	139.52	119.63
	Loss on sale/ disposal of Property, plant and equipment (net)	2.01	1.45
	Unrealised foreign exchange (gain) / loss (net)	(1.01)	0.16
	Impairment allowance for trade receivables considered doubtful	7.27	5.42
	Bad debts written off	1.21	2.42
	Interest income	(44.61)	(98.04)
	Finance cost	19.74	9.11
	Excess provisions no longer required written back	(3.42)	(7.61)
	Rental Income	(6.92)	(5.85)
	Reversal of Impairment allowance for trade receivables considered doubtful	(2.25)	(2.60)
	Operating Profit before working capital changes	**1,095.84**	**850.73**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables	(102.32)	(77.48)
	(Increase)/ Decrease in financial assets	(6.15)	(3.56)
	(Increase)/ Decrease in non-financial assets	(62.59)	(15.96)
	(Increase)/ Decrease in inventories	(693.22)	(144.07)
	Increase/ (Decrease) in trade payables	1,006.03	194.76
	Increase/ (Decrease) in financial liabilities	40.65	136.06
	Increase/ (Decrease) in non financial liabilities	13.09	24.71
	Increase/ (Decrease) in provisions	61.29	17.80
	Cash generated from in operations	**1,352.62**	**982.99**
	Income tax paid (net of refunds)	(244.96)	(205.16)
	Net Cash flow from Operating Activities (A)	**1,107.66**	**777.83**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of tangible and intangible assets	(1,596.19)	(238.63)
	Proceeds from sale of property, plant and equipment	7.44	2.80
	Addition to investment property	-	(1.02)
	Fixed deposits matured/ (made) during the year	135.99	(80.40)
	Proceeds from redemption/ sale of equity shares invested in subsidiary /associate	198.25	18.95
	Investment in equity shares of Subsidiary Company	(0.63)	(10.77)
	Sale proceeds of non-current investment	169.18	-
	Rental income	6.92	5.85
	Interest income received	77.34	75.77
	Net Cash flow from/(used) in Investing Activities (B)	**(1,001.70)**	**(227.45)**

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from share capital issued	0.02	0.03
	Proceeds from security premium received	14.69	9.22
	Repayment of short term borrowings	(198.05)	(44.78)
	Proceeds of short term borrowings	-	198.05
	Proceeds of long term borrowings	108.00	-
	Interest paid	(19.74)	(9.29)
	Dividends paid on equity shares (including Corporate Dividend Tax)	(263.23)	(225.63)
	Net Cash Flow from/(used) in Financing Activities (C)	**(358.31)**	**(72.40)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(252.35)**	**477.98**
	Cash and cash equivalents at the beginning of the year	554.96	76.77
	Effect of exchange differences on cash and cash equivalents held in foreign currency	(1.41)	0.21
	Cash and Cash Equivalents at the end of the year	**301.20**	**554.96**

Notes :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :-

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
a)	**Cash and cash equivalents**		
	Balances with banks:		
	Current accounts	30.51	22.72
	Cash credit accounts	75.33	87.07
	Fixed deposits account with a original maturity of less than three months	195.23	445.14
	Cash on hand	0.13	0.03
		301.20	**554.96**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

1 CORPORATE INFORMATION

Havells India Limited ('the Company') is a public limited Company domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company is consumer electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Fans, Power Capacitors, CFL Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Domestic Appliances, Water Purifier, Air conditioner, Television and washing machine covering the entire range of household, commercial and industrial electrical needs. The Company's manufacturing facilities are located at Faridabad in Haryana, Alwar and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad, Noida in Uttar Pradesh, Baddi in Himachal Pradesh and Guwahati in Assam. The research and development facilities are located at Head office, Noida (Uttar Pradesh) and at some of the units which have been approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, New Delhi.

The Financial statements were authorised by the Board of Directors for issue in accordance with resolution passed on May 11,2018.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) 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. The financial statements have been prepared on a historical cost basis, 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

The amendments to Ind AS 7 requires disclosures of change in liabilities arising from financing activities which has been appropriately disclosed in the statement of cash flow.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest crore (INR 0,000,000) upto two decimal places, except when otherwise indicated.

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non- current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realised 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.

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 realisation in cash and cash equivalents. the Company has identified twelve months as its operating cycle.

2.03 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective 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

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	**Useful life (in years)**
Building	30 - 60
Plant and Equipment	15
Dies and tools	6
Furniture and Fixtures	10
Vehicles	8-10
R & D Equipment	5-15
Office Equipment	3-5
Electric Fans and Installations	10
Laptops	3

Dies and tools and mobile phones are depreciated over the estimated useful lives of 6 years and 3 years, respectively, which are lower than those indicated in Schedule II. On the basis of technical assessment made by the management, it believes that the useful lives as given above are realistic and reflect fair approximation of period over which the assets are likely to be used.

Lease hold improvements are depreciated on straight line basis over their initial agreement period.

Leasehold land is amortised on a straight line basis over the unexpired period of their respective lease ranging from 90-99 years.

2.04 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both , and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 " Fair value measurement".

Investment property consist of leasehold land which is amortised on a straight line basis over the unexpired period of the lease period of 97 years and building which is depreciated using the straight line method over their estimated useful life of 30 years.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.05 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised 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.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, 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.

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 recognised in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as under

Assets	Useful life (in years)
Computer Software	6
Technical Know-how	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7

Trademarks

Trademark acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, trademark are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Trademark has been in existence for considerable period and Company intends to continue use this intangible assets. Consequently it is believed that it has 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 cost less accumulated amortisation 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 at the time of acquisition.

Non-Compete Fee

Non-Compete fee is recognised based on agreement with seller or competitor. It is amortised on a straight line basis over their estimated useful life of 7 years based on agreed terms as per contract.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

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 OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently 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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.06 Impairment of non- financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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 Company's of assets. 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 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 available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.07 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 Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss(i.e. fair value through profit or loss),or recognised in other comprehensive income(i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A Debt instrument is measured at 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 realise its fair value changes).

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.

   This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The EIR amortisation is included in other income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

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 recognised 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 recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortised cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. 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. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in

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for the year ended March 31, 2018

the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

Derecognition

A financial asset (or ,where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred the rights to receive cash flows from the financial assets or

(b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

the Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of IND AS 17

Under the simplified approach, the Company does not track changes in credit risk. Rather , it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls),

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for the year ended March 31, 2018

discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. 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. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, 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. the Company financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

Gains or losses on liabilities held for trading are recognised 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 recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. the Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised 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 recognised less cumulative amortisation.

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 medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.08 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 Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is 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

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for the year ended March 31, 2018

(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 amortisation 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.

2.09 Investment in Subsidiaries, associates and joint ventures

An associate is an entity over which the Company 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 investment in subsidiary, associate and Joint venture are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36 . An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

2.10 Inventories

a) Basis of valuation:

i) Inventories other than scrap materials are valued at lower of cost and net realizable value

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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 and excise duty as applicable. 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 Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. 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 recognised immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated 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 that 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 amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.12 Taxes

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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

i) 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 Company is eligible for deduction under section 80-IC of Income Tax Act, 1961 in respect of income of units located in Haridwar unit-II in Uttarakand,Baddi unit-II in Himachal Pradesh and u/s 80IE in respect of unit located at Guwahati in Assam.

ii) Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity).Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

iii) Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of

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assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences 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.

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 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.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised 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 recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised 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 realised are recognised in profit or loss.

Deferred Tax includes Minimum Alternate Tax (MAT) recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.13 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Excise Duty , and net of returns, trade discounts, rebates, value added taxes and amount collected on behalf of third parties. Effective July 01, 2017, the Government of India has implemented Goods and Service Tax ("GST") replacing Excise Duty, Service Tax and various other indirect taxes. Sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Accordingly revenue is reported net of GST.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. the Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on

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delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts.

Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

b) Rendering of Services

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

c) Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight - line basis over the lease terms and is included in other income in the statement of profit or loss due to its non-operating nature.

d) 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.14 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 recognised 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) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life insurance Corporation and Bajaj Allianz Life Insurance Company Limited. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Company Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. the Company recognises 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 recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme

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for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognised as an asset to the extent that the prepayment will lead to , for example , a reduction in future payment or a cash refund.

c) Compensated Absences

Accumulated leave which is expected to be utilised within next 12 months is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and is discharge by the year end.

d) Other employee benefits

The Company provides long term incentive plan to employees via share based payments as enumerated below:

(i) Employees Stock option 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. 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 recognises the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

(ii) Employee Stock Purchase Plan : These are in nature of employee benefit wherein employees (including senior executives) of the Company purchase shares of the Company at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognised using measurement principles as prescribed in IND AS 19 - ''Employee Benefits'.

2.15 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease

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are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.16 Government Grants

Government Grants are recognised 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 recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.17 Segment accounting:

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

1 Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter - segment revenue.

2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

3 Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

4 Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

5 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

6 Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.19 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.20 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full

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understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets.

2.21 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.22 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').the Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date

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.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

2.23 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty Provisions

Provision for warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. the Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to five years.

Provision for E-Waste

Provision for E-Waste management costs are recognised when the liability in respect of product is sold is provided 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 timing of outflow is expected to be with in one to ten years.

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 Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to

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settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. the Company does not recognise 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 Company recognises a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.26 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company is consumer electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Fans, Power

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Capacitors, CFL Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Domestic Appliances, Water Purifier, Air condition, Television and washing machine covering the entire range of household, commercial and industrial electrical needs. The goods and services are sold both on their own in separate identified contracts with customers and together as a bundled package of goods and/or services.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The new revenue standard provide for either full retrospective application or modified retrospective application for annual period beginning on or after April 01, 2018. The Company plans to adopt the new standard on the required effective date using modified retrospective application.

(a) Sale of goods

For contracts with customers in which the sale of goods is generally expected to be the only performance obligation, the Company is evaluating impact on account of adoption of Ind AS 115. However, the Company do not expect the impact to have any material impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, which is generally on delivery of the goods.

In preparing to adopt Ind AS 115, the Company is evaluating the following:

(i) Variable consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Company recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under Ind AS 115, and will be required to be estimated at contract inception and updated thereafter. Ind AS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Company is evaluating the impact and does not expects that application of the constraint will result in any material impact.

(ii) Warranty obligations

The Company generally provides for warranties for general repairs and does not provide extended warranties in its contracts with customers. As such, most existing warranties will be assurance-type warranties under Ind AS 115, which will continue to be accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice. However, in certain non-standard contracts in respect of sale of consumer durable goods, the Company provides extended warranties that are currently accounted for under Ind AS 37. Under Ind AS 115, such warranties will be accounted for as service-type warranties and, therefore, will be accounted for as separate performance obligations to which the Company allocates a portion of the transaction price. The Company is evaluating the impact and it will account for it when it adopts Ind AS 115 during the year ending March 31, 2019.

(b) Rendering of services

The Company provides installation and warranty repair services. These services are sold either on their own in contracts with the customers or bundled together with the sale of goods to a customer. Currently, the Company accounts for the sales of goods and service as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative fair value approach. The Company recognises service revenue by reference to the stage of completion. Under Ind AS 115, allocation will be made based on relative stand-alone selling prices. As a result, the allocation of the consideration and, consequently, the timing of the amount of revenue recognised in relation to these sales may be impacted. The Company is evaluating the impact and it will account for it when it adopts Ind AS 115 during the year ending March 31, 2019.

(c) Presentation and disclosure requirements

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Company's financial statements. Many of the disclosure requirements in Ind AS 115 are new and the Company has assessed that the impact of some of these disclosures requirements

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will not be significant. The Company will disclose required disclosures as per requirement of Ind AS 115 in its financial statements as and when applicable.

(d) **Other adjustments**

In addition to the major adjustments described above, on adoption of Ind AS 115, other items of the primary financial statements such as deferred taxes, assets held for sale and liabilities associated with them will be affected and adjusted as necessary.

The recognition and measurement requirements in Ind AS 115 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property, plant and equipment and intangible assets), when that disposal is not in the ordinary course of business. However, on transition, the effect of these changes is not expected to be material for the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Company is evaluating the impact and it will account for it when it adopts Ind AS 21 during the year ending March 31, 2019.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. The Company is evaluating the impact and it will account for it when it adopts Ind AS 40 during the year ending March 31, 2019.

Recognition of Deferred Tax Assets for Unrealised Losses — Amendments to Ind AS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact

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for the year ended March 31, 2018

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

2.27 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these 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.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

a) Operating lease commitments — Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b) Operating lease commitments — Company as lessee

The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

c) Assessment of lease contracts

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

b) 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

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for the year ended March 31, 2018

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 the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 32(5).

c) **Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) **Impairment of Financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

e) **Impairment of non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. 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 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.

f) **Warranty provision**

Warranty Provisions are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. It is very unlikely that actual warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

g) **E-Waste**

E-waste Provisions are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Provision for E-Waste management costs are recognised when the liability in respect of product is sold is provided 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. It is very unlikely that actual expense will exactly match the historical E-waste provision, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

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for the year ended March 31, 2018

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Dies and tools	Furniture and fixtures	Vehicles	R & D Equipment's	Office Equipment's	Electrical Fans and Installation	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)														
At April 01, 2016	**27.42**	**76.80**	**622.77**	**5.50**	**391.91**	**67.36**	**20.07**	**7.28**	**9.33**	**27.22**	**26.09**	**1,281.75**	**20.49**	**1,302.24**
Additions	-	24.40	11.76	5.85	79.80	30.24	5.77	2.80	1.37	22.77	4.13	**188.89**	11.42	**200.31**
Disposals/Adjustments	(0.01)	-	-	-	(4.13)	(3.32)	(0.08)	(0.13)	(0.03)	(0.62)	-	**(8.32)**	(20.00)	**(28.32)**
Transfers {Refer note (viii) below}	-	(8.86)	(48.81)	-	(1.38)	-	(0.94)	-	4.10	(1.27)	(2.69)	**(59.85)**	-	**(59.85)**
At March 31, 2017	**27.41**	**92.34**	**585.72**	**11.35**	**466.20**	**94.28**	**24.82**	**9.95**	**14.77**	**48.10**	**27.53**	**1,402.47**	**11.91**	**1,414.38**
Additions	-	71.21	2.00	1.77	45.76	31.02	6.29	0.24	3.06	13.84	1.39	**176.58**	23.12	**199.70**
Acquisition of Lloyd Business (Refer note32(1B)}	-	-	-	-	0.42	0.38	2.00	0.36	-	1.19	-	**4.35**	-	**4.35**
Disposals/Adjustments	(0.03)	-	(0.16)	-	(3.62)	(2.79)	1.68	(0.51)	(0.53)	(0.74)	0.04	**(6.66)**	(10.98)	**(17.64)**
Transfers to held for sale	(0.10)	-	-	-	(9.61)	(4.13)	(0.35)	-	(0.23)	(0.05)	(0.04)	**(14.51)**	-	**(14.51)**
At March 31, 2018	**27.28**	**163.55**	**587.56**	**13.12**	**499.15**	**118.76**	**34.44**	**10.04**	**17.07**	**62.34**	**28.92**	**1,562.23**	**24.05**	**1,586.28**
Depreciation														
At April 01, 2016	**-**	**4.00**	**23.28**	**0.36**	**43.94**	**15.34**	**2.58**	**1.58**	**1.13**	**8.80**	**3.49**	**104.50**	**-**	**104.50**
Charge for the year	-	1.02	23.23	1.01	51.62	17.56	3.00	1.25	1.58	9.48	3.45	**113.20**	-	**113.20**
Disposals/Adjustments	-	-	-	-	(2.04)	(1.58)	(0.05)	(0.08)	(0.03)	(0.33)	-	**(4.11)**	-	**(4.11)**
Transfers {Refer note (viii) below}	-	(0.41)	(1.42)	-	(0.23)	-	(0.30)	-	1.34	(0.96)	(0.81)	**(2.79)**	-	**(2.79)**
At March 31, 2017	**-**	**4.61**	**45.09**	**1.37**	**93.29**	**31.32**	**5.23**	**2.75**	**4.02**	**16.99**	**6.13**	**210.80**	**-**	**210.80**
Charge for the year	-	1.25	23.23	1.71	51.64	18.49	1.67	1.55	1.16	10.71	3.98	**115.39**	-	**115.39**
Disposals/Adjustments	-	-	(0.16)	-	(2.24)	(1.07)	1.68	(0.30)	(0.30)	(0.67)	0.04	**(3.02)**	-	**(3.02)**
Transfers to held for sale	-	-	-	-	(6.26)	(2.40)	(0.07)	-	(0.04)	(0.05)	(0.02)	**(8.84)**	-	**(8.84)**
At March 31, 2018	**-**	**5.86**	**68.16**	**3.08**	**136.43**	**46.34**	**8.51**	**4.00**	**4.84**	**26.98**	**10.13**	**314.33**	**-**	**314.33**
Net carrying amount														
At March 31, 2017	**27.41**	**87.73**	**540.63**	**9.98**	**372.91**	**62.96**	**19.59**	**7.20**	**10.75**	**31.11**	**21.40**	**1,191.67**	**11.91**	**1,203.58**
At March 31, 2018	**27.28**	**157.69**	**519.57**	**10.04**	**362.72**	**72.42**	**25.93**	**6.04**	**12.23**	**35.36**	**18.79**	**1,247.90**	**24.05**	**1,271.95**

Notes: -

(i) All property, plant and equipment are held in name of the Company, except

(a) Building amounting to ₹ 14.77 Crores (March 31, 2017: ₹ 14.98 Crores) constructed on the land taken on lease by the Company from its group company for which lease deed is yet to be registered with the appropriate authority.

(b) Freehold land amounting to ₹ Nil (March 31, 2017: ₹ 0.10 Crores) located at Narela Industrial Area in respect of which possession has not been given by the authority.

(c) Freehold land amounting to ₹ 15.89 Crores (March 31, 2017: ₹15.89 Crores) and building constructed on such land amounting to ₹ 1.74 Crores (March 31, 2017: ₹ 1.97 Crores) which is pending for registration with appropriate authority located at Samaypur Badli, Delhi.

(d) Leasehold Land at Tumakuru, Karnataka amounting to ₹ 24.05 Crores (March 31, 2017: ₹ 24.40 Crores) in respect of which lease deed is yet to be executed.

(ii) Leasehold Land includes land at Ghiloth, Rajasthan amounting to ₹ 71.21 Crores (March 31, 2017: ₹ Nil) in respect of which allotment and possession has been given by authority but lease deed is yet to be executed.

(iii) Leasehold Land" represents land obtained on long term lease from various Government authorities and considered as finance lease.

(iv) Capital work in progress as at March 31, 2018 includes assets under construction at various plants including cable and wires, switch gears, CRI, Information technology etc.

(v) Property, plant and equipment has been pledged/hypothecated as security by the Company (Refer note 31(C))

(vi) Disclosure of Contractual obligations for the acquisition of property plant and equipment has been provided in note 31(B).

(vii) Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(viii) Transfer during the previous year includes transfer to investment property amounting to gross block of ₹ 59.85 crores and accumulated depreciation of ₹ 2.79 crores.

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for the year ended March 31, 2018

4 INVESTMENT PROPERTY (At cost)

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Gross Carrying Amount		
Opening balance	60.87	-
Transfers from Property, plant and equipment	-	59.85
Addition during the year	-	1.02
Closing balance	**60.87**	**60.87**
Accumulated Depreciation		
Opening balance	4.95	-
Accumulated depreciation transfer from Property, plant and equipment	-	2.79
Depreciation for the year	2.13	2.16
Closing balance	**7.08**	**4.95**
Net Carrying Amount	**53.79**	**55.92**
Amount recognised in statement of profit and loss for Investment property		
Rental income derived from investment property	6.92	5.85
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	(0.43)
Profit arising from investment property before depreciation	**6.92**	**5.42**
Less: Depreciation for the year	2.13	2.16
Profit arising from investment property	**4.79**	**3.26**
Fair value of Investment Property (refer note 2 below)	**88.65**	**87.13**

Notes:-

1 Investment property represent, land and building being a warehouse in Greater Noida, Uttar Pradesh given on lease w.e.f May 12, 2016 on a long term basis. Refer note 31(E) for lease disclosure.

2 The Company has obtained independent valuation from certified valuer for its investment property as at March 31, 2018 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on "as is where" basis. All resulting fair value estimates for investment property are included in Level 3 and disclosed in note 32 (10).

3 There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.

4 The investment Property is a leasehold property and realisability of Investment property is subject to terms and conditions as mentioned under the lease deed entered on November 20, 2009 with Greater Noida Industrial Development Authority,District-Gautam Budha Nagar.

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for the year ended March 31, 2018

5 INTANGIBLE ASSETS

(₹ in crores)

	Computer Software	Technical Knowhow	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Total Intangible Asset
Gross carrying amount (at cost)									
At April 01, 2016	**23.25**	**0.51**	**2.52**	**-**	**-**	**-**	**26.28**	**-**	**26.28**
Additions	9.17	-	2.44	-	-	-	11.61	-	**11.61**
At March 31, 2017	**32.42**	**0.51**	**4.96**	**-**	**-**	**-**	**37.89**	**-**	**37.89**
Additions	5.66	-	1.28	-	-	-	6.94	-	**6.94**
Acquisition of Lloyd Business (Refer note32(1B))	-	-	-	1,029.00	82.40	58.50	1,169.90	310.47	**1,480.37**
At March 31, 2018	**38.08**	**0.51**	**6.24**	**1,029.00**	**82.40**	**58.50**	**1,214.73**	**310.47**	**1,525.20**
Amortisation									
At April 01, 2016	**14.11**	**0.50**	**0.85**	**-**	**-**	**-**	**15.46**	**-**	**15.46**
Charge for the year	3.14	-	1.13	-	-	-	4.27	-	**4.27**
At March 31, 2017	**17.25**	**0.50**	**1.98**	**-**	**-**	**-**	**19.73**	**-**	**19.73**
Charge for the year	4.40	-	0.80	-	9.30	7.50	22.00	-	**22.00**
At March 31, 2018	**21.65**	**0.50**	**2.78**	**-**	**9.30**	**7.50**	**41.73**	**-**	**41.73**
Net carrying amount									
At March 31, 2017	**15.17**	**0.01**	**2.98**	**-**	**-**	**-**	**18.16**	**-**	**18.16**
At March 31, 2018	**16.43**	**0.01**	**3.46**	**1,029.00**	**73.10**	**51.00**	**1,173.00**	**310.47**	**1,483.47**

Note:-

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Trademarks acquired on acquisition of Lloyd business having indefinite useful lives have been allocated to a separate single cash generating unit i.e. LLOYD consumer which is also an operating and reportable segment for impairment testing. The Company has performed an annual impairment test to ascertain the recoverable amount of goodwill and Trademarks. 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 Goodwill and Trademarks as stated below.

Conclusion:

Assumption	Rates	Approach used in determining value
Pretax Discount Rate	15.50%	It has been determined basis risk free rate of return adjusted for equity risk premium
Royalty Rate for Trademark	3.75%	Royalty rates has been selected based on arm's length royalty rate applicable for similar CGU in open market
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis financial budgets and projections approved by management

Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of Gooldwill and Trademark. 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 Goodwill/Trademark over and above its recoverable amount.

6 INVESTMENTS IN SUBSIDIARIES

(₹ in crores)

	As at March 31, 2018		As at March 31, 2017	
Investments in equity instruments (unquoted) (valued at cost, unless stated otherwise) {refer note 32 (2) (b)}				
Havells Holdings Limited	13.65		249.62	
17,37,362 (March 31, 2017 : 3,17,61,072) ordinary shares of 1 GBP each fully paid up				
Less: Provision for impairment	**12.47**	1.18	**62.10**	187.52

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for the year ended March 31, 2018

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Promptec Renewable Energy Solutions Private Limited	39.79	39.79
18,16,943 equity shares (March 31, 2017 :18,16,943) of ₹ 10/- each fully paid up		
Standard Electrical Limited	0.05	0.05
50,000 equity shares (March 31, 2017 : 50,000) of ₹ 10/- each fully paid up		
Havells Global Limited	0.05	0.05
50,000 equity shares (March 31, 2017 : 50,000) of ₹ 10/- each fully paid up		
Havells Exim Limited		
20,000 equity shares (March 31, 2017 : Nil) of 1 US Dollars each fully paid up	0.13	-
Lloyd Consumer Private Limited		
50,000 equity shares (March 31, 2017 : Nil) of ₹ 10/- each fully paid up	0.05	-
Havells Guangzhou International Limited		
(100% contribution paid in capital) (March 31, 2017: Nil)	0.45	-
Aggregate amount of unquoted investments	**41.70**	**227.41**
Aggregate amount of Provision for impairment {Refer note 32(1A) (b)}	**12.47**	**62.10**

7 NON-CURRENT FINANCIAL ASSETS

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(A)	**Investments in bonds (quoted) (valued at amortised cost)**		
	(Unsecured, considered good)		
	Nil (March 31, 2017 :15,00,000), 7.35% 15 year Tax Free, Secured Redeemable Non Convertible National Highway Authority of India Bonds of face value ₹ 1000/- each. {Refer note 32(10)(1)}	-	161.66
	Aggregate book value of quoted investments	**-**	**161.66**
(B)	**Other financial assets (valued at amortised cost)**		
	(Unsecured, considered good)		
	Earnest money and Security Deposits	17.21	13.55
		17.21	**13.55**
(C)	**Other bank balance (valued at amortised cost)**		
	Fixed deposits with banks having maturity period of more than twelve months	0.41	-
		0.41	**-**

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for the year ended March 31, 2018

8 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good)		
Capital advances	12.55	62.74
Others		
Prepaid expenses	1.29	0.79
Deposits with Statutory and Government authorities	26.31	25.06
	40.15	**88.59**

9 INVENTORIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(Valued at lower of cost and net realisable value unless otherwise stated) {refer accounting policy 2.10}		
Raw materials and components	267.47	210.10
Work-in-progress	83.45	77.33
Finished goods	530.50	489.35
Traded goods	711.28	124.14
Stores and spares	11.31	10.69
Loose tools	1.77	1.24
Packing materials	11.87	13.23
Scrap materials	4.00	2.35
	1,621.65	**928.43**

Notes:

(a) The above includes goods in transit as under:

Raw materials	45.35	16.94
Finished goods	20.83	67.20
Traded goods	179.16	4.04

(b) The stock of scrap materials have been taken at net realisable value.

(c) Inventories are hypothecated with the bankers against working capital limits. {Refer note 31(C)}

(d) During the year ₹ 15.43 Crores {previous year: ₹ (2.46 Crores)} was recognised as an expense/ (Income) for inventories carried at the net realisable value.

10 CURRENT FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) TRADE RECEIVABLES		
Unsecured		
Trade receivables- considered good	325.36	226.92
Trade receivables- considered doubtful	16.69	11.67
Receivables from related parties -considered good (refer note 32(7))	0.04	1.58
Trade receivables (gross)	342.09	240.17
Less: Impairment allowance for trade receivables considered doubtful	16.69	11.67
(A)	**325.40**	**228.50**

Notes:

(a) Trade receivables are usually non-interest bearing and are on trade terms of 30 to 60 days.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(b) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(c) The Company has availed Receivable Buyout facility from banks against which a sum of ₹ 648.99 crores (March 31, 2017: ₹ 445.38 crores) has been utilised as on the date of Balance Sheet. The Company has assigned all its rights and privileges to the bank and there is no recourse on the company. Accordingly the amount of utilisation has been reduced from trade receivables. A sum of ₹ 28.91 crores (March 31, 2017: ₹ 28.59 crores) on account of charges paid for this facility has been debited to the trade receivables factoring charges account.

(d) The Company has arranged Channel Finance facility for its customers from banks against which a sum of ₹ 593.37 crores (March 31, 2017: ₹ 424.13 crores) has been utilised as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount as there is no recourse on the Company.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(B) CASH AND CASH EQUIVALENTS		
Balances with banks:		
Current accounts	30.51	22.72
Cash credit accounts {refer note no.31(C)}	75.33	87.07
Fixed deposits account with a original maturity of less than three months (refer note below)	195.23	445.14
Cash on hand	0.13	0.03
(B)	**301.20**	**554.96**

Note: There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(C) OTHER BANK BALANCES		
Escrow account {refer note (a)}	52.04	-
Fixed deposits account with original maturity of more than three months but less than twelve months {refer note (b)}	1101.32	686.09
Fixed deposits account with original maturity of more than twelve months {refer note (c)}	69.05	694.03
Unpaid dividend account {refer note (d)}	2.56	2.45
(C)	**1,224.97**	**1,382.57**
(B + C)	**1,526.17**	**1,937.53**

Notes:

(a) Escrow account represents amount held in a fixed deposit with bank under escrow arrangement with "LEEL Electricals Limited" on account of final settelment of Lloyd business acquisiton which is due for closure subsequent to the year end. Refer note 32(1B) for details of business combination.

(b) The deposits maintained by the Company with banks comprise of the time deposits which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

(c) 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.

(d) The Company can utilise the balance towards settlement of unclaimed dividend.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(D) Other financial assets (valued at amortised cost)		
Unsecured, considered good		
Earnest money and security deposits	5.07	3.03
Retention money	1.92	1.94
Other advances	0.98	1.05
	7.97	**6.02**

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

11 OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	20.58	29.48
Others		
Prepaid expenses	15.00	13.76
Duty free licenses in hand	5.13	3.55
Claims and other receivables	7.76	6.53
Balance with Statutory/ Government authorities	86.74	21.05
	135.21	**74.37**

12 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment		
Assets retired from active use {refer note(a) below}	0.12	0.06
Investment in joint venture		
Jiangsu Havells Sylvania Lighting Co. Limited {refer note (b)} below	16.21	16.21
(50% contribution paid in capital)		
	16.33	**16.27**

Note:

(a) The Company classified certain assets retired from active use and held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Company expects to complete the sale by 30th September, 2018 by selling it in the open market.

(b) During the previous year, both the joint venture partners of Jiangsu Havells Sylvania Lighting Co. Limited, have agreed to liquidate the operations of the joint venture, in respect of which the Company will receive agreed liquidation proceeds of USD 2.5 million. Accordingly, the investment in joint venture has been classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. Subsequent to the year end, the management of the joint venture have applied for liquidation with relevant authorities.

13 EQUITY

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) Equity share capital		
(a) Authorised		
1,000,500,000 equity shares of ₹ 1/- each (March 31, 2017: 1,000,500,000 equity shares of ₹ 1/- each)	100.05	100.05
Issued, subscribed and fully paid-up		
625,148,473 equity shares of ₹ 1/- each (March 31, 2017: 624,855,342 equity shares of ₹ 1/- each)	**62.51**	**62.49**

(b) Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in crores)

	March 31, 2018		March 31, 2017	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	624,855,342	62.49	624,587,780	62.46
Add: Equity shares issued under ESPP	293,131	0.02	267,562	0.03
	625,148,473	**62.51**	**624,855,342**	**62.49**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

c) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1/- per share (March 31, 2017 : ₹ 1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(₹ in crores)

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	**% holding**	No. of shares	% holding
Smt. Vinod Gupta	44,534,240	7.12	53,034,240	8.49
Shri Surjit Kumar Gupta	28,650,800	4.58	32,650,800	5.23
QRG Enterprises Limited	189,858,880	30.38	189,858,880	30.38
QRG Investments and Holdings Limited	68,741,660	11.00	68,741,660	11.00
Nalanda India Equity Fund Limited	33,044,930	5.29	33,044,930	5.29

Notes:

a) Shareholding of Smt.Vinod Gupta includes 13,584,000 (March 31, 2017: 13,584,000) equity shares of ₹ 1/- each as a legal heir which are under process of transmission.

b) Share holding of Shri Surjit Kumar Gupta as at March 31 2018 is below 5%, however figures have been disclosed for comparative purposes.

(B) OTHER EQUITY

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Capital Reserve	7.61	7.61
Securities Premium Account	38.46	23.77
General Reserve	748.84	748.84
Retained Earnings	2,881.73	2,430.87
	3,676.64	**3,211.09**
a) Capital Reserve	**7.61**	**7.61**
b) Securities Premium Account		
Opening balance	23.77	14.55
Add: Addition on equity shares issued under ESPP	14.69	9.22
	38.46	**23.77**

Note : Security premium account balances depicts premium on issue of shares. The reserve is utilised in accordance with provision of Company Act 2013

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
c) General Reserve	**748.84**	**748.84**
d) Retained Earnings		
Opening balance	2,430.87	2,120.21
Net profit for the year	712.52	539.04
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement (gains)/ losses on defined benefit plans (net of tax)	1.68	(2.75)
Dividends		
Final Dividend of ₹ 3.50 per share of ₹ 1/- each for FY 2016-17 (₹ 3/- per share for FY 2015-16)	(218.80)	(187.46)
Corporate dividend tax paid on final dividend	(44.54)	(38.17)
	2,881.73	**2,430.87**

14 NON CURRENT FINANCIAL LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) BORROWINGS		
Term loans from banks (secured)		
Term loans {refer note (a) and (b)}	81.00	-
	81.00	**-**

Notes:

(a) The Company has availed a secured loan of ₹ 108.00 Crores against sanctioned amount of ₹ 285.00 crores from CITI bank N.A. as of March 31, 2018. The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the company during last 12 months. The loan is having 1 year moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future and immovable properties situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum Fixed Assets Coverage Ratio of 1.1x. The registration of charge on immaterial property is under process..

(b) The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of term loan.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(B) OTHER FINANCIAL LIABILITIES		
Retention money and security deposits	4.86	2.01
Employee stock purchase plan compensation payable	0.62	0.92
	5.48	**2.93**

15 NON CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Product warranties and E-waste {Refer note 20(a)}	23.88	9.08
	23.88	**9.08**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

16 INCOME TAXES

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(a)	**Income tax expense in the statement of profit and loss comprises :**		
	Current income tax charge	208.99	234.48
	MAT credit entitlement	(43.09)	-
	Deferred Tax		
	Relating to origination and reversal of temporary differences	136.28	(4.69)
	Income tax expense reported in the statement of profit or loss	**302.18**	**229.79**
(b)	**Other Comprehensive Income**		
	Income tax related to items recognised in OCI during the year:		
	Re-measurement (gains)/ losses on defined benefit plans	0.91	(1.46)
	Income tax related to items recognised in OCI during the year	**0.91**	**(1.46)**
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :**		
	Accounting Profit before tax	1,014.70	768.83
	Applicable tax rate	34.608%	34.608%
	Computed Tax Expense	**351.17**	**266.08**
	Income on sale of investment resulting in capital loss for tax purpose (refer note (i) below)	-	(6.61)
	Difference in tax rate	2.03	(2.50)
	Income not chargeable to tax for tax purpose	(11.62)	(3.82)
	Expense not allowed for tax purpose.	8.46	34.36
	Additional allowances for tax purpose	(47.86)	(57.72)
	Income tax charged to Statement of Profit and Loss at effective rate of 29.78% (March 31, 2017: 29.89%) {Refer Note (c) below}	**302.18**	**229.79**

(d) Deferred tax liabilities comprises :

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2018	As at March 31, 2017	**Year Ended March 31, 2018**	Year Ended March 31, 2017
Accelerated Depreciation for Tax purposes	266.31	140.45	125.86	4.40
Expenses allowable on payment basis	(10.45)	(13.73)	3.28	(7.68)
Allowance for doubtful debts	(5.82)	(4.07)	(1.75)	(1.01)
Other items giving rise to temporary differences	-	(8.89)	8.89	(0.40)
	250.04	**113.76**	**136.28**	**(4.69)**
MAT credit entitlement	(43.09)	-	-	-
	206.95	**113.76**	**136.28**	**(4.69)**

Reconciliation of deferred tax liabilities(net)

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance as per last balance sheet	113.76	86.26
Deferred tax expense charged in profit and loss account during the year	136.28	(4.69)
	250.04	**81.57**
MAT credit utilisation/(entitlement)	(43.09)	32.19
Closing balance	**206.95**	**113.76**

Note:

a) There was unabsorbed capital loss of ₹ 246.54 crores as on April 1, 2017 with expiry in financial year 2023-24. During the year there are further capital losses of ₹ 147.72 crores on account of redemption of shares in wholly owned subsidiary Company "Havells Holdings

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

Limited", which is set off with capital gain of ₹ 24.98 crores on sale of Land and NHAI bonds, resulting in net unabsorbed capital loss of ₹ 122.74 crores. No deferred tax asset has been created on total capital losses of ₹ 369.28 crores by the management due to lack of probability of future capital gain against which such deferred tax assets can be realised. If the Company were able to recognise all unrecognised deferred tax assets, the profit would have increased by ₹ 86.02 crores.

b) During the year the Company has paid dividend to its shareholders for the year ended March 31, 2017, This has resulted in payment of corporate dividend tax (CDT) to the taxation authorities. The Company believes that CDT represents additional payment to taxation authority on behalf of the shareholders. Hence CDT paid is charged to equity

c) Effective tax rate has been calculated on profit before tax.

17 OTHER NON CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Advance Rent received	-	1.64
Creditors for capital goods {refer note 31(F)}	17.71	-
	17.71	**1.64**

18 CURRENT FINANCIAL LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) BORROWINGS		
Loans repayable on demand (secured)		
Working Capital demand loan from bank (refer note (a))	-	50.02
Term loans secured		
Current maturity of long term loan {refer note 14(A)}	27.00	-
Other loans (unsecured)		
Commercial Paper (refer note (b))	-	148.03
	27.00	**198.05**

(a) Working capital limits of ₹ Nil (March 31, 2017: ₹ 50.02 Crores) from consortium banks are secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire stocks of raw materials, semi-finished goods, finished goods, stores and spares, bill receivables, book debts and all movable and other current assets of the Company.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with other consortium lenders by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which first charge was held by HSBC Bank (Mauritius) Limited against External Commercial Borrowings.

(b) The Company had issued commercial papers of ₹150 crores in favour of Yes Bank Limited, which has been re-paid during the year.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(B) TRADE PAYABLES		
Total outstanding dues of creditors other than micro and small enterprises	1,549.39	555.31
Total outstanding dues of micro and small enterprises	84.60	74.25
	1,633.99	**629.56**

* Trade Payables include due to related parties ₹ 7.10 crores (March 31, 2017 : ₹ 12.85 crores) {refer note 32(7)}(d)}

* The amounts are unsecured and are usually paid within 120 days of recognition.

* Trade payables are usually non- interest bearing. In few cases, where the trade payables are interest bearing, the interest is settled on quarterly basis.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

* For terms and conditions with related parties, refer to Note 32(7)

* Trade payables includes acceptances of ₹ 289.50 Crores (March 31, 2017: Nil)

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, 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	84.60	74.25
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section16, 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.	-	-
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, 2017 : ₹ Nil)

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(C) OTHER FINANCIAL LIABILITIES		
Unpaid dividend {refer note (a)}	2.56	2.45
Other payables		
ESPP compensation payable	1.89	0.73
Creditors for capital goods	12.43	19.85
Trade deposits and Retention money	41.11	36.38
Other liabilities		
Payable for services	83.87	48.87
Payable to banks against receivable buyout facilities (refer note (b))	97.36	111.77
Sales incentives payable	232.65	224.24
Purchase consideration payable {refer note (c)}	41.42	-
	513.29	**444.29**

a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred ₹ 0.03 crores (March 31,2017: ₹ 0.06 crore) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act,2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Purchase consideration payable is related to amount payable in respect of acquisition of Lloyd business.

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

19 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Revenue received in advance		
Advances payments from customers	30.82	14.33
Others		
Excise duty payable {refer note (a) below}	-	17.91
GST Payable {refer note (a) below}	46.26	-
Other statutory dues payable	30.47	78.29
	107.55	**110.53**

Note:

a) In the previous year the company had made a provision of excise duty payable amounting to ₹ 17.91 crores on stocks of finished goods and scrap material at the end of the year except units which are exempt from excise duty. In the Current year, the Government of India has implemented Goods and Service Tax (GST) w.e.f July 01, 2017 which has replaced excise duty, service tax and other indirect taxes and accordingly GST payable as at March 31, 2018 is ₹ 46.26 crores.

20 CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
i) Provision for employee benefits		
Gratuity {refer note no. 32(5)}	12.19	13.06
	12.19	**13.06**
ii) Other provisions		
Product warranties and E-waste {refer note (a)}	134.20	72.14
Litigations {refer note (b)}	7.70	24.99
	141.90	**97.13**
	154.09	**110.19**

a) Provision for warranties and E-waste

(i) **Warranties**

A provision is recognised for expected warranty claims and after sales services on products sold during the last one to five years, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns based on one to five years warranty period for all products sold.

(ii) **E-waste**

A provision is recognised for probable e-waste liability based on "Extended Producer Responsibility" as furnished by the Company to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as 'Other expenses' in the statement of profit and loss.

(iii) **The table below gives information about movement in Warranty and E-waste provisions:**

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	81.22	65.25
Liability on account of Lloyd business acquisition (refer note 32 (1B)}	15.90	-
Arising during the year	177.00	99.98
Utilised during the year	(114.67)	(83.59)
Unwinding of discount	(1.37)	(0.42)
At the end of the year	**158.08**	**81.22**
Current portion	134.20	72.14
Non-current portion (refer note no. 15)	23.88	9.08

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

b) Provision for litigations

Provision for litigation amounting to ₹ 7.70 Crores (March 31, 2017: ₹ 24.99 Crores) is created against demands raised in various ongoing litigations under Value Added Tax in various states and Income Tax Act. Management based on existing legal precedents and as advised by its legal counsel expects a probable outflow of resources and accordingly, has created a provision in books of account.

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	24.99	20.29
Arising during the year	0.14	13.29
Utilised during the year	(17.43)	(8.59)
At the end of the year	**7.70**	**24.99**
Current portion	7.70	24.99
Non-current portion	-	-

21 CURRENT TAX LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Income Tax (net of advance tax and Tax Deducted at Source)	31.32	66.38
	31.32	**66.38**

22 REVENUE FROM OPERATIONS

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products {refer note (a) below}	8,178.31	6,531.34
Sale of Services	5.33	6.65
	8,183.64	**6,537.99**
Other operating revenues		
Scrap sales {refer note (a) below}	39.75	39.75
Export Incentive	6.68	8.22
Government assistance for refund of Goods and Service Tax {refer note (b) below}	30.20	-
Revenue from operations (gross)	**8,260.27**	**6,585.96**

Note:

a) According to the requirements of Ind AS 18 - "Revenue", Sale of products for the current year (period April 01, 2017 to June 30, 2017) and year ended 31st March 2017, are reported inclusive of Excise Duty of ₹ 121.01 crores and ₹ 448.31 crores respectively. Similarly, excise duty included in scrap sales amounts to ₹ 0.69 crores (March 31, 2017: ₹ 2.39 crores). Effective July 01, 2017, the Government of India has implemented Goods and Service Tax ("GST") replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per Ind AS 18, the revenue for the current year (July 2017 to March 2018) are reported net of GST and hence is not comparable with previous year.

b) Government assistance for refund of Goods and Service Tax represents benefits provided by the Government to the Company in respect of its manufacturing units in the state of Assam, Himachal Pradesh and Uttarakhand in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 05, 2017 which were earlier eligible for drawing benefits under the excise duty exemption/refund schemes.

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

23 OTHER INCOME

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest received on financial assets carried at amortised cost:		
Bank deposits	41.13	87.02
Bonds	3.48	11.02
Others	0.74	1.09
Other non-operating income		
Exchange fluctuations (net)	32.85	13.72
Reversal of Impairment allowance for trade receivables considered doubtful	2.25	2.60
Excess provisions no longer required written back	3.42	7.61
Miscellaneous income	7.71	5.37
Rental income	6.92	5.85
Profit on sale of non-current financial investments	18.49	-
	116.99	**134.28**

24 COST OF MATERIALS CONSUMED

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Copper	1,060.94	933.16
Aluminium	510.68	518.77
General and Engineering plastic	173.19	226.82
Paints and chemicals	268.18	261.20
Steel	141.13	138.27
Packing materials	170.26	166.62
Others	1,262.31	1,023.85
	3,586.69	**3,268.69**

25 PURCHASE OF TRADED GOODS

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Switchgears	56.80	58.37
Lighting and fixtures	275.82	211.43
Electrical consumer durables	203.69	223.50
Lloyd Consumer	1,183.65	-
	1,719.96	**493.30**

26 CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	530.50	489.35	(41.15)
Traded goods	711.28	124.14	(587.14)
Work in progress	83.45	77.33	(6.12)
Scrap materials	4.00	2.35	(1.65)
	1,329.23	**693.17**	**(636.06)**
Adjustment on account of Lloyd business combination (refer note 32(1B))	310.18	-	310.18 (325.88)

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

(₹ in crores)

	As at March 31, 2017	As at March 31, 2016	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	489.35	403.94	(85.41)
Traded goods	124.14	107.41	(16.73)
Work in progress	77.33	64.89	(12.44)
Scrap materials	2.35	3.41	1.06
	693.17	**579.65**	**(113.52)**
Change in inventories of finished goods, traded goods and work-in-progress { (Increase)/ Decrease}	**(325.88)**	**(113.52)**	

27 EMPLOYEE BENEFITS EXPENSES

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages, bonus, commission and other benefits	586.14	448.69
Contribution towards PF, Family Pension and ESI	28.97	22.62
Employee stock option expense {refer note no. 32(8)}	10.74	6.96
Gratuity expense {refer note no. 32(5)}	10.52	8.85
Staff welfare expenses	13.36	13.28
	649.73	**500.40**

28 FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	19.74	9.11
Exchange difference to the extent considered as an adjustment to borrowing cost	-	0.56
Bank charges	4.03	2.32
Miscellaneous financial expenses	0.20	0.16
	23.97	**12.15**

29 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets (refer note 3)	115.39	113.20
Amortisation of intangible assets (refer note 5)	22.00	4.27
Depreciation of Investment property (refer note 4)	2.13	2.16
	139.52	**119.63**

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for the year ended March 31, 2018

30 OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spares	38.87	35.92
Power and fuel	75.14	75.27
Job work and Installation charges	172.91	178.01
Increase / (Decrease) in excise duty on inventory of finished goods and scrap material	(24.55)	6.69
Rent	60.84	45.92
Repairs and maintenance:		
Plant and machinery	9.64	12.77
Buildings	3.07	2.97
Others	30.25	22.26
Rates and taxes	1.74	3.19
Insurance	13.06	11.12
Trade mark fee and royalty	0.45	0.37
Travelling and conveyance	92.31	78.81
Communication expenses	13.88	11.44
Legal and professional charges	25.58	13.05
Payment to Auditors		
As Auditors:		
Audit fee	1.30	1.20
Tax audit fee	-	0.05
In other capacity	-	0.71
Reimbursement of expenses	0.06	0.07
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 32(9)}	14.95	13.37
Directors sitting fees	0.28	0.39
Freight and forwarding expenses	271.71	221.54
Service tax and custom duty paid	13.13	25.52
Advertisement and sales promotion	307.58	190.60
Secondary sales promotion expense	37.43	-
Commission on sales	56.73	52.60
Product warranties and after sales services (net of reversals)	177.00	99.98
Trade receivables factoring charges	28.91	28.59
Loss on sale/ discard of Property, plant and equipment (net)	2.01	1.45
Bad debts written off	1.21	2.42
Impairment allowance for trade receivables considered doubtful	7.27	5.42
Miscellaneous expenses	26.02	20.55
	1,458.78	**1,162.25**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

31 COMMITMENTS AND CONTINGENCIES

(₹ in crores)

		As At March 31, 2018	As At March 31, 2017
A	**Contingent liabilities (to the extent not provided for)**		
a	Claims / Suits filed against the Company not acknowledged as debts (refer point (i))	6.22	5.68
b	Bonds to central tax department against purchase of goods without payment of duty (to the extent utilised)	0.08	0.69
c	Disputed tax liabilities in respect of pending cases before appellate authorities {Amount deposited under protest ₹ 24.69 crores (March 31, 2017: ₹ 22.08 crores)} {refer point (ii)} (Included in "deposit with statutory and government authorities" in note no. 8)	77.22	67.73
d	Demand raised by Uttarakhand Power Corporation Limited contested before Hon'ble High Court of Uttarakhand, Nainital {Amount deposited under protest ₹ 1.00 crore (March 31, 2017: ₹ 1.00 crore)}	1.00	1.00
e	Custom duty payable against export obligation	-	8.57

i) Claims / Suits filed against the Company not acknowledged as debts represents various legal cases filed against the company. The Company has disclaimed the liability and defending the action. The Company has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.

ii) The various disputed tax litigations are as under :

(₹ in crores)

Sl.	Description	Period to which relates	Disputed amount As At March 31, 2018	Period to which relates	Disputed amount As At March 31, 2017
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department pending before various appellate authorities.	2005-06 to 2014-15	0.35	2003-04 to 2014-15	3.65
b)	**Income Tax**				
	Disallowances / additions made by the income tax department pending before various appellate authorities.	2004-05 to 2014-15	55.34	2004-05 to 2013-14	45.27
c)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department pending before various appellate authorities	2005-06 to 2015-16	21.38	2005-06 to 2015-16	18.66
d)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			77.22		**67.73**

(a) The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(b) Besides the above, show cause notices from various departments received by the Company have not been treated as contingent liabilities, since the Company has adequately represented to the concerned departments and does not expect any liability on this account and there is no further demand from the department.

B Commitments

(₹ in crores)

		March 31, 2018	March 31, 2017
(a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	18.95	20.73
(b)	Corporate Social Responsibility commitment	6.00	-
		24.95	**20.73**

C Undrawn committed borrowing facility

(a) The Company has availed working capital limits amounting to ₹ 200.00 crores from banks under consortium of Canara Bank, IDBI Bank Limited, State Bank of India, Standard Chartered Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ 199.87 crores remain undrawn as at March 31, 2018(Previous year : ₹ 150.00 crores). Further The Company has a debit balance in cash credit accounts as on the date of Balance Sheet except in case of Canara Bank where the Company has availed a working capital Demand loan of ₹ Nil (Previous Year ₹ 50.02 crores). The limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire stocks of raw materials, semi-finished goods, finished goods, stores and spares, bill receivables, book debts and all movable and other current assets of the Company.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with other consortium lenders by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which first charge was held by HSBC Bank (Mauritius) Limited against External Commercial Borrowings.

(b) The Company has availed a secured loan of ₹ 108.00 Crores against sanctioned amount of ₹ 285.00 crores from CITI bank N.A. as of March 31, 2018. The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the company during last 12 months. The loan is having 1 year moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future and immovable properties situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum Fixed Assets Coverage Ratio of 1.1x. The registration of charge on immaterial property is under process.

D Other Litigations

(a) The Company has some sales tax and other tax related litigation of ₹ 7.70 crores (March 31, 2017: ₹ 24.99 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E Leases

Operating lease commitments - Company as lessee

a) The Company has taken various residential/commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The annual increments are expected to be in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.

b) The Company has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. Normally there are renewal and

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

(₹ in crores)

		March 31, 2018	March 31, 2017
(i)	not later than one year	14.22	11.81
(ii)	later than one year and not later than five years	14.72	11.25
(iii)	later than five years	-	-
	Total minimum lease payments	**28.94**	**23.06**
	Lease payments recognised in the statement of profit and loss as rent expense for the year	**60.84**	**45.92**

Operating lease commitments - Company as lessor

a) The Company had entered into a sub-lease agreement to sublet a property situated at Kasna, Noida, which is considered as "Investment Property". The lease agreement is executed on May 12, 2016.

b) The said lease is for a term of four years nine months and 18 days w.e.f May 12, 2016 upto February 28, 2021 for the purpose of setting up its manufacturing unit and the annual increments are expected to be in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.. The lease include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total rent recognised as income during the year is ₹ 6.92 crores (March 31, 2017 : ₹ 5.85 crores).

Present value of minimum rentals receivable under non-cancellable operating leases as at March 31, 2018 are, as follows:

(₹ in crores)

		March 31, 2018	March 31, 2017
(i)	not later than one year	6.99	6.38
(ii)	later than one year and not later than five years	12.98	17.41
(iii)	later than five years	-	-
	Present value of minimum lease payments	**19.97**	**23.79**

c)	Unearned finance income	2.21	5.33

d) As per terms of agreement, the lessee shall restore the leased premise to its original custodian on termination of agreement.

F During the year, Land measuring 50 acres situated at Ghiloth District , General Zone Industrial Area RIICO in the state of Rajasthan has been allotted to the Company for a consideration of ₹ 71.21 crores. This consideration will be adjusted by way of rebate of ₹ 17.71 crores if the Company will be able to fulfil the conditions of total investment of ₹ 260 crores by November 2019 and an additional amount of ₹ 192.00 crores by March 2022. The Company has considered a rebate as a separate liability till all conditions are fulfilled as disclosed in note no. 17 as "creditor for capital goods".

G Contingent Assets

The Government of India vide its office memorandum dated April 01, 2007 has announced fiscal incentives and concessions for North East Region viz. the NEIIP 2007. Incentives were available to all industrial units commencing their operations in this area by specified date. The Company has set up a plant in Guwahati and started production during the year. A subsidy of 30% of total investment in Plant and Equipment was available as capital investment subsidy. Subsidy will be disbursed after fulfilment of specified conditions and submission of application to the Government. Subsidy will be granted once the agency appointed by Government completes its verification and issues order in this regard. The Company has invested total sum of ₹ 7.85 crores in Plant and Equipment and is accordingly eligible for subsidy. The Company has filed claim for subsidy and expects that an amount of ₹ 2.35 crores will be released after completion of procedural formalities by the Government.

32 OTHER NOTES ON ACCOUNTS

1A Divestment of interest in subsidiaries, Joint Ventures and Associates

(a) During the year, Havells Holdings Limited, a wholly owned subsidiary of the Company completed sales of remaining 20% stake in Feilo Malta Limited and 100% stake in Havells Sylvania (Thailand) Limited to Shanghai Feilo Acoustics Company Limited, China based listed Company for a agreed consideration of Euro 34.50 Million (INR 263.89 Crores) and Euro 1.60 Million (INR 12.20 Crores) respectively. Consequent to this, the Company has done partial redemption

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for the year ended March 31, 2018

of 30,023,710 ordinary shares of GBP 1 each, resulting redemption proceeds of ₹ 198.25 Crores. Exceptional items of ₹ 11.91 Crores represents reversal of impairment on investment provided in the previous year.

(b) Resultant from above, the total exceptional items disclosed in the statement of Profit and Loss are as under:

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
i)	Profit on the disposal of stake in Feilo Exim Limited (erstwhile Havells Exim Limited)	-	18.95
ii)	Provision for impairment on Investments held in Havells Holdings Limited on account of orderly closure of international sylvania operations	-	(62.10)
iii)	Reversal of provision impairment created in previous year on account of foreign exchange gain on redemption of ordinary shares of Havells Holdings Limited	11.91	-
iv)	Measurement of Investment in Joint Venture (Jiangsu Havells Sylvania Lighting Co. Limited) at fair value less cost to sell classified as held for sale	-	(14.66)
		11.91	**(57.81)**

(c) During the previous year, both the joint venture partners of Jiangsu Havells Sylvania Lighting Co. Limited, have agreed to liquidate the operations of the joint venture, in respect of which the Company will receive agreed liquidation proceeds of USD 2.5 million. Accordingly, the investment in joint venture has been classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. Subsequent to the year end, the management of the joint venture have applied for liquidation with relevant authorities.

1B Acquisition of Consumer durable business of Lloyd Electric and Engineering Limited and brand of Fedders Lloyd Corporation Limited

On May 08, 2017, the Company has completed acquisition of Consumer durable business of Lloyd Electric and Engineering Limited (LEEL) and trade mark "Lloyd" from Fedders Lloyd Corporation Limited, companies incorporated under the Companies Act 1956. The Consumer durable business of Lloyd consist of business of importing, trading, marketing, exporting, distribution, sale of air conditioners, televisions, washing machines, and other household appliances, which has been acquired by the Company on slump sale basis at an enterprise value of ₹ 1547.38 crores on cash free and debt free basis. The acquisition has enabled the Company to enter into Electronic Consumer durable market. Details of purchase price allocation done on composite basis by the Company in accordance with agreement upto closing date is as given below:

The Assets and Liabilities recognised as result of acquisition are as follow:

(₹ in crores)

Fair Value of Assets/ Liabilities	
Assets	
Non-current assets	
Property, plant and equipment	4.35
Intangibles Assets	
i) Trademarks	1,029.00
ii) Distributor/ Dealer Network	82.40
iii) Non-compete Fee	58.50
Total	**1,174.25**
Current Assets	
Inventories	310.18
Financial Assets	
(i) Trade receivables	142.08

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

(₹ in crores)

(ii) Others financial assets	1.27
Other Current Assets	7.19
Total	**460.72**
Total Assets	**1,634.97**
Liabilities	
Current Liabilities	
Financial Liabilities	
(i) Trade payables	(198.43)
(ii) Other Financial Liabilities	(179.36)
Provisions for warranties and E-waste	(15.90)
Provisions for defined benefit obligation	(4.37)
Total Liabilities	**(398.06)**
Total Identifiable net assets at Fair Value (A)	**1,236.91**
Purchase Consideration paid/ payable in cash (B)	**1,547.38**
Goodwill (B-A) (Refer note 5)	**310.47**

Notes:-

a) The fair value and gross amount of acquired trade receivables at acquisition date is ₹ 142.08 crores. None of the trade receivables is credit impaired and it is expected that full contractual amount can be collected.

b) Goodwill of ₹ 310.47 crores comprises the value of expected synergies arising from the acquisition which is not separately recognised. Goodwill is allocated entirely to Lloyd consumer segment.

2 Investment in subsidiaries and joint ventures

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".

(b) The Company's investments in subsidiaries are as under:

Name of the subsidiaries	Country of incorporation	**Portion of ownership interest as at March 31, 2018**	Portion of ownership interest as at March 31, 2017	Method used to account for the investment
Havells Holdings Limited	Isle of Man	100%	100%	At cost
Havells Guangzhou International Limited (refer point (i) below)	China	100%	100%	At cost
Promptec Renewable Energy Solutions Private Limited	India	68.92%	68.92%	At cost
Standard Electrical Limited	India	100%	100%	At cost
Havells Global Limited	India	100%	100%	At cost
Lloyd Consumer Private Limited (refer point (ii) below	India	100%	-	At cost
Havells Exim Limited (refer point (iii) below	Hong Kong	100%	-	At cost

(i) During the year, the Company has invested a sum of ₹ 0.45 Crores in Havells Guangzhou International Limited which was formed on dated October 17, 2016. The said Company is engaged in wholesale business of electrical goods.

(ii) During the year the Company has invested a sum of ₹ 0.05 crores in Lloyd Consumer Private Limited which was formed on dated December 06, 2017. The said Company is engaged in business of electrical goods.

(iii) During the year the Company has invested a sum of ₹ 0.13 crores in Havells Exim Limited which was formed on dated September 01, 2017. The said Company is engaged in business of electrical goods.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(c) The Company's investment in Joint venture is as under:

Name of the Joint venture	Country of incorporation	**Portion of ownership interest as at March 31, 2018**	Portion of ownership interest as at March 31, 2017	Method used to account for the investment
Jiangsu Havells Sylvania Lighting Co. Limited	China	50%	50%	At cost

The Company had entered into a Joint Venture agreement with 'Shanghai Yaming Lighting Co. Ltd., Shanghai, China' on December 26, 2011 for forming a Joint Venture Company for production of lighting lamps and lighting accessories and sales / services of related products. Accordingly, the Company 'Jiangsu Havells Sylvania Lighting Co. Ltd.' a Jointly Controlled Entity was formed vide certificate of approval dated February 13, 2012 issued by the People's Government of Jiangsu Province, China. The Company along with its JV partner decided to close down the business and liquidate the JV, accordingly the Board of Directors has been replaced by the Liquidation Committee formed on 30th June, 2017 and the regular operations have been fully closed in October 2017. The JV reported a turnover of ₹ 49.81 crores and a loss of ₹ 26.32 crores during the financial year on account of write down of certain assets as part of Liquidation process. Accordingly investment has been valued at fair value less cost to sell at ₹ 16.21 based on agreed closure proceed to be received by the company from other joint venture partner and shown as 'Asset classified as held for sale' in note 12.

3 During the year, the Company has capitalised the following pre operative expenses to the cost of tangible fixed assets, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Cost of material consumed	7.53	9.09
Employee benefits expense	3.31	3.12
Other expenses	0.40	1.84
	11.24	**14.05**

4 The Company has incurred following expenditure on Research and Development:

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
a) Revenue Expenditure		
Cost of materials consumed	8.26	7.96
Employee benefits expense	36.34	29.58
Rent	1.35	2.16
Travelling and conveyance	4.55	3.75
Legal and professional	0.12	-
Other expenses	3.00	2.11
	53.62	**45.56**
b) Capital Expenditure		
Property, plant and equipment	3.06	1.37
Intangible Assets	1.28	1.76
	4.34	**3.13**
	57.96	**48.69**

The Research and Development facilities are located at the Head office, Noida and some other units of the Company which are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Govt. of India. The Company is entitled to a weighted deduction of 150% of the expenditure incurred at these units under section 35 (2AB) of the Income Tax Act, 1961.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

5 Disclosures pursuant to Ind AS - 19 "Employee Benefits"(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) are given below :

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Employer's Contribution towards Provident Fund (PF)	27.99	22.19
Employer's Contribution towards Employee State Insurance (ESI)	0.98	0.43
	28.97	**22.62**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited. Under the gratuity plan, every employee who has completed at least five years of service usually gets a gratuity on departure @ 15 days of last drawn 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 and the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Present value of Defined Benefit obligation at the beginning of the year	58.51	44.60
Obligation assumed on acquisition of Lloyd business	4.37	-
Interest Expense	4.53	3.46
Current Service Cost	9.90	8.19
Benefit paid	(4.16)	(2.70)
Remeasurement of (Gain)/loss recognised in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(2.51)	4.86
Actuarial changes arising from changes in experience adjustments	(0.12)	0.10
Defined Benefit obligation at year end	**70.52**	**58.51**

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	45.45	32.88
Expected return on plan assets	3.91	2.80
Employer contribution	13.17	11.72
Remeasurement of (Gain)/loss in other comprehensive income		
Return on plan assets excluding interest income	(0.04)	0.75
Benefits paid	(4.16)	(2.70)
Fair value of plan assets at year end	**58.33**	**45.45**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
(c)	**Net defined benefit asset/ (liability) recognised in the balance sheet**		
	Fair value of plan assets	58.33	45.45
	Present value of defined benefit obligation	(70.52)	(58.51)
	Amount recognised in Balance Sheet- Asset / (Liability)	**(12.19)**	**(13.06)**
(d)	**Net defined benefit expense (recognised in the Statement of profit and loss for the year)**		
	Current Service Cost	9.90	8.19
	Net Interest Cost	0.62	0.66
	Net defined benefit expense debited to statement of profit and loss	**10.52**	**8.85**
(e)	**Remeasurement (gain)/ loss recognised in other comprehensive income**		
	Actuarial changes arising from changes in demographic assumptions	-	-
	Actuarial changes arising from changes in financial assumptions	(2.51)	4.86
	Actuarial changes arising from changes in experience adjustments	(0.12)	0.10
	Return on Plan assets excluding interest income	0.04	(0.75)
	Recognised in other comprehensive income	**(2.59)**	**4.21**
(f)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds	100%	100%

		March 31, 2018	March 31, 2017
(g)	**Principal assumptions used in determining defined benefit obligation**		
	Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
	Discount rate (per annum)	7.70%	7.50%
	Salary Escalation	8.50%	8.50%
	Attrition Rate	7.00%	5.00%

(₹ in crores)

		March 31, 2018	March 31, 2017
(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		
	Discount Rate		
	Increase by 0.50%	(2.71)	(2.65)
	Decrease by 0.50%	2.90	2.86
	Salary Increase		
	Increase by 0.50%	2.54	2.54
	Decrease by 0.50%	(2.42)	(2.37)
	Attrition Rate		
	Increase by 0.50%	(0.34)	(0.36)
	Decrease by 0.50%	0.19	0.23

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

(₹ in crores)

	March 31, 2018	March 31, 2017
(i) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	5.39	3.40
Between 2 and 5 years	30.53	20.54
Between 5 and 10 years	116.69	82.12
Total expected payments	**152.61**	**106.06**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 23.64 years (March 31, 2017: 24.09 years)

k) The plan assets are maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited.

l) The Company expects to contribute ₹ 12.19 crores (March 31,2017 : ₹ 13.06 crores) to the plan during the next financial year.

m) 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.

n) 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.

o) 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 key assumptions occurring at the end of the reporting period.

6 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Company is organised into business units based on its products and services and has five reportable segments as follows:

a) Operating Segments

Switchgears	: Domestic and Industrial switchgears, electrical wiring accessories, industrial motors, pumps and capacitors.
Cables	: Domestic cables and Industrial underground cables.
Lighting and Fixtures	: Energy Saving Lamps (CFL, LED), Solar and luminaries.
Electrical Consumer Durables	: Fans, Water Heaters, Coolers, Personal Grooming,Water Purifier and Domestic Appliances
Lloyd Consumer	: Air Conditioner, Television, Washing Machine and Domestic Appliances

No operating segments have been aggregated to form above reportable operating segments.

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 "Others".

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

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 "Others".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues

g) During the year, the Company has re-organised its internal reporting and accordingly, lighting and fixtures project business which was earlier identiifed as separate reporting segment and disclosed under "Óthers" has been clubbed under "Lighting & Fixtures" segment. The comparative figures for earlier periods have been accordingly restated.

Summary of Segmental Information

(₹ in crores)

		March 31, 2018	March 31, 2017
A.	**Revenue**		**Restated**
	Segment Revenue		
	Switchgears	1,424.45	1,467.68
	Cables	2,683.41	2,675.61
	Lighting and fixtures	1,168.70	1,022.80
	Electrical consumer durables	1,569.57	1,419.87
	Lloyd Consumer	1,414.14	-
		8,260.27	**6,585.96**
	Inter Segment Sale	-	-
	Total revenue	**8,260.27**	**6,585.96**
B.	**Results**		
	Segment Profit		
	Switchgears	557.20	561.03
	Cables	438.03	325.63
	Lighting and fixtures	335.63	265.06
	Electrical consumer durables	420.15	349.37
	Lloyd Consumer	268.32	-
	Segment operating profit	**2,019.33**	**1,501.09**
	Reconciliation of segment operating profit to operating profit		
	Unallocated:		
	Employee benefits expense	(535.35)	(399.38)
	Other expenses	(548.19)	(347.15)
	Other miscellaneous expenses net of income	90.97	84.23
	Operating Profit	**1,026.76**	**838.79**
	Finance Costs	(23.97)	(12.15)
	Profit before tax and Exceptional Item	**1,002.79**	**826.64**
	Exceptional Items {profit/(loss)}	11.91	(57.81)
	Profit before tax after Exceptional Item	**1,014.70**	**768.83**
	Income tax expense	(302.18)	(229.79)
	Profit after tax	**712.52**	**539.04**

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
C. Reconciliations to amounts reflected in the financial statements		
Segment Assets		
Switchgears	640.28	624.06
Cables	757.94	748.64
Lighting and fixtures	491.58	446.60
Electrical consumer durables	505.54	488.15
Lloyd Consumer	2,195.26	-
Segment operating assets	**4,590.60**	**2,307.45**
Reconciliation of segment operating assets to total assets		
Cash and bank balance {refer note 7(C), 10(B) and (C)}	1,526.58	1,937.53
Investment (refer note 6)	41.70	389.07
Assets classified as held for sale (refer note 12)	16.33	16.27
Others	366.20	309.67
Total assets	**6,541.41**	**4,959.99**
Segment Liabilities		
Switchgears	307.51	252.68
Cables	529.05	254.05
Lighting and fixtures	240.75	212.94
Electrical consumer durables	385.01	275.09
Lloyd Consumer	646.82	-
Segment operating liabilities	**2,109.14**	**994.76**
Reconciliation of segment operating liabilities to total liabilities		
Borrowings {refer note 14(A)and18(A)}	108.00	198.05
Deferred tax liability {refer note 16(d)}	206.95	113.76
Others	378.17	379.84
Total liabilities	**2,802.26**	**1,686.41**
Non-current assets other than financial assets		
Switchgears	8.18	5.18
Cables	0.08	0.04
Lighting and fixtures	0.08	2.44
Electrical consumer durables	2.99	1.05
Lloyd Consumer	2.27	-
	13.60	**8.71**
Others	26.55	79.88
	40.15	**88.59**

(₹ in crores)

	March 31, 2018	March 31, 2017
Capital Expenditure		
Switchgears	37.38	40.08
Cables	15.75	70.79
Lighting and fixtures	11.09	15.59
Electrical consumer durables	21.16	23.82
Lloyd Consumer	1,555.93	-
	1,641.31	**150.28**
Others	39.07	42.66
	1,680.38	**192.94**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

	March 31, 2018	March 31, 2017
Depreciation and Amortisation Expenses		
Switchgears	41.52	39.87
Cables	40.21	41.28
Lighting and fixtures	17.26	18.77
Electrical consumer durables	22.12	19.71
Lloyd Consumer	18.41	-
	139.52	**119.63**
Non-cash expenses other than depreciation		
Switchgears	2.25	0.93
Cables	2.84	2.94
Lighting and fixtures	3.64	0.64
Electrical consumer durables	1.75	0.91
Lloyd Consumer	0.01	-
	10.49	**5.42**
Provision for diminution in value of investment	-	76.76
	10.49	**82.18**
Segment Revenue by location of customers		
The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	8,028.25	6,308.90
Revenue-Overseas Market:	232.02	277.06
	8,260.27	**6,585.96**

(₹ in crores)

	March 31, 2018	March 31, 2017
Geographical Segment assets		
Within India	6,493.78	4,705.31
Outside India	47.63	254.68
	6,541.41	**4,959.99**
Geographical Non-current operating assets		
Within India	2,849.36	1,366.25
Outside India	-	-
	2,849.36	**1,366.25**
Note:- Non Current assets for this purpose consist of Property, plant & equipment, investment property, intangible assets and other non current assets		
Geographical Capital Expenditure		
Within India	1,680.38	192.94
Outside India	-	-
	1,680.38	**192.94**

7 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) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are disclosed below:-

(A) Names of related parties and description of relationship

(i) Related party where control exists

	Subsidiary Companies	Relationship
1	Havells Holdings Limited	Wholly Owned Subsidiary (WOS)
2	Promptec Renewable Energy Solutions Private Limited	Subsidiary
3	Standard Electrical Limited	WOS
4	Havells Global Limited	WOS

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

5	Havells Guangzhou International Limited	WOS
6	Lloyd Consumer Private Limited	WOS
7	Havells Exim Limited	WOS
	Step Down Subsidiary Companies	
1	Havells International Limited	WOS of Havells Holdings Limited
2	Havells Sylvania (Thailand) Limited	Ceased to be subsidiary w.e.f 29th Nov'17
3	Havells Sylvania Brazil Illuminacao Ltd.	WOS of Havells International Limited(Ceased to be susidiary w.e.f. 30th Mar'18)
4	Havells Sylvania Iluminacion (Chile) Ltd.	WOS of Havells Holdings Limited (under liquidation)
5	Havells USA Inc.	WOS of Havells Holdings Limited (Dissolved with effect from 31st Oct 2017)
6	Thai Lighting Asset Co. Ltd.#	49% held by Havells International Limited(Under Liquidation)

Havells International Limited (WOS of Havells Holdings Limited) hold 49% equity interest in Thai Lighting Assets Co. Ltd. However the said Company has majority representation on Board of Directors of the entity and approval of the said Company is requited for all major operational decision and the operations are soley carried out for the benefit of the Group. Based on facts and circumstances, management determine that in substance the Group control this entity and therefore reported the same as controlled entities. The company is currently in liquidation.

(ii) Associate	
Feilo Exim Limited (erstwhile Havells Exim Limited)	Ceased to be associate Company w.e.f. November 30, 2016

(iii) Joint Venture	
Jiangsu Havells Sylvania Lighting Co. Limited	50% ownership interest held by Company. (Under Liquidation)

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises in which directors are interested

QRG Enterprises Limited
QRG Foundation
Guptajee & Company
The Vivekananda Ashrama
QRG Central Hospital and Research Centre Ltd
QRG Medicare limited

(ii) Post employee benefit plan for the benefitted employees

Havells India Limited Employees Gratuity Trust

(iii) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Director
Shri Sanjay Kumar Gupta, Company Secretary

v) Non Executive Directors

Shri Vijay Kumar Chopra
Shri Avinash Parkash Gandhi (Retired on 18th Oct, 2016)
Dr. Adarsh Kishore
Shri Sunil Behari Mathur (Retired on 24th May, 2017)
Shri Surender Kumar Tuteja
Smt. Pratima Ram

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

Shri Vellayan Subbiah
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani (w.e.f 16th Aug 2017)
Shri U K Sinha (w.e.f 1st Mar 2018)

(C) Transactions during the year

(₹ in crores)

		2017-18	2016-17
(i)	**Purchase of traded goods and stores and spares (Refer note (c) below)**		
	Subsidiaries / Step down Subsidiaries		
	Promptec Renewable Energy Solutions Private Limited	49.02	54.93
	Havells Guangzhou International Ltd.	6.44	-
	Havells Exim Ltd.	19.22	-
	Joint Venture		
	Jiangsu Havells Sylvania Lighting Co. Limited	0.41	1.51
		75.09	**56.44**
(ii)	**Sale of products (Refer note (c) below)**		
	Subsidiaries / Step down Subsidiaries		
	Promptec Renewable Energy Solutions Private Limited	1.38	0.20
	Havells Sylvania (Thailand) Limited	0.51	3.17
	Enterprises in which directors are interested		
	QRG Central Hospital and Research Centre Ltd	0.19	-
	QRG Medicare limited	0.33	-
		2.41	**3.37**
(iii)	**Commission on sales**		
	Enterprises in which directors are interested		
	Guptajee and Company	**8.69**	**8.02**
(iv)	**Rent / Usage Charges Paid**		
	Enterprises in which directors are interested		
	QRG Enterprises Limited	**19.34**	**19.34**
(v)	**Miscellaneous Income (Service charges received)**		
	Subsidiaries / Step down Subsidiaries		
	Havells Exim Ltd.	0.04	-
	Associates		
	Feilo Exim Limited (erstwhile Havells Exim Limited)	-	0.03
		0.04	**0.03**
(vi)	**CSR Contribution**		
	Enterprises in which directors are interested		
	QRG Foundation	2.55	5.58
	The Vivekananda Ashrama	-	0.03
		2.55	**5.61**
(vii)	**Reimbursement of Expenses received**		
	Subsidiaries / Step down Subsidiaries		
	Promptec Renewable Energy Solutions Private Limited	**1.16**	**1.01**
	Enterprises in which directors are interested		
	Guptajee & Company	-	0.08
		1.16	**1.09**
(viii)	**Reimbursement of Expenses paid**		
	Subsidiaries / Step down Subsidiaries		
	Havells Sylvania (Thailand) Ltd.	0.04	-
	Promptec Renewable Energy Solutions Private Limited	2.67	1.12
		2.71	**1.12**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

		2017-18	2016-17
(ix)	**Contribution to post employee benefit plan**		
	Havells India Limited Employees Gratuity Trust	**13.18**	**11.72**
(x)	**Investments in equity shares**		
	Subsidiaries / Step down Subsidiaries		
	Promptec Renewable Energy Solutions Private Limited	-	10.67
	Standard Electrical Limited	-	0.05
	Lloyd Consumer Private Limited	0.05	-
	Havells Guangzhou International Ltd.	0.45	-
	Havells Exim Ltd.	0.13	-
	Havells Global Limited	-	0.05
		0.63	**10.77**
(xi)	**Sale/Redemption of Investment**		
	Subsidiaries / Step down Subsidiaries		
	Havells Holdings Limited	198.25	-
		198.25	**-**
(xii)	**Managerial remuneration**		
	Key Management Personnel		
	Salaries, wages, bonus, commission and other benefits*	32.36	25.89
	Contribution towards PF, Family Pension and ESI	1.03	0.77
	ESPP expense	5.03	3.46
	Non-Executive Directors		
	Director sitting fees	0.28	0.39
	Commission	0.39	0.40
		39.09	**30.91**
(xiii)	**Purchase of equity shares in Lloyd Consumer Private Limited**		
	Key Management Personnel (refer note below)		
	Shri Anil Rai Gupta	0.00	-
	Shri Ameet Kumar Gupta	0.00	-
		0.00	**-**

Note: During the year, the Company has purchased 500 equity shares of ₹ 10 each in Lloyd Consumer Private Limited from directors. Since the amounts are rounded off to the nearest crore of rupees upto two decimal places, hence the figure 0.00 represents the amount of ₹ 5,000/-

(D) Balances at the year end

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(i)	**Amount Receivables**		
	Subsidiaries / Step down Subsidiaries		
	Havells Sylvania (Thailand) Limited	-	1.26
	Promptec Renewable Energy Solutions Private Limited	-	0.32
	Havells Exim Ltd.	0.04	-
		0.04	**1.58**
(ii)	**Amount Payables**		
	Enterprises in which directors exercise significant influence		
	Guptajee & Company	3.29	2.11
	Subsidiaries / Step down Subsidiaries		
	Promptec Renewable Energy Solutions Private Limited	2.15	10.46
	Havells Guangzhou International Ltd.	0.53	-
	Havells Exim Ltd.	1.13	-
	Joint Venture		
	Jiangsu Havells Sylvania Lighting Co. Limited	-	0.28
		7.10	**12.85**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

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 and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Company as a whole, the amount pertaining to Key management personnel are not included above.

c) Purchase of goods and sale of goods has been reported gross off Value Added tax/Goods and Service Tax

8 Share based payments

(a) The Company had, vide special resolution passed by way of postal ballot on June 9, 2014 and by way of amendment to the "Havells Employees Stock Option Plan 2013" (ESOP 2013 or Plan) included Part B - "Havells Employees Stock Purchase Plan 2014 and renamed the plan as "Havells Employees Long Term Incentive Plan 2014" for granting Employees Stock Options in the form of Equity Shares to eligible employees. The purchase price of the options was approved on May 11, 2016 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were Granted and vested as on May 16, 2016. In accordance with the terms and conditions of the plan, the said options were exercisable within a period of 30 days from the date of vesting were settled by way of issue of equity shares. During the year 1,39,673 (March 31, 2017: 1,17,562 Equity Shares) of ₹ 1/- each were allotted to eligible employees under the said scheme at price of ₹ 502.15 (March 31, 2017: ₹ 345.65) per share (being market price of shares at close of business day immediately preceding the date of Nomination and Remuneration Committee meeting). As per the scheme, 50% of shares are under lock-in-period of 13 months and remaining 50% are under a lock-in-period of two years.

Further, as per the scheme, the Company shall pay 50% of issue price for differential bonus shares on issue of shares and 50% of employee contribution to eligible employees over a period of two years. Accordingly a sum of ₹ 3.04 crores has been recognised as employee stock option expense during the Financial Year. (Previous Year ₹ 1.78 cores)

(b) The Company had, vide special resolution passed by way of postal ballot on December 4, 2015 "Havells Employees Stock Purchase Plan 2015 for granting Employees Stock Options in the form of Equity Shares to eligible employees. The purchase price of the options was approved on May 11, 2017 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were Granted and vested as on May 16, 2017. In accordance with the terms and conditions of the plan, the said options were exercisable within a period of 30 days from the date of vesting and settled by way of issue of equity shares. During the year 1,50,000 (March 31, 2017: 1,50,000 Equity Shares) of ₹ 1/- each were allotted to eligible employees under the said scheme at ₹ 502.15 (March 31, 2017: ₹ 345.65) per share (being market price of shares at close of business day immediately preceding the date of Nomination and Remuneration Committee meeting). As per the scheme, 78% of shares are under lock-in-period of 13 months and remaining 22% are under a lock-in-period of two years.

Further, as per the scheme, the Company shall pay 100% of issue price to the eligible employees on issue of shares. Accordingly a sum of ₹ 7.53 crores has been recognised as employee stock purchase plan expense during the Financial year.(Previous Year ₹ 5.18 crores)

(c) The Company had, vide special resolution passed by way of postal ballot on July 13, 2016 "Havells Employees Stock Purchase Plan 2016 for granting Employees Stock Options in the form of Equity Shares to eligible employees. The purchase price of the options was approved on May 11, 2017 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were Granted and vested in three equal tranche. First tranche was vested on May 17, 2017. In accordance with the terms and conditions of the plan, the said options were exercisable within a period of 30 days from the date of vesting and settled by way of issue of equity shares. During the year First tranche 3,458 Equity Shares of ₹ 1/- each (March 31, 2017: NIL) were allotted to eligible employees under the said scheme at ₹ 502.15 per

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

share (March 31, 2017: ₹ NIL) (being market price of shares at close of business day immediately preceding the date of Nomination and Remuneration Committee meeting). As per the scheme, these shares are under lock-in-period of 13 months

Further, as per the scheme, the Company shall pay 100% of issue price to the eligible employees on issue of shares. Accordingly a sum of ₹ 0.17 crores has been recognised as employee stock purchase plan expense during the financial year. (Previous Year NIL)

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

Summary of Stock Options	2017-18		2016-17	
	Number of Stock Options	**Weighted average exercise price per share**	Total No. of Stock Options	Weighted average exercise price per share
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	10,377	502.15	-	-
Options vested and exercised during the year	3,458	502.15	-	-
Options outstanding at the end of the year	**6,919**	**-**	**-**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2018 was ₹ 471.20 per share.

No options expired during the period covered in the above table

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

Particulars	March 31, 2018	March 31, 2017
Grant date	May 17, 2017	NA
Expiry date	2019-20	NA
Outstanding share options	6,919	NA
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	NA

The fair value at grant date of options granted during the year ended March 31, 2018 was ₹ 146.14 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 during the year ended March 31, 2018 included:

Particulars	March 31, 2018	March 31, 2017
Expected Price volatility of the company's share	30.71%	NA
Expected Dividend Yield	0.65%	NA
Share price at the grant date	₹ 502.15	NA
Risk free interest rate	7.50%	NA

(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.

9 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of ₹ 14.95 crores (March 31, 2017: ₹ 13.37 crores) towards this cause and charged the same to the Statement of Profit And Loss. The funds are primary allocated to QRG foundation, a society registered under section 12A of the Income Tax Act, 1961 for undertaking Mid-Day meal scheme and Aga Khan Foundation India, a private non-profit foundation registered u/s 592 of Companies Act, 2013. it is engaged in restoration and conservation of various heritage monuments.

(₹ in crores)

	March 31, 2018	March 31, 2017
Details of CSR Expenditure:		
a) Gross amount required to be spent by the Company during the year	14.82	13.26

b) Amount spent during year ended March 31, 2018

	Amount spent		Amount yet to be spent		Total	
	2018	2017	**2018**	2017	**2018**	2017
(i) Construction/ acquisition of assets	2.43	8.61	-	-	2.43	8.61
(ii) Contribution to Trust/Universities {refer note 32(7)}	2.55	4.28	-	-	2.55	4.28
(iii) On Purpose other than above	9.97	0.48	-	-	9.97	0.48
Total Amount Spent	**14.95**	**13.37**	**-**	**-**	**14.95**	**13.37**

10 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments and investment property:

	Carrying Value		Fair Value	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Investment property valued at cost				
Investment property	53.79	55.92	88.65	87.13
Financial instruments by category				
Financial assets at amortised cost				
Cash and bank balances (Current)	1,526.17	1,937.53	1,526.17	1,937.53
Trade Receivables	325.40	228.50	325.40	228.50
Other Bank balance (Non-current)	0.41	-	0.41	-
Investments in quoted bonds	-	161.66	-	164.70
Other Financial assets (Current)	7.97	6.02	7.97	6.02
Other Financial assets (Non-current)	17.21	13.55	17.21	13.55
	1,877.16	**2,347.26**	**1,877.16**	**2,350.30**
Financial Liabilities at amortised cost				
Trade Payables	1,633.99	629.56	1,633.99	629.56
Borrowings-Current	27.00	198.05	27.00	198.05
Borrowings-Non Current	81.00	-	81.00	-
Other financial liabilities (non-current)	5.48	2.93	5.48	2.93
Other financial liabilities (current)	513.29	444.29	513.29	444.29
	2,260.76	**1,274.83**	**2,260.76**	**1,274.83**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

The fair value of the 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 Company had determined classification of quoted bonds invested with National Highway Authority of India as subsequently measured at amortised cost in previous year since the Company expected to hold the investment upto maturity and receive the principal and interest amount as per defined term of investment. However, during the year the Company has prematurely sold the said bonds in open market to fund the acquisition of business. Accordingly, the gain of ₹ 18.49 crores has been recorded in "other income".

2) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. 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.

3) The fair values of the Company's interest-bearing borrowings and loans are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2018 was assessed to be insignificant.

4) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

5) The Company has obtained independent valuation for its investment property as at March 31, 2018 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on "as is where" basis. All resulting fair value estimates for investment property are included in Level 3.

6) The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2018, are as shown below:

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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for the year ended March 31, 2018

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018

	Carrying Value March 31, 2018	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	53.79	-	-	88.65
Assets carried at amortised cost for which fair value are disclosed				
Cash and bank balances (Current)	1,526.17	1,526.17	-	-
Other Financial assets (Non-current)	17.21	-	-	17.21
Other Financial assets (Current)	7.97	-	-	7.97
Trade Receivables	325.40			325.40
Other bank balances (Non-current)	0.41	0.41	-	-
Liabilities carried at amortised cost for which fair value are disclosed				
Trade Payables	1,633.99	-	-	1,633.99
Borrowings	108.00	-	-	108.00
Other financial liabilities (Non-current)	5.48	-	-	5.48
Other financial liabilities (Current)	513.29	-	-	513.29

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2017

	Carrying Value March 31, 2017	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	55.92	-	-	87.13
Assets carried at amortised cost for which fair value are disclosed				
Cash and bank balances (Current)	1,937.53	1,937.53	-	-
Other Financial assets (Non-current)	13.55	-	-	13.55
Other Financial assets (Current)	6.02	-	-	6.02
Investments in quoted bonds	161.66	164.70	-	-
Trade Receivables	228.50	-	-	228.50
Liabilities carried at amortised cost for which fair value are disclosed				
Trade Payables	629.56	-	-	629.56
Borrowings	198.05	-	-	198.05
Other financial liabilities (Non-current)	2.93	-	-	2.93
Other financial liabilities (Current)	444.29	-	-	444.29

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

11 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised 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, 2018.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company 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. AED, NPR, JPY and GBP exchange rates, with all other variables held constant. The impact on the Company profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

(Amount in crores)

Currency	Currency Symbol		**March 31, 2018**		Gain/ (loss) Impact on profit before tax and equity	
			Foreign Currency	**Indian Rupees**	1% increase	1% decrease
Nepalese Rupee	NPR	NPR	(0.05)	(0.03)	(0.00)	0.00
United States Dollar	USD	$	(4.83)	(314.56)	(3.15)	3.15
EURO	EUR	€	0.07	5.52	0.06	(0.06)
Arab Emirates Dirham	AED	AED	(0.01)	(0.17)	(0.00)	0.00
Kenyan Shilling	KES	KES	0.12	0.07	0.00	(0.00)
Sri Lankan Rupee	LKR	LKR	0.10	0.04	0.00	(0.00)

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2018

(Amount in crores)

Currency	Currency Symbol		March 31, 2017		Gain/ (loss) Impact on profit before tax and equity	
			Foreign Currency	Indian Rupees	1% increase	1% decrease
Nepalese Rupee	NPR	NPR	(0.03)	(0.02)	(0.00)	0.00
United States Dollar	USD	$	0.04	2.71	0.03	(0.03)
EURO	EUR	€	(0.07)	(5.10)	(0.05)	0.05
Arab Emirates Dirham	AED	AED	(0.02)	(0.31)	(0.00)	0.00

Note: Figures in bracket represents payables

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's borrowings outstanding as at March 31, 2018 comprise of term loan and working capital demand loan.

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.

	March 31, 2018		March 31, 2017	
	Increase/ decrease in basis points	**Impact on profit before tax**	Increase/ decrease in basis points	Impact on profit before tax
Term Loan/External Commercial Borrowing	+0.50	(0.54)	+0.50	(0.33)
	-0.50	0.54	-0.50	0.33

(iii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and Aluminium being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper and aluminium, the Company has entered into various purchase contracts for these material for which there is an active market The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price of for each month.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security. As at March 31, 2018, the Company had 65.48% (March 31,2017: 66.37%)of its trade receivable discounted from banks under Trade Receivable buyout facility. Out of the remaining debtors, the Company has 10 customers that owed the Company approx. Rs 213.02 crores(March 31,2017 : 166.90 crores) and accounted for 63.38% (March 31,2017 : 73.00%) of remaining trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 is the carrying amounts . The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Investments in bonds	-	161.66
Cash and cash equivalents (Current)	301.20	554.96
Other bank balances (Current)	1,224.97	1,382.57
Other bank balances (Non-current)	0.41	-
Others Non Current financial assets	17.21	13.55
Others Current financial assets	7.97	6.02
	1,551.76	**2,118.76**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	325.40	228.50
	325.40	**228.50**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

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

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Particulars		
Neither past due nor impaired	166.30	92.19
0 to 180 days due past due date	97.43	107.56
More than 180 days past due date	61.67	28.75
Total Trade Receivables	**325.40**	**228.50**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

The following table summarises the change in loss allowance measured using the life time expected credit loss model:-

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
As at the beginning of year	11.67	8.84
Provision during the year	7.27	5.42
Bad debts written off	-	0.01
Reversal of provision	(2.25)	(2.60)
As at the end of year	**16.69**	**11.67**

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2018	Less than 1 year	1 to 5 years	Total
Borrowings	27.00	81.00	108.00
Other non current financial liabilities	-	5.48	5.48
Trade payables	1,633.99	-	1,633.99
Other current financial liabilities	513.29	-	513.29
As at March 31, 2017	**Less than 1 year**	**1 to 5years**	**Total**
Borrowings	198.05	-	198.05
Other non current financial liabilities	-	2.93	2.93
Trade payables	629.56	-	629.56
Other current financial liabilities	444.29	-	444.29

12 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and March 31, 2017. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

Particulars	March 31, 2018	March 31, 2017
Loans and borrowings {refer note 14(A) and 18(A)}	108.00	198.05
Less:- Cash and cash equivalents {refer note 10(B)}	(301.20)	(554.96)
Net Debt	**(193.20)**	**(356.91)**
Equity (Net Worth)	3,739.15	3,273.58
Total Capital	**3,739.15**	**3,273.58**
Capital and Net Debt	3,545.95	2,916.67
Gearing ratio (Net Debt/Capital and Net Debt)	**(5.45%)**	**(12.24%)**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and March 31, 2017

13 Earnings per share

(₹ in crores)

			Year ended March 31, 2018	Year ended March 31, 2017
a)	**Basic Earnings per share**			
	Numerator for earnings per share			
	Profit after taxation		**712.52**	**539.04**
	Denominator for earnings per share			
	Weighted average number of equity shares outstanding (Nos.) during the year		625,095,468	624,808,427
	Earnings per share-Basic (one equity share of ₹ 1/- each)	₹	**11.40**	**8.63**
b)	**Diluted Earnings per share**			
	Numerator for earnings per share			
	Profit after taxation		**712.52**	**539.04**
	Denominator for earnings per share			
	Weighted average number of equity shares for basic earning per share		625,095,468	624,808,427
	Effect of dilution			
	Share options (Nos.)		6,246	-
	Weighted average number of equity shares outstanding (Nos.) during the year adjusted for the effect of dilution		**625,101,714**	**624,808,427**
	Earnings per share- Diluted (one equity share of ₹ 1/- each)	₹	**11.40**	**8.63**

Note: During the previous year, there was no instruments issued by the Company which had effect of dilution of basic earning per share

14 Dividend Paid And Proposed

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend declared and paid during the year:		
Final Dividend paid for the year ended March 31, 2017 ₹ 3.50/- per share (March 31, 2016 : ₹ 3/- per share)	218.80	187.46
Corporate Dividend Tax on Final Dividend	44.54	38.17
	263.34	**225.63**
Proposed Dividends on equity shares:		
Final Dividend for the year ended March 31, 2018 ₹ 4/- per share (March 31, 2017: ₹ 3.5/- per share)	250.06	218.70
Corporate Dividend Tax on proposed dividend	51.40	44.52
	301.46	**263.22**

Note: Proposed dividends on equity shares are subject to approval at annual general meeting and are not recognised as liability (including Corporate Dividend Tax) as at reporting date.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

15 Disclosure required under Section 186 (4) of the Companies Act, 2013.

Particulars of Investments made:

Sr. No	Name of the Investee	**2017-18**		2016-17	
		Investment made	**Outstanding Balance**	Investment made	Outstanding Balance
1	Havells Holdings Limited	-	1.18	-	187.52
2	Jiangsu Havells Sylvania Lighting Co. Limited {refer note no. 32(1)(c) and note 12}	-	16.21	-	16.21
3	Promptec Renewable Energy Solutions Private Limited	-	39.79	10.67	39.79
4	Standard Electrical Limited	-	0.05	0.05	0.05
5	Havells Global Limited	-	0.05	0.05	0.05
6	Havells Employees Welfare Trust	-	0.57	-	0.57
7	Lloyd Consumer Private Limited	0.05	0.05	-	-
8	Havells Guangzhou International Limited	0.45	0.45	-	-
9	Havells Exim Limited	0.13	0.13	-	-

16 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/-.

17 The comparative figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year numbers.

18 Note No.1 to 32 form integral part of the balance sheet and statement of profit and loss.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Havells India Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Havells India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Joint Ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by 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 and joint venture as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

1. We did not audit the financial statements and other financial information, in respect of 9 subsidiaries, whose Ind AS financial statements include total assets of ₹ 80.62 crores and net assets of ₹ 4.64 crores as at March 31, 2018, and total revenues of ₹ 70.67 crores and net cash outflow of ₹ 1.28 crores for the year ended on that date. These

financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ Nil for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of such other auditors.

2. Certain of these subsidiaries and the joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and the joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

3. The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of one of the subsidiary (ceased to be a subsidiary on March 30, 2018), whose financial statements and other financial information reflect, total assets of ₹ Nil and net assets of ₹ Nil as at March 31, 2018 and total revenues of ₹ 42.65 crores and net cash inflows of ₹ 17.81 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the aforesaid subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to amounts and disclosures included in respect of the aforesaid subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS 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 and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its joint ventures – Refer Note 31A to the consolidated Ind AS financial statements;

ii. The Group, and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta
Partner
Membership Number: 83906
Date: May 11, 2018
Place: Noida

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HAVELLS INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Havells India Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Havells India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date. The group's joint venture is not incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta
Partner
Membership Number: 83906
Date: May 11, 2018
Place: Noida

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

(₹ in crores)

	Notes	As at March 31, 2018	As at March 31, 2017
I Assets			
1. Non-current assets			
Property, plant and equipment	3	1,254.02	1,198.68
Capital work in progress	3	24.05	11.94
Investment property	4	53.79	55.92
Goodwill	5	324.15	13.68
Other Intangible assets	5	1,186.66	31.87
Financial assets	6		
(i) Investments		-	161.66
(ii) Other financial assets		17.62	14.00
(iii) Other bank balances		0.41	-
Deferred tax assets (net)	15	-	1.55
Other non-current assets	7	40.15	88.76
		2,900.85	**1,578.06**
2. Current assets			
Inventories	8	1,633.03	945.34
Financial assets	9		
(i) Trade receivables		327.75	230.68
(ii) Cash and cash equivalents		336.46	591.88
(ii) Other bank balances		1,225.11	1,382.59
(iv) Others financial assets		28.36	6.32
Other current assets	10	138.85	77.62
		3,689.56	**3,234.43**
Assets classified as held for sale	11	17.10	356.79
		3,706.66	**3,591.22**
Total Assets		**6,607.51**	**5,169.28**
II Equity and liabilities			
1. Equity			
Equity share capital	12	62.51	62.49
Other equity		3,666.65	3,214.33
Equity attributable to equity holders of the parent company		**3,729.16**	**3,276.82**
Non-controlling interests		7.65	9.05
		3,736.81	**3,285.87**

(₹ in crores)

	Notes	As at March 31, 2018	As at March 31, 2017
2. Liabilities			
Non-current liabilities			
Financial liabilities	13		
(i) Borrowings		81.00	-
(ii) Other financial liabilities		5.48	2.93
Provisions	14	24.72	9.96
Deferred tax liabilities (Net)	15	211.68	118.43
Other non-current liabilities	16	17.71	1.64
		340.59	**132.96**
Current liabilities			
Financial liabilities	17		
(i) Borrowings		34.38	208.33
(ii) Trade payables		1,640.01	633.45
(iii) Other financial liabilities		561.96	445.40
Other current liabilities	18	107.81	111.20
Provisions	19	154.50	110.41
Current tax liabilities (net)	20	31.32	66.38
		2,529.98	**1,575.17**
Liabilities directly associated with assets classified as held for sale	21	0.13	175.28
Total Equity and Liabilities		**6,607.51**	**5,169.28**
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	31		
Other notes on accounts	32		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Surjit Kumar Gupta
Director
DIN: 00002810

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in crores)

	Continuing Operations	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I	**Income**			
	Revenue from operations	22	8,269.01	6,612.96
	Other income	23	117.90	138.18
	Total income		**8,386.91**	**6,751.14**
II	**Expenses**			
	Cost of materials consumed	24	3,626.06	3,328.62
	Purchase of traded goods	25	1,669.61	438.17
	Change in inventories of finished goods, traded goods and work in progress	26	(325.74)	(113.57)
	Excise duty on sale of goods	22(a)	122.60	457.20
	Employee benefits expense	27	659.54	509.01
	Finance costs	28	24.83	13.34
	Depreciation and amortisation expenses	29	140.49	120.51
	Other expenses	30	1,473.54	1,175.36
	Total expenses		**7,390.93**	**5,928.64**
III	**Profit before share of profit /(loss) of a joint venture, exceptional items and tax from continuing operations**		**995.98**	**822.50**
	Share of profit/ (loss) of joint venture accounted for using equity method (net of tax)		-	(4.77)
IV	**Profit before exceptional items and tax from continuing operations**		**995.98**	**817.73**
	Exceptional items {refer note no 32(1)(c)}		(18.67)	(106.80)
V	**Profit before tax from continuing operations**		**977.31**	**710.93**
VI	**Tax expenses**	15		
	Current tax		209.01	234.43
	Less: MAT credit entitlement		(43.09)	-
	Deferred tax		137.91	(5.67)
	Income tax expense		**303.83**	**228.76**
VII	**Profit for the year from continuing operations**		**673.48**	**482.17**
	Discontinued Operations			
	Profit/ (loss) before tax from discontinued operations		(12.51)	11.94
	Tax Income/ (expense) of discontinued operations		-	-
VIII	**Profit/ (loss) for the year from discontinued operations**		**(12.51)**	**11.94**
IX	**Profit for the year**		**660.97**	**494.11**
X	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
	Re-measurement (gains)/ losses on defined benefit plans {refer note 32(8)(e) }		(2.53)	2.43
	Income tax effect {refer note no 15(b)}		0.89	(1.45)
	Net other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods		**(1.64)**	**0.98**
	Other comprehensive income to be reclassified to profit or loss in subsequent periods			
	Exchange difference on translation of foreign operations		(6.98)	22.76
	Income tax effect		-	-
	Net other comprehensive (income)/ loss to be reclassified to profit or loss in subsequent periods		**(6.98)**	**22.76**
	Other comprehensive (income)/ loss for the year, net of tax		**(8.62)**	**23.74**

(₹ in crores)

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
XI	**Total comprehensive income for the year, net of tax**		**669.59**	**470.37**
	Profit for the year attributable to			
	Equity shareholders of parent company		662.37	494.53
	Non controlling interests		(1.40)	(0.42)
			660.97	**494.11**
	Other comprehensive (income)/ loss attributable to			
	Equity shareholders of parent company		(8.62)	23.74
	Non controlling interests		-	-
			(8.62)	**23.74**
	Total Comprehensive income for the year attributable to			
	Equity shareholders of parent company		670.99	470.79
	Non controlling interests		(1.40)	(0.42)
			669.59	**470.37**
XII	**Earnings per equity share for continuing operations attributable to equity holders of parent {refer note no. 32(16)} (nominal value of share ₹ 1/-)**			
	Basic (₹)		10.77	7.72
	Diluted (₹)		10.77	7.72
	Earnings per equity share for discontinued operations attributable to equity holders of parent {refer note no. 32(16)} (nominal value of share ₹ 1/-)			
	Basic (₹)		(0.20)	0.19
	Diluted (₹)		(0.20)	0.19
	Earnings per equity share for continuing and discontinued operations attributable to equity holders of parent {refer note no. 32(16)} (nominal value of share ₹ 1/-)			
	Basic (₹)		10.57	7.91
	Diluted (₹)		10.57	7.91
	Summary of significant accounting policies	2		
	Contingent liabilities, commitments and litigations	31		
	Other notes on accounts	32		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

A) Equity Share Capital

(₹ in crores)

Particulars	Nos.	Amount
As at April 1, 2016	62,45,87,780	62.46
Add: Equity shares issued under ESPP	2,67,562	0.03
As at March 31, 2017	62,48,55,342	62.49
Add: Equity shares issued under ESPP	2,93,131	0.02
As at March 31, 2018	**62,51,48,473**	**62.51**

B) Other Equity

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company						Non-controlling Interest	Total other equity
	Reserves and surplus				Items of OCI			
	Capital Reserve	Securities Premium account	General Reserve	Retained Earnings	Foreign Currency translation reserve	Total		
As at April 1, 2016	**7.61**	**14.55**	**748.84**	**2,208.08**	**(13.87)**	**2,965.21**	**14.88**	**2,980.09**
Net profit for the year	-	-	-	494.53	-	494.53	(0.42)	494.11
Other comprehensive income for the year								
Remeasurements gain/(loss) on defined benefit plans	-	-	-	(0.98)	-	(0.98)	-	(0.98)
Exchange difference on translation of foreign operations	-	-	-	-	(22.76)	(22.76)	-	(22.76)
Dividends								
Final dividend	-	-	-	(187.46)	-	(187.46)	-	(187.46)
Corporate dividend tax	-	-	-	(38.17)	-	(38.17)	-	(38.17)
Transaction of acquisition of Non controlling interest in a subsidiary company	-	-	-	(5.26)	-	(5.26)	(5.41)	(10.67)
Addition on equity shares issued under ESPP	-	9.22	-	-	-	9.22	-	9.22
As at March 31, 2017	**7.61**	**23.77**	**748.84**	**2,470.74**	**(36.63)**	**3,214.33**	**9.05**	**3,223.38**
Profit for the year	-	-	-	662.37	-	662.37	(1.40)	660.97
Other comprehensive income for the year								
Remeasurements gain/(loss) on defined benefit plans	-	-	-	1.64	-	1.64	-	1.64

B) Other Equity

(₹ in crores)

Particulars	Capital Reserve	Securities Premium account	General Reserve	Retained Earnings	Foreign Currency translation reserve	Total	Non-controlling Interest	Total other equity
	Attributable to equity shareholders of parent company							
	Reserves and surplus				Items of OCI			
Exchange difference on translation of foreign operations	-	-	-	-	6.98	6.98	-	6.98
Dividends								
Final dividend	-	-	-	(218.80)	-	(218.80)	-	(218.80)
Corporate dividend tax	-	-	-	(44.54)	-	(44.54)	-	(44.54)
Transfer to statement of profit and loss account on account of sale/liquidation of group companies	-	-	-	-	29.98	29.98	-	29.98
Addition on equity shares issued under ESPP	-	14.69	-	-	-	14.69	-	14.69
As at March 31, 2018	**7.61**	**38.46**	**748.84**	**2,871.41**	**0.33**	**3,666.65**	**7.65**	**3,674.30**

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	31
Other notes on accounts	32

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2018

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax from Continuing Operations	977.31	710.93
	Profit before tax from Discontinued Operations	(12.51)	11.94
	Adjustments to reconcile profit before tax to net cash flows		
	Exceptional Items	18.67	106.80
	Profit on sale of non-current financial investments	(18.49)	-
	Share in (Profit)/loss of Joint Venture	-	4.77
	Depreciation and amortisation expense	140.96	121.63
	Loss on sale/ disposal of Property, plant and equipment (net)	2.01	1.49
	Unrealised foreign exchange (gain) / loss (net)	(1.01)	0.16
	Exchange difference on translation of foreign operations	(6.98)	(8.90)
	Impairment allowance for trade receivables considered doubtful	7.86	11.33
	Impairment allowance for other financial assets	0.19	-
	Interest income	(44.86)	(98.10)
	Finance cost	23.62	10.23
	Excess provisions no longer required written back	(4.03)	(7.69)
	Rental income	(6.92)	(5.85)
	Bad debt	1.26	2.68
	Reversal of Impairment allowance for trade receivables considered doubtful	(2.27)	(2.63)
	Operating Profit before working capital changes	**1074.81**	**858.79**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables	(100.31)	(57.43)
	(Increase)/ Decrease in financial assets	(5.72)	(17.23)
	(Increase)/ Decrease in non-financial assets	(45.37)	(28.11)
	(Increase)/ Decrease in inventories	(684.97)	(135.39)
	Increase/ (Decrease) in trade payables	994.08	157.66
	Increase/ (Decrease) in financial liabilities	67.99	153.67
	Increase/ (Decrease) in non financial liabilities	(11.03)	37.18
	Increase/ (Decrease) in provisions	55.50	3.13
	Cash generated from operations	**1344.98**	**972.27**
	Income tax paid (net of refunds)	(245.05)	(205.19)
	Net Cash flow from Operating Activities (A)	**1,099.93**	**767.08**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of tangible and intangible assets	(1,596.81)	(241.66)
	Proceeds from sale of property, plant and equipment	7.58	3.45
	Addition to investment property	-	(1.02)
	Fixed deposits matured/ (made) during the year	135.87	(66.58)
	Proceeds from sale of investment in subsidiary/associates companies	255.97	18.95
	Acquisition of Non Controlling Interest in subsidiary Company	-	(10.67)
	Sale proceeds of non-current investment	169.18	-
	Rental income received	6.92	5.85
	Interest income received	77.17	75.68
	Net Cash flow used in Investing Activities (B)	**(944.12)**	**(216.00)**

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from share capital issued	0.02	0.03
Proceed from security premium received	14.69	9.22
Repayment of short term borrowings	(244.91)	(60.84)
Proceeds of short term borrowings	-	179.68
Proceeds of long term borrowings	108.00	-
Interest paid	(23.62)	-
Dividends paid on equity shares (including Corporate Dividend Tax)	(263.23)	(225.63)
Net Cash Flow used in Financing Activities (C)	**(409.05)**	**(97.54)**
Net increase / decrease in cash and cash equivalents (A+B+C)	**(253.24)**	**453.54**
Cash and cash equivalents at the beginning of the year	591.88	142.00
Effect of exchange differences on cash and cash equivalents held in foreign currency	(1.41)	0.21
Cash associated with Discontinued operations {refer note 32(5) }	(0.77)	(3.87)
Cash and Cash Equivalents at the end of the year	**336.46**	**591.88**

Notes :

1. The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
2. Components of cash and cash equivalents :-

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash and cash equivalents		
Balances with banks:		
Current accounts	65.65	59.64
Cash credit accounts	75.33	87.07
Fixed deposits account with a original maturity of less than three months	195.23	445.14
Cheques on hand	0.12	-
Cash on hand	0.13	0.03
	336.46	**591.88**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Surjit Kumar Gupta
Director
DIN: 00002810

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

1 CORPORATE INFORMATION

Havells India Limited ('the Company') is a public limited Company domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company is consumer electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Fans, Power Capacitors, CFL Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Domestic Appliances, Water Purifier, Air conditioner, Television and washing machine covering the entire range of household, commercial and industrial electrical needs. The Company's manufacturing facilities are located at Faridabad in Haryana, Alwar and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad, Noida in Uttar Pradesh, Baddi in Himachal Pradesh and Guwahati in Assam. The research and development facilities are located at Head office, Noida (Uttar Pradesh) and at some of the units which have been approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, New Delhi.

The Financial statements were authorised by the Board of Directors for issue in accordance with resolution passed on May 11,2018.

The Company along with its subsidiaries and its joint venture has been collectively hereinafter referred to as "the Group".

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of Preparation-

The Consolidated financial statements of the Company, its subsidiaries, associates and its joint venture have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 and other relevant provision of the Act. The consolidated financial statements have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

i) Derivative financial instruments; and

ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instrument

iii) Assets held for sale-measured at fair value less cost to sell.

The amendments to Ind AS 7 requires disclosures of change in liabilities arising from financing activities which has been appropriately disclosed in the statement of cash flow. The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores (INR 0,000,000) upto two decimal places, except when otherwise indicated.

2.02 Current/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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realised 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.

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 realisation 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 Havells India Limited ('the Company'), its subsidiaries, its associates and joint venture as at March 31, 2018. 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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(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 31 March. When the end of the reporting period of the parent 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 to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

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

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(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 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 an entity'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 entity 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 entity 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.

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 and proceeds from disposal 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 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

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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) 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. (iii) 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. (iv) 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.

(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.

(E) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the 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 OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently 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.

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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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.05 Property ,Plant and Equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The 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 wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful life (in Years)
Building	20-60
Plant and machinery	5-15
Dies and tools	6
Furniture and Fixtures	3-10
Vehicles	3-10
R &D Equipments	5-15
Office Equipments	3-5
Mobile Phones	3
Laptops	3
Electric Fans and Installations	3-10

Dies and tools and mobile phones are depreciated over the estimated useful lives of 6 years and 3 years, respectively, which are lower than those indicated in Schedule II. On the basis of technical assessment made by the management, it believes that the useful lives as given above are realistic and reflect fair approximation of period over which the assets are likely to be used.

Lease hold improvements are depreciated on straight line basis over their initial agreement period.

Leasehold land are amortised on a straight line basis over the unexpired period of their respective lease ranging from 90-99 years.

2.06 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both , and that is not occupied by the

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Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred."

Though the group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 " Fair value measurement".

Investment property consist of leasehold land which is amortised on a straight line basis over the unexpired period of the lease period of 97 years and building which is depreciated using the straight line method over their estimated useful life of 30 years.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.07 Intangible Assets

Separately acquired intangible assets

The Group has applied principles of Ind AS 38 Intangible Assets retrospectively from date of acquisition and considered the same as deemed cost in accordance with Ind AS 101 First Time adoption. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or 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.

Research and Development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised 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 amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful lives. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are 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 are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, 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.

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 recognised in the statement of profit and loss when the assets are disposed off.

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Assets	Useful life (in years)
Computer Software	6
Technical Know-how	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7

Brand, Trademarks and Customer contract and relationship

Brand, Trademarks and Customer contract and relationship acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, trademark are carried at cost less accumulated amortisation and accumulated impairment losses, if any. These Brand, Trademarks and Customer contract and relationship 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 cost less accumulated amortisation 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 at the time of acquisition.

Non-Compete Fee

Non-Compete fee is recognised based on agreement with seller or competitor. It is amortised on a straight line basis over their estimated useful life of 7 years based on agreed terms as per contract.

2.08 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. 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. Impairment losses of continuing operations including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Goodwill is tested for impairment annually as at reporting date 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 reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.09 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 amortised cost

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow

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Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss),or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A debt instrument is measured at amortised cost if both the following conditions are met:

a) **Business Model Test :** The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

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.

This category is most relevant to the Group .After initial measurement, such financial assets are subsequently measured at amortised 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 EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) **Business Model Test :** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

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.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognised the interest income, impairment losses and reversals and foreign exchange gain or loss in the P&L. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortised cost or FVTOCI, is classified as at FVTPL.A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of Ind AS 109 are measured at fair value. 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. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

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 Groups 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 the rights to receive cash flows from the financial assets or
    (b) The Group has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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 amortised cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 17

Under the simplified approach, the Group does not track changes in credit risk. Rather , it recognises 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.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to

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use the remaining contractual term of the financial instrument

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. 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. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, 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. The Group's financial liabilities include loans and borrowings including trade payables, trade deposits, retention money, liability towards services, sales incentive, other payables and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

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 within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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 relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse

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the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised 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 recognised less cumulative amortisation.

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 recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification of financial assets

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.

2.10 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 Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is 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

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value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation 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.

(iii) Hedges of net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

2.11 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 carried at net realisable 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 and excise duty as applicable. 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.

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2.12 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets as held sale if their carrying amounts will be recovered principally through its sale rather than through continuing use. Such non-current assets classified as held sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal Group 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 are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations,

ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 32(5). All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.13 Taxes on Income

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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities and is calculated on the basis of tax law enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries and joint venture operate and generate taxable income.

ii) Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity).Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

iii) Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at time of transaction affects neither accounting profit nor taxable profit or loss.

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

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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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 realised are recognised in profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.14 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Excise Duty, net of returns, trade discounts, rebates, value added taxes and amount collected on behalf of third parties. Effective July 01, 2017, the Government of India has implemented Goods and Service Tax (""GST"") replacing Excise Duty, Service Tax and various other indirect taxes. Sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Accordingly revenue is reported net of GST. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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a) **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts.

Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold."

b) **Rendering of Services**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

c) **Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight - line basis over the lease terms and is included in other income in the statement of profit or loss due to its non-operating nature.

d) **Interest**

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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.15 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 recognised 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) **Other long-term employee benefit obligations**

a) **Gratuity**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Group Limited. 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 Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India and Bajaj Allianz Life Insurance Group Limited 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 recognises 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 recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI 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 to the provident fund scheme as an expenditure, when an employee renders the related

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services. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

c) Compensated Absences

Accumulated leaves which is expected to be utilised within next 12 months is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and discharge at the year end.

d) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group companies have both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the Group companies pays fixed contributions into a separate entity. The Group companies have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

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 recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight line basis over the vesting period.

For defined contribution plans, the Group companies pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group companies have no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when employees rendered related services. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

e) Other Post Employment Obligations

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee completing a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. 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 recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. These obligations are valued annually by independent qualified actuaries.

f) Other employee benefits

The Holding Company (''Havells India Limited") provides long term incentive plan to employees via share based payments as enumerated below:

(i) Havells Employees Stock options plan: The fair value of options granted under this option plan is recognised as an employee

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benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments. 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 recognises the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

(ii) **Havells Employee Stock Purchase Plans:** These are in nature of employee benefit wherein employees (including senior executives) of the Company purchase shares of the Company at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognised using measurement principles as prescribed in Ind AS 19 - ''Employee Benefits"'.

iii) Termination Benefits

Termination benefits are payable when employment is terminated by the Group companies before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits are immediately charged to the statement of profit and loss in accordance with the accounting policy.

2.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.17 Government Grants

Government Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

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When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Management. Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

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 results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.

5 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.

6 Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) 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 ancillary costs incurred in connection with the arrangement of borrowings 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 capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.21 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, write down of inventories and significant disposal of fixed assets.

2.22 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and on hand and short-term investments deposits with an original maturity of three months or less , which are subject to insignificant risk of changes in value.

2.23 Foreign Currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates

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('the functional currency'). The Group's consolidated financial statements are presented in INR, which is also the parent Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purpose of consolidation into the financial statement of ultimate parent Group, these financial statements are presented in INR, being the functional and presentation currency of ultimate parent Group i.e. Havells India Limited. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Measurement of Foreign Currency items at the Balance Sheet date

"Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated to the presentation currency in the following manner:

a) assets and liabilities are translated at closing rate at the date of that balance sheet

b) income and expenses 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 are recognised in other comprehensive income.

d) Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at closing rate.

e) On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2.24 Provisions and Contingent Liabilities

a) Provisions

A provision is recognised 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 recognised as a finance cost.

b) Warranty Provisions

Provision for warranty-related costs are recognised 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 five years.

c) Provision for E-Waste

Provision for E-Waste management costs are recognised when the liability in respect of product is sold is provided 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 timing of outflow is expected to be with in one to ten years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

d) Restructuring provisions

The provision for restructuring relates to the estimated costs of initiated reorganisations that have been approved by the Board of Management, and which involve the realignment of certain parts of the manufacturing, selling and administration organisation. When such reorganisations require discontinuance and/or closure of lines of activities, the anticipated costs of closure or discontinuance are included in restructuring provisions. A liability is recognised for those costs only when the Group has a detailed formal plan for the restructuring and has raised a valid expectation with those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

e) 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 recognised 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 recognised because it cannot be measured reliably. The Group does not recognise 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.

2.25 Dividend Distributions

The Group recognises 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.

2.26 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 orderly 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 a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

and the level of the fair value hierarchy as explained above.

2.27 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is consumer electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Fans, Power Capacitors, CFL Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Domestic Appliances, Water Purifier, Air condition, Television and washing machine covering the entire range of household, commercial and industrial electrical needs. The goods and services are sold both on their own in separate identified contracts with customers and together as a bundled package of goods and/or services.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The new revenue standard provide for either full retrospective application or modified retrospective application for annual period beginning on or after April 01, 2018. The Company plans to adopt the new standard on the required effective date using modified retrospective application.

(a) Sale of goods

For contracts with customers in which the sale of goods is generally expected to be the only performance obligation, the Group is evaluating impact on account of adoption of Ind AS 115. However, the Group do not expect the impact to have any material impact on the Group's revenue and profit or loss. the Group expects the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, which is generally on delivery of the goods.

In preparing to adopt Ind AS 115, the Group is considering the following:

(i) Variable consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under Ind AS 115, and will be required to be estimated at contract inception and updated thereafter. Ind AS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group is evaluating the impact and does not expects that application of the constraint will result in any material impact.

(ii) Warranty obligations

The Group generally provides for warranties for general repairs and does not provide extended warranties in its contracts with customers. As such, most existing warranties will be assurance-type warranties under Ind AS 115, which will continue to be accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice. However, in certain non-standard contracts in respect of sale of consumer durable goods, the Group provides extended warranties that are currently accounted for under Ind AS 37. Under Ind AS 115, such warranties will be accounted for as service-type warranties and, therefore, will be accounted for as separate performance obligations to which the Group allocates a portion of the transaction price. The Group is evaluating the impact and it will account for it when it adopts Ind AS 115 during the year ending March 31, 2019.

(b) Rendering of services

The Group provides installation and warranty repair services. These services are sold either on their own in contracts with the customers or bundled together with the sale of goods to a customer. Currently, the Group accounts for the sales of goods and service

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as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative fair value approach. the Group recognises service revenue by reference to the stage of completion. Under Ind AS 115, allocation will be made based on relative stand-alone selling prices. As a result, the allocation of the consideration and, consequently, the timing of the amount of revenue recognised in relation to these sales may be impacted. The Group is evaluating the impact and it will account for it when it adopts Ind AS 115 during the year ending March 31, 2019.

(c) Presentation and disclosure requirements

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in Ind AS 115 are new and the Group has assessed that the impact of some of these disclosures requirements will not be significant. The Company will disclose required disclosures as per requirement of Ind AS 115 in its financial statements as and when applicable.

(d) Other adjustments

In addition to the major adjustments described above, on adoption of Ind AS 115, other items of the primary financial statements such as deferred taxes, assets held for sale and liabilities associated with them will be affected and adjusted as necessary.

The recognition and measurement requirements in Ind AS 115 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property, plant and equipment and intangible assets), when that disposal is not in the ordinary course of business. However, on transition, the effect of these changes is not expected to be material for the Group.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. As at 31 March 2018, the Group classified its interest in Jiangsu Havells Sylvania Lighting Co. (Joint Venture) and Thai Lighting Asset Co. Ltd. (subsidiary Company) , as held for sale, but these amendments are unlikely to affect the Group's financial statements. The Group is evaluating the impact and it will account for it when it adopts Ind AS 112 during the year ending March 31, 2019.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Group is evaluating the impact and it will account for it when it adopts Ind AS 21 during the year ending March 31, 2019.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. the Group will apply amendments when they become effective. The Group is evaluating the impact and it will account for it when it adopts Ind AS 40 during the year ending March 31, 2019."

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

Recognition of Deferred Tax Assets for Unrealised Losses — Amendments to Ind AS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

2.28 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b) Operating lease commitments — Group as lessee

The Group has taken various commercial properties on leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

c) Assessment of lease contracts

Significant judgement is required to apply lease accounting rules under Appendix C to Ind AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Group, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally

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enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to Ind AS 17.

d) Consolidation of entities in which the Group holds less than a majority of voting rights (de facto control)

Havells International Limited (WOS of Havells Holdings Limited) holds 49% equity interest in Thai Lighting Asset Co. Ltd. However the said Group has majority representation on Board of Directors of the entity and approval of the said Group is required for all major operational decisions and the operations are solely carried out for the benefit of the Group. Based on facts and circumstances, management determine that in substance the Group control this entity and therefore reported the same as controlled entities.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, 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 audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

The losses which relate to sale of investment in subsidiaries, that do not expire and may not be used to offset against planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by ₹ 67.84 crores. Further details on taxes are disclosed in Note 16.

b) Defined benefit plan

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 the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note no 32(10).

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

e) 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 assets's recoverable amount. An assets recoverable amount is the higher of an assets's or CGU'S fair value less cost of disposal and its value in use. It 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. 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 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.

f) Warranty provision

Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. It is very unlikely that actual warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

g) E-Waste

E-waste Provisions are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Provision for E-Waste management costs are recognised when the liability in respect of product is sold is provided 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. It is very unlikely that actual expense will exactly match the historical E-waste provision, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

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for the year ended March 31, 2018

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Plant and Equipments	Dies and tools	Furniture and fixtures	Vehicles	R & D Equipment's	Office Equipment's	Electrical Fans and Installation	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)														
At April 01, 2016	**28.06**	**76.80**	**626.04**	**5.50**	**395.11**	**67.36**	**28.65**	**7.59**	**10.21**	**34.78**	**26.18**	**1,306.28**	**20.49**	**1,326.77**
Additions	-	24.40	11.93	5.85	80.75	31.15	5.91	2.80	1.49	23.05	4.13	191.46	12.21	203.67
Disposals/Adjustments	(0.01)	-	(2.01)	-	(4.73)	(3.17)	(1.76)	(0.22)	(0.03)	(2.46)	-	(14.39)	(20.00)	(34.39)
Transfers {Refer note (ix) below}	-	(8.86)	(48.81)	-	(1.86)	0.43	(0.94)	-	4.05	(1.17)	(2.69)	(59.85)	-	(59.85)
Assets included in a disposal group classified as held for sale	(0.63)	-	(0.08)	-	(0.05)	-	(6.59)	(0.17)	-	(5.43)	-	(12.95)	(0.77)	(13.72)
Exchange impact	(0.01)	-	0.01	-	-	-	0.27	0.02	-	0.24	-	0.53	0.01	0.54
At March 31, 2017	**27.41**	**92.34**	**587.08**	**11.35**	**469.22**	**95.77**	**25.54**	**10.02**	**15.72**	**49.01**	**27.62**	**1,411.08**	**11.94**	**1,423.02**
Additions	-	71.21	2.11	1.77	45.82	31.02	6.30	0.24	3.07	14.02	1.45	177.01	23.09	200.10
Acquisition of Lloyd Business (Refer note32(1d))	-	-	-	-	0.42	0.38	2.00	0.36	-	1.19	-	4.35	-	4.35
Disposals/Adjustments	(0.03)	-	(0.16)	-	(4.04)	(2.82)	1.68	(0.51)	(0.53)	(0.74)	0.04	(7.11)	(10.98)	(18.09)
Transfers to held for sale	(0.10)	-	-	-	(9.61)	(4.13)	(0.35)	-	(0.23)	(0.05)	(0.04)	(14.51)	-	(14.51)
At March 31, 2018	**27.28**	**163.55**	**589.03**	**13.12**	**501.81**	**120.22**	**35.17**	**10.11**	**18.03**	**63.43**	**29.07**	**1,570.82**	**24.05**	**1,594.87**
Depreciation														
At April 01, 2016	**-**	**4.00**	**24.96**	**0.36**	**44.63**	**15.31**	**9.39**	**1.66**	**1.17**	**15.34**	**3.49**	**120.31**	**-**	**120.31**
Charge for the year	-	1.02	23.27	1.01	52.01	17.64	3.06	1.27	1.69	9.61	3.46	114.04	-	114.04
Disposals/Adjustments	-	-	(1.62)	-	(2.39)	(1.54)	(1.72)	(0.10)	(0.03)	(2.05)	-	(9.45)	-	(9.45)
Transfers {Refer note (ix) below}	-	(0.41)	(1.42)	-	(0.50)	0.26	(0.30)	-	1.32	(0.93)	(0.81)	(2.79)	-	(2.79)
Assets included in a disposal group classified as held for sale	-	-	(0.05)	-	(0.01)	-	(5.14)	(0.07)	-	(4.83)	-	(10.10)	-	(10.10)
Exchange impact	-	-	-	-	-	-	0.15	0.01	-	0.23	-	0.39	-	0.39
At March 31, 2017	-	**4.61**	**45.14**	**1.37**	**93.74**	**31.67**	**5.44**	**2.77**	**4.15**	**17.37**	**6.14**	**212.40**	**-**	**212.40**
Charge for the year	-	1.25	23.28	1.71	51.89	18.74	1.73	1.57	1.26	10.89	3.99	116.31	-	116.31
Disposals/Adjustments	-	-	(0.16)	-	(2.29)	(1.07)	1.68	(0.30)	(0.30)	(0.67)	0.04	(3.07)	-	(3.07)
Transfers to held for sale	-	-	-	-	(6.26)	(2.40)	(0.07)	-	(0.04)	(0.05)	(0.02)	(8.84)	-	(8.84)
At March 31, 2018	**-**	**5.86**	**68.26**	**3.08**	**137.08**	**46.94**	**8.78**	**4.04**	**5.07**	**27.54**	**10.15**	**316.80**	**-**	**316.80**
Net carrying amount														
At March 31, 2017	**27.41**	**87.73**	**541.94**	**9.98**	**375.48**	**64.10**	**20.10**	**7.25**	**11.57**	**31.64**	**21.48**	**1,198.68**	**11.94**	**1,210.62**
At March 31, 2018	**27.28**	**157.69**	**520.77**	**10.04**	**364.73**	**73.28**	**26.39**	**6.07**	**12.96**	**35.89**	**18.92**	**1,254.02**	**24.05**	**1,278.07**

Notes: -

(i) All property, plant and equipment are held in name of the Company, except

(a) Building amounting to ₹ 14.77 Crores (March 31, 2017: ₹ 14.98 Crores) constructed on the land taken on lease by the Company from its group company for which lease deed is yet to be registered with the appropriate authority.

(b) Freehold land amounting to ₹ Nil (March 31, 2017: ₹ 0.10 Crores) located at Narela Industrial Area in respect of which possession has not been given by the authority.

(c) Freehold land amounting to ₹ 15.89 Crores (March 31, 2017: ₹ 15.89 Crores) and building constructed on such land amounting to ₹ 1.74 Crores (March 31, 2017: ₹ 1.97 Crores) which is pending for registration with appropriate authority located at Samaypur Badli, Delhi.

(d) Leasehold Land at Tumakuru, Karnataka amounting to ₹ 24.05 Crores (March 31, 2017: ₹ 24.40 Crores) in respect of which lease deed is yet to be executed.

(ii) Leasehold Land includes land at Ghiloth, Rajasthan amounting to ₹ 71.21 Crores (March 31, 2017: ₹ Nil) in respect of which allotment and possession has been given by authority but lease deed is yet to be executed.

(iii) "Leasehold Land" represents land obtained on long term lease from various Government authorities and considered as finance lease.

(iv) Capital work in progress as at March 31, 2018 includes assets under construction at various plants including cable and wires, switch gears, CRI, Information technology etc.

(v) Property, plant and equipment has been pledged/hypothecated as security by the Company (Refer note 31(C))

(vi) Disclosure of Contractual obligations for the acquisition of property plant and equipment has been provided in note 31(B).

(vii) During the previous year subsidiaries at Brazil, USA, Chile and Thailand have been classified as disposal group held for distribution and as discontinuing operation accordingly the assets in respect of said subsidiary have been transferred to discontinued operations {refer note no. 32(5)}

(viii) Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(ix) Transfer during the previous year includes transfer to investment property amounting to gross block of ₹ 59.85 crores and accumulated depreciation of ₹ 2.79 crores

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4 INVESTMENT PROPERTY (At cost)

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Gross Carrying Amount		
Opening balance	60.87	-
Transfers from Property, plant and equipment	-	59.85
Addition during the year	-	1.02
Closing balance	**60.87**	**60.87**
Accumulated Depreciation		
Opening balance	4.95	-
Accumulated depreciation transfer from Property, plant and equipment	-	2.79
Depreciation for the year	2.13	2.16
Closing balance	**7.08**	**4.95**
Net Carrying Amount	**53.79**	**55.92**
Amount recognised in statement of profit and loss for Investment property		
Rental income derived from investment property	6.92	5.85
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	(0.43)
Profit arising from investment property before depreciation	**6.92**	**5.42**
Less: Depreciation for the year	2.13	2.16
Profit arising from investment property	**4.79**	**3.26**
Fair value of Investment Property (refer note 2 below)	**88.65**	**87.13**

Notes:

1 Investment property represent, land and building being a warehouse in Greater Noida, Uttar Pradesh given on lease w.e.f May 12, 2016 on a long term basis. Refer note 31 (E) for lease disclosure.

2 The Group has obtained independent valuation from certified valuer for its investment property as at March 31, 2018 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Group shall continue to operate and run the assets to have economic utility. The fair value is on "as is where" basis. All resulting fair value estimates for investment property are included in Level 3 and disclosed in note 32 (13).

3 There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.

4 The investment Property is a leasehold property and realisability of Investment property is subject to terms and conditions as mentioned under the lease deed entered on November 20, 2009 with Greater Noida Industrial Development Authority, District-Gautam Budha Nagar.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

5 INTANGIBLE ASSETS

(₹ in crores)

	Computer Software	Technical Knowhow	R & D Software	Brand/ Trademarks	Customer contract/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Total Intangible Asset
Gross carrying amount (at cost)									
At April 01, 2016	**23.46**	**0.51**	**2.52**	**7.02**	**6.46**	**-**	**39.97**	**13.68**	**53.65**
Additions	9.26	-	2.44	-	-	-	11.70	-	11.70
Assets included in a disposal group classified as held for sale	(0.04)	-	-	-	-	-	(0.04)	-	(0.04)
At March 31, 2017	**32.68**	**0.51**	**4.96**	**7.02**	**6.46**	**-**	**51.63**	**13.68**	**65.31**
Additions	5.66	-	1.28	-	-	-	6.94	-	6.94
Acquisition of Lloyd Business (Refer note 32(2))	-	-	-	1,029.00	82.40	58.50	1,169.90	310.47	1,480.37
At March 31, 2018	**38.34**	**0.51**	**6.24**	**1,036.02**	**88.86**	**58.50**	**1,228.47**	**324.15**	**1,552.62**
Amortisation									
At April 01, 2016	**14.12**	**0.50**	**0.85**	**-**	**-**	**-**	**15.47**	**-**	**15.47**
Charge for the year	3.18	-	1.13	-	-	-	4.31	-	4.31
Assets included in a disposal group classified as held for sale	(0.02)	-	-	-	-	-	(0.02)	-	(0.02)
At March 31, 2017	**17.28**	**0.50**	**1.98**	**-**	**-**	**-**	**19.76**	**-**	**19.76**
Charge for the year	4.45	-	0.80	-	9.30	7.50	22.05	-	22.05
At March 31, 2018	**21.73**	**0.50**	**2.78**	**-**	**9.30**	**7.50**	**41.81**	**-**	**41.81**
Net carrying amount									
At March 31, 2017	**15.40**	**0.01**	**2.98**	**7.02**	**6.46**	**-**	**31.87**	**13.68**	**45.55**
At March 31, 2018	**16.61**	**0.01**	**3.46**	**1,036.02**	**79.56**	**51.00**	**1,186.66**	**324.15**	**1,510.81**

Note:-

Impairment testing of goodwill and other intangible assets having indefinate useful lives

Goodwill acquired through business combinations and Brand and trademark having indefinate useful lives has been allocated to the two CGUs below, which are also operating and reportable segments, for impairment testing

(i) Lloyd Consumer Segment - Goodwill and Brand acquired in Lloyd acquisition in the current year

(ii) Lighting and fixture Segment - Goodwill and Trademark acquired on acquisition of Promptec Renewable Energy Solution Private Limited

Carrying amount of goodwill and other Intangible assets having indefinate useful lives allocated to each of the CGUs as follows

Intangible assets	Lloyd Consumer Segment		Lighting and fixture segment		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Goodwill	310.47	-	13.68	13.68	324.15	13.68
Brand and Trademarks	1,029.00	-	7.02	7.02	1,036.02	7.02

The Group has performed an annual impairment test to ascertain the recoverable amount of goodwill. 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. Assumptions used by the management for impairment testing of Goodwill are stated below.

(i) Assumptions used in impairment testing of Goodwill and intangible assets of "Lloyd Consumer" Cash generating unit

Assumption	March 31, 2018	Approach used in determining value
Pretax Discount Rate	15.50%	It has been determined basis risk free rate of return adjusted for equity risk premium of the business
Royalty Rate for Trademark	3.75%	Royalty rates has been selected based on arm's length royalty rate applicable for similar CGU in open market
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis financial budgets and projections approved by management

(ii) Assumptions used in impairment testing of Goodwill and intangible assets of "lighting and fixture" Cash generating unit

Assumption	March 31, 2018	Approach used in determining value
Pretax Discount Rate	15.00%	It has been determined basis risk free rate of return adjusted for equity risk premium of the business
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis financial budgets and projections approved by management

Management determined budgets 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 goodwill and trademark and brand of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of Gooldwill and Trademark. 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 Goodwill/Trademark over and above its recoverable amount.

6 NON-CURRENT FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) Investments in bonds (quoted) (valued at amortised cost) (Unsecured, considered good)		
Nil (March 31,2017 :15,00,000), 7.35% 15 year Tax Free, Secured Redeemable Non Convertible National Highway Authority of India Bonds of face value ₹ 1000/- each. {Refer note 32(13)(1)}	-	161.66
Aggregate book value of quoted investments {refer note 32(13)}	**-**	**161.66**
(B) Others financial assets (valued at amortised cost)		
(Unsecured, considered good)		
Earnest money and security deposits	17.62	14.00
	17.62	**14.00**
(C) Other bank balance (valued at amortised cost)		
Fixed deposits with banks having maturity period of more than twelve months	0.41	-
	0.41	**-**

7 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good)		
Capital advances	12.55	62.85
Others		
Prepaid expenses	1.29	0.79
Deposits with Statutory/ Government authorities	26.31	25.12
	40.15	**88.76**

8 INVENTORIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(Valued at lower of cost and net realisable value unless otherwise stated) {refer accounting policy 2.11}		
Raw materials and components	274.67	222.27
Work-in-progress	85.35	79.91
Finished goods	532.88	491.37
Traded goods	710.90	123.58
Stores and spares	11.59	11.39
Loose tools	1.77	1.24
Packing materials	11.87	13.23
Scrap materials	4.00	2.35
	1,633.03	**945.34**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

Notes:

(a) The above includes goods in transit as under:

Raw materials	45.37	17.03
Finished goods	20.95	67.41
Traded goods	179.16	4.04

(b) The stock of scrap materials have been taken at net realisable value.

(c) Inventories are hypothecated with the bankers against working capital limits. {Refer note 31(C)}

(d) During the year ₹ 15.90 crores (previous year: ₹ (2.15) Crores) was recognised as an expense/ (Income) for inventories carried at the net realisable value.

9 CURRENT FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) TRADE RECEIVABLES		
Unsecured		
Trade receivables- considered good	327.75	230.68
Trade receivables- considered doubtful	17.83	12.25
Trade receivables (gross)	**345.58**	**242.93**
Less: Impairment allowance for trade receivables considered doubtful	17.83	12.25
(A)	**327.75**	**230.68**

Notes:

(a) Trade receivables are usually non-interest bearing and are on trade terms of 30 to 90 days.

(b) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(c) The Group has availed Receivable Buyout facility from banks against which a sum of ₹ 648.99 crores (March 31, 2017: ₹ 445.38 crores) has been utilised as on the date of Balance Sheet. The Group has assigned all its rights and privileges to the bank and there is no recourse on the Group. Accordingly the amount of utilisation has been reduced from trade receivables. A sum of ₹ 28.91 crores (March 31, 2017: ₹ 28.59 crores) on account of charges paid for this facility has been debited to the trade receivables factoring charges account.

(d) The Group has arranged Channel Finance facility for its customers from banks against which a sum of ₹ 593.37 crores (March 31, 2017: ₹ 424.13 crores) has been utilised as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount as there is no recourse on the Group.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(B) CASH AND CASH EQUIVALENTS		
Balances with banks:		
Current accounts	65.65	59.64
Cash credit accounts {refer note no.31(C)}	75.33	87.07
Fixed deposits account with a original maturity of less than three months (refer note below)	195.23	445.14
Cheques on hand	0.12	-
Cash on hand	0.13	0.03
(B)	**336.46**	**591.88**

Note:

(a) There are no restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(b) Short-term deposits are made of varying periods between one day to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(C)	**OTHER BANK BALANCES**		
	Escrow account {refer note (a)}	52.04	-
	Fixed deposits account with original maturity of more than three months but less than twelve months {refer note (b)}	1101.32	686.10
	Fixed deposits account with original maturity of more than twelve months {refer note (c)}	69.19	694.04
	Unpaid dividend account {refer note (d)}	2.56	2.45
	(C)	**1,225.11**	**1,382.59**
	(B + C)	**1,561.57**	**1,974.47**

Notes:

(a) Escrow account represents amount held in a fixed deposit with bank under escrow arrangement with "LEEL Electricals Limited" on account of final settelment of Lloyd business acquisiton which is due for closure subsequent to year end. Refer note 32(2) for details of business combination.

(b) 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.

(c) 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 under current financial assets.

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

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(D)	**OTHER FINANCIAL ASSETS (valued at amortised cost)**		
	Unsecured, Considered good unless otherwise stated		
	Earnest money and security deposits	5.30	3.03
	Retention money	1.92	1.94
	Other advances	0.98	1.35
	Other receivables (refer note below)	20.16	-
	Earnest money and security deposits - considered doubtful	0.19	-
		28.55	**6.32**
	Less: Impairment allowance for other financial asset considered doubtful	0.19	-
		28.36	**6.32**

Notes: Other receivables of ₹ 20.16 crores represents the consideration receivable for sales of balance 20% stake in Havells Malta Limited {refer note 32(1)}

10 OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	20.64	29.56
Others		
Prepaid expenses	15.18	13.91
Duty free licenses in hand	5.13	3.55
Claims and other receivables	8.79	6.53
Balance with Statutory/ Government authorities	89.11	24.07
	138.85	**77.62**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

11 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in crores)

	As at March 31, 2018		As at March 31, 2017	
Property, plant and equipment				
Assets retired from active use {refer note (a)}		0.12		0.04
Investment in associate company (unquoted)				
Feilo Malta Limited (formerly known as Havells Malta limited) {refer note no.32(1)(a)} Nil (March 31, 2017 : 2,82,51,603) Equity Shares of Euro 1 each fully paid up		-		238.90
Investment in joint venture (unquoted)				
Jiangsu Havells Sylvania Lighting Co., Limited {refer note (c)}	16.21		20.98	
(50% contribution in paid in capital)				
Less: Share of profit and loss for the current year	-	16.21	(4.77)	16.21
Disposal group {refer note 32(5)}		0.77		101.64
		17.10		**356.79**

Note:

(a) The Group classified certain assets retired from active use and held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Group expects to complete the sale by 30th September 2018 by selling it in the open market.

(b) Refer note 32(5) for information about assets and liabilities of disposal group that were classified as held for sale in relation to discontinued operation.

(c) During the previous year, both the joint venture partners of Jiangsu Havells Sylvania Lighting Co. Limited, have agreed to liquidate the operations of the joint venture, in respect of which the Group will receive agreed liquidation proceeds of USD 2.5 million. Accordingly, the investment in joint venture has been classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. Subsequent to the year end, the management of the joint venture have applied for liquidation with relevant authorities. The group is not liable for losses incurred by the Joint venture post March 31, 2017 as the group will receive agreed consideration upon completion of liquidation and accordingly the investment has been measured at lower of its carrying amount and fair value less cost to sell.

12 EQUITY

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) Equity share capital		
(a) Authorised		
1,000,500,000 equity shares of ₹ 1/- each (March 31, 2017: 1,000,500,000 equity shares of ₹ 1/- each) equity shares of ₹ 1/- each)	**100.05**	**100.05**
Issued, subscribed and fully paid-up		
625,148,473 equity shares of ₹ 1/- each (March 31, 2017: 624,855,342 equity shares of ₹ 1/- each)	**62.51**	**62.49**

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

(₹ in crores)

	March 31, 2018		March 31, 2017	
	No. of shares	**₹ in crores**	No. of shares	₹ in crores
At the beginning of the year	624,855,342	62.49	624,587,780	62.46
Add: Equity shares issued under ESPP	293,131	0.02	267,562	0.03
	625,148,473	**62.51**	**624,855,342**	**62.49**

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- per share (March 31, 2017 : ₹ 1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

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

(₹ in crores)

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	**% holding**	No. of shares	% holding
Smt. Vinod Gupta	44,534,240	7.12	53,034,240	8.49
Shri Surjit Kumar Gupta	28,650,800	4.58	32,650,800	5.23
QRG Enterprises Limited	189,858,880	30.38	189,858,880	30.38
QRG Investments and Holdings Limited	68,741,660	11.00	68,741,660	11.00
Nalanda India Equity Fund Limited	33,044,930	5.29	33,044,930	5.29

Note:

a) Shareholding of Smt.Vinod Gupta includes 13,584,000 (March 31,2017 :13,584,000) equity shares of ₹ 1/- each as a legal heir which are under process of transmission.

b) Share holding of Shri Surjit Kumar Gupta as at March 31 2018 is below 5%, however figures have been disclosed for comparative purposes.

(B) OTHER EQUITY

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Capital Reserve	7.61	7.61
Securities Premium Account	38.46	23.77
General Reserve	748.84	748.84
Retained Earnings	2,871.41	2,470.74
Currency translation reserve	0.33	(36.63)
	3,666.65	**3,214.34**
a) Capital Reserve	**7.61**	**7.61**
b) Securities Premium Account		
Opening balance	23.77	14.55
Add: Addition on equity shares issued under ESPP	14.69	9.22
	38.46	**23.77**

Note : Security premium account balances depicts premium on issue of shares. The reserve is utilised in accordance with provision of Company Act 2013

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
c) General Reserve	**748.84**	**748.84**
d) Retained Earnings		
Opening balance	2,470.75	2,208.08
Net profit for the year	662.37	494.54
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement (gains)/ losses on defined benefit plans (net of tax)	1.64	(0.98)
Dividends		
Final Dividend of ₹ 3.50 per share of ₹ 1/- each for FY 2016-17 (₹ 3/- per share for FY 2015-16)	(218.80)	(187.46)
Corporate dividend tax paid on final dividend	(44.54)	(38.17)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Transactions with owners in their capacity as owners		
Transaction of acquisition of Non controlling interest in a subsidiary company	-	(5.26)
	2,871.41	**2,470.74**
e) Currency translation reserves		
Opening balance	(36.63)	(13.87)
Add: Addition during the year	6.98	(22.76)
Less: Transfer to statement of profit and loss account on account of sale/ liquidation of group companies	29.98	-
	0.33	**(36.63)**

13 NON CURRENT FINANCIAL LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) BORROWINGS		
Term loans from banks (secured)		
Term loans {refer note (a) and (b)}	81.00	-
	81.00	**-**

Notes:

(a) The Group has availed a secured loan of ₹ 108.00 Crores against sanctioned amount of ₹ 285.00 crores from CITI bank N.A. as of March 31, 2018. The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the Holding Company during last 12 months. The loan is having 1 year moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future and immovable properties situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum Fixed Assets Coverage Ratio of 1.1x. The registration of charge on immaterial property is under process.

(b) The Group has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of term loan.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(B) OTHER FINANCIAL LIABILITIES		
Retention money and security deposits	4.86	2.01
Employee stock purchase plan compensation payable	0.62	0.92
	5.48	**2.93**

14 NON CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
i) Provision for employee benefits		
Gratuity {refer note no. 32 (8)}	0.50	0.37
	0.50	**0.37**
ii) Other provisions		
Product warranties and E-waste {refer note 19(a)}	24.22	9.59
	24.22	**9.59**
	24.72	**9.96**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

15 INCOME TAXES

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(a)	**Income tax expense in the statement of profit and loss comprises :**		
	Continuing Operation		
	Current income tax charge	209.01	234.48
	MAT credit entitlement	(43.09)	-
	Deferred Tax		
	Relating to origination and reversal of temporary differences	137.91	(5.67)
	Income tax expense reported in the statement of profit or loss	**303.83**	**228.76**
(b)	**Other Comprehensive Income**		
	Deferred Tax/Income tax related to items recognised in OCI during the year:		
	Current income tax charge related to Re-measurement (gains)/ losses on defined benefit plans	0.91	(1.45)
	Deferred income tax charge related to Re-measurement (gains)/ losses on defined benefit plans	(0.02)	-
	Tax expense related to items recognised in OCI during the year	**0.89**	**(1.45)**
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :**		
	Accounting Profit before tax from continuing operations	977.31	710.93
	Accounting Profit before tax from discontinued operations	(12.51)	11.94
	Accounting profit before tax	**964.80**	**722.87**
	Applicable tax rate	34.608%	34.608%
	Computed Tax Expense	**333.90**	**250.17**
	Income not chargeable to tax for tax purpose	(24.15)	(3.82)
	Difference in tax rates in different jurisdictions	1.87	(2.59)
	Tax exempt jurisdictions	(6.06)	7.41
	Unabsorbed depreciation and carried forwarded tax losses	7.34	0.57
	Utilisation of previously unrecognised tax losses	-	(4.13)
	Expense not allowed for tax purpose.	39.35	39.39
	Additional allowances for tax purpose	(48.42)	(58.24)
	Income tax charged to Statement of Profit and Loss at effective rate of 31.09% (March 31, 2017: 32.18%) (refer point (k) below)	**303.83**	**228.76**
	Income tax expense reported in the statement of profit and loss	303.83	228.76
	Income tax attributable to discontinued operation	-	-
		303.83	**228.76**

(d) Deferred tax liabilities comprises :

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2018	**As at March 31, 2017**	**Year Ended March 31, 2018**	Year Ended March 31, 2017
Accelerated Depreciation for Tax purposes	271.61	145.12	126.49	4.40
Expenses allowable on payment basis	(11.02)	(13.73)	2.71	(7.68)
Allowance for doubtful debts	(5.82)	(4.07)	(1.75)	(1.01)
Others	-	(8.89)	8.89	(0.40)
	254.77	**118.43**	**136.34**	**(4.69)**
MAT credit entitlement	(43.09)	-	-	-
(A)	**211.68**	**118.43**	**136.34**	**(4.69)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(e) Deferred tax assets comprises :

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2018	**As at March 31, 2017**	**Year Ended March 31, 2018**	Year Ended March 31, 2017
Accelerated Depreciation for Tax purposes	-	(0.75)	0.75	(0.07)
Expenses allowable on payment basis	-	(0.30)	0.30	(0.52)
Unabsorbed Depreciation and carry forward losses	-	2.60	(2.60)	1.64
Others	-	-	(0.02)	(0.07)
(B)	**-**	**1.55**	**(1.57)**	**0.98**
Deferred tax liabilities (net) (A+B)	**211.68**	**116.88**	**137.91**	**(5.67)**

(f) Reconciliation of deferred tax liabilities (net)

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	116.88	90.36
Deferred tax Charged/(credited) during the year		
to Profit and loss account from continuing operations	137.91	(5.67)
to Other comprehensive income	(0.02)	-
to discontinued operations	-	-
	254.77	**84.69**
MAT credit utilisation/(entitlement)	(43.09)	32.19
Closing balance	**211.68**	**116.88**

(g) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(h) There was unabsorbed capital loss of ₹ 246.54 crores in holding company as on April 1, 2017 with expiry in financial year 2023-24. During the year there are further capital losses of ₹ 147.72 crores on account of redemption of shares in wholly owned subsidiary Company "Havells Holdings Limited" ,which is set off with capital gain of ₹ 24.98 crores on sale of Land and long term investment, resulting in net unabsorbed capital loss of ₹ 122.74 crores. No deferred tax asset has been created on total capital losses of ₹ 369.28 crores by the management due to lack of probability of future capital gain against which such deferred tax assets can be realised. If the Holding company were able to recognise all unrecognised deferred tax assets, the profit would have increased by ₹ 86.02 crores.

(i) Certain subsidiaries of the group have accumulated losses of ₹ 139.11 crores (March 31, 2017 : ₹ 333.60 crores) and unabsorbed depreciation of ₹ 3.55 crores. The group has not created deferred tax on such carried forward losses since there is no reasonability of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹ 48.90 crores {March 31, 2017 : ₹ 103.82 crores}..

(j) During the year the Company has paid dividend to its shareholders for the year ended March 31, 2017, This has resulted in payment of corporate dividend tax (CDT) to the taxation authorities. The Company believes that CDT represents additional payment to taxation authority on behalf of the shareholders. Hence CDT paid is charged to equity.

(k) Effective tax rate has been calculated on profit before tax

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

16 OTHER NON CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Advance Rent received	-	1.64
Creditors for capital goods {refer note 31(F)}	17.71	-
	17.71	**1.64**

17 CURRENT FINANCIAL LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(A) BORROWINGS		
Loans repayable on demand (secured)		
Working Capital demand loan from bank {refer note (a) and (b)}	7.38	60.30
Term loans secured		
Current maturity of long term loan {refer note 13(A)}	27.00	-
Other loans (unsecured)		
Commercial Paper (refer note (c))	-	148.03
	34.38	**208.33**

(a) Working capital limits of ₹ Nil (March 31, 2017: ₹ 50.02 Crores) from consortium banks are secured by way of:

(i) Pari-passu first charge with consortium banks by way of hypothecation on entire stocks of raw materials, semi-finished goods, finished goods, stores and spares, bill receivables, book debts and all movable and other current assets of Havells India Limited.

(ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

(iii) Pari-passu second charge with other consortium lenders by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which first charge was held by HSBC Bank (Mauritius) Limited against External Commercial Borrowings in respect of Havells India limited

(b) The Group has availed the working capital from Yes Bank Limited amounting to ₹ 7.38 crores as at March 31,2018 (March 31,2017: ₹ 10.28 crores) secured against first charge on all the current assets and movable fixed assets of the Promptec Renewable Energy Solutions private limited (both present and future) and non-disposable undertaking from Havells India limited, the Holding Company to maintain 51% shareholding.

(c) The Group had issued commercial papers of ₹ 150 crores in favour of Yes Bank Limited, which has been re-paid during the year.

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(B) TRADE PAYABLES		
Total outstanding dues of creditors other than micro and small enterprises	1,554.74	558.07
Total outstanding dues of micro and small enterprises	85.27	75.38
	1,640.01	**633.45**

* Trade Payables include due to related parties ₹ 3.29 crores (March 31, 2017 : ₹ 2.39 crores) {refer note 32(10)}

* The amounts are unsecured and are usually paid within 120 days of recognition.

* Trade payables are usually non- interest bearing .In few cases ,where the trade payables are interest bearing, the interest is settled on quarterly basis.

* For terms and conditions with related parties, refer to Note 32(10)

* Trade payables includes acceptances of ₹ 289.50 Crores (March 31, 2017: Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

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, 2018 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)

		As at March 31, 2018	As at March 31, 2017
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	85.27	75.38
	Interest	0.04	-
ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0.04	-
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.	-	-
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, 2017 : ₹ Nil)

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
(C) OTHER FINANCIAL LIABILITIES		
Unpaid dividend {refer note (a)}	2.56	2.45
Other payables		
ESPP compensation payable	1.89	0.73
Creditors for capital goods	12.43	20.17
Trade deposits and Retention money	41.32	36.58
Other liabilities		
Payable for services	84.25	49.46
Payable to banks against receivable buyout facilities (refer note (b))	97.36	111.77
Sales incentives payable	232.65	224.24
Purchase consideration payable {refer note (d)}	41.42	-
Claims Payable {refer note (c) below}	48.08	-
	561.96	**445.40**

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 ₹ 0.03 crores (March 31,2017: ₹ 0.06 crore) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act, 2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Claims payable includes:

(i) Claim filed by INESA UK Limited against one of the Group Company on February 02, 2018. Management expects that net claim will be settled at 50% of the claimed amount and accordingly the liability of ₹ 9.07 crores has been accrued in the books of accounts.

(ii) An amount of ₹ 39.01 crores payable by Group under its global Sylvania business closure process.

d) Purchase consideration payable is related to amount payable in respect of acquisition of Lloyd business.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

18 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Revenue received in advance		
Advances and progress payments from customers	30.86	14.70
Others		
Excise duty payable {refer note (a) below}	-	18.08
GST Payable {refer note (a) below}	46.26	-
Other statutory dues payable	30.69	78.42
	107.81	**111.20**

Note:

a) In the previous year the Group had made a provision of excise duty payable amounting to ₹ 18.08 crores as at March 31, 2017 on stocks of finished goods and scrap material at the end of the year except units which are exempt from excise duty. In the Current year, the Government of India has implemented Goods and Service Tax (GST) w.e.f July 01, 2017 which has replaced excise duty, service tax and other indirect taxes and accordingly GST payable as at March 31, 2018 is ₹ 46.26 crores.

19 CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
i) Provision for employee benefits		
Gratuity {refer note no. 32(8)}	12.35	13.18
	12.35	**13.18**
ii) Other provisions		
Product warranties and E-waste {refer note (a)}	134.45	72.24
Litigations {refer note (b)}	7.70	24.99
	142.15	**97.23**
	154.50	**110.41**

a) Provision for warranties and E-waste

(i) Warranties

A provision is recognised for expected warranty claims and after sales services on products sold during the last one to five years, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns based on one to five years warranty period for all products sold.

(ii) E-waste

A provision is recognised for probable e-waste liability based on "Extended Producer Responsibility" as furnished by the Group to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as 'Other expenses' in the statement of profit and loss.

(iii) **The table below gives information about movement in Warranty and E-waste provisions:**

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	81.83	65.72
Liability on account of Lloyd business acquisition (refer note 32 (2))	15.90	-
Arising during the year	177.26	100.37
Utilised during the year	(117.69)	(83.84)
Unwinding of discount	1.37	(0.42)
At the end of the year	**158.67**	**81.83**
Current portion	134.45	72.24
Non-current portion (refer note no. 14)	24.22	9.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

b) Provision for litigations

Provision for litigation includes provision of ₹ 7.70 Crores (March 31, 2017: ₹ 24.99 Crores) created against demands raised in various ongoing litigations under Value Added Tax in various states and Income Tax Act. Management based on existing legal precedents and as advised by its legal counsel expects a probable outflow of resources and accordingly, has created a provision in books of account.

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	24.99	41.11
Arising during the year	0.14	19.52
Utilised during the year	(17.43)	(9.78)
Transfer on account of disposal of subsidiaries/ assets held for sale	-	(25.86)
At the end of the year	**7.70**	**24.99**
Current portion	7.70	24.99
Non-current portion	-	-

c) Environmental Liabilities

The environment liabilities relate to clean up and remediation cost of water contamination for the subsidiary located USA which has been transferred to liabilities directly associated with Assets held for sale during the previous year. However upon liquidation of the subsidiary, the same has been assigned to the buyer of building to which it pertains. {refer note 32(5)}

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	-	1.07
Arising during the year	-	5.33
Utilised during the year	-	-
Transfer to liabilities directly associated with Assets held for sale/ discontinued operation	-	(6.40)
Exchange loss/(gain) during the year	-	-
Unwinding of discount	-	-
At the end of the year	**-**	**-**

20 CURRENT TAX LIABILITIES

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Income Tax (net of advance tax and Tax Deducted at Source)	31.32	66.38
	31.32	**66.38**

21 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Liabilities of disposal group classified as held for sale in relation to discontinued operation (refer note below)	0.13	175.28
	0.13	**175.28**

Note: Refer note 32(5) for information about assets and liabilities of disposal group that were classified as held for sale in relation to discontinued operation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

22 REVENUE FROM OPERATIONS

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products {refer note (a) below}	8,186.97	6,558.02
Sale of Services	5.33	6.85
	8,192.30	**6,564.87**
Other operating revenues		
Scrap sales {refer note (a) below}	39.83	39.87
Export Incentive	6.68	8.22
Government assistance for refund of Goods and Service Tax {refer note (b) below}	30.20	-
Revenue from operations (gross)	**8,269.01**	**6,612.96**

Note:

a) According to the requirements of Ind AS 18 - "Revenue" Sale of products for the current year (period April 01, 2017 to June 30, 2017) and year ended 31st March 2017, are reported inclusive of Excise Duty of ₹ 121.91 crores and ₹ 454.80 crores respectively. Similarly, excise duty included in scrap sales amounts to ₹ 0.69 crores (March 31, 2017: ₹ 2.40 crores). Effective July 01, 2017, the Government of India has implemented Goods and Service Tax ("GST") replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per Ind AS 18, the revenue for the current year (July 2017 to March 2018) are reported net of GST and hence is not comparable with previous year.

b) Government assistance for refund of Goods and Service Tax represents benefits provided by the Government to the Company in respect of its manufacturing units in the state of Assam, Himachal Pradesh and Uttarakhand in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 05, 2017 which were earlier eligible for drawing benefits under the excise duty exemption/refund schemes.

23 OTHER INCOME

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest received on financial assets carried at amortised cost :		
Bank deposits	41.38	87.08
Bonds	3.48	11.02
Others	0.74	1.09
Other non-operating income		
Exchange fluctuations (net)	32.85	17.38
Excess provisions no longer required written back	4.03	7.69
Reversal of Impairment allowance for trade receivables considered doubtful	2.27	2.63
Miscellaneous income	7.74	5.44
Rental income	6.92	5.85
Profit on sale of non-current financial investments	18.49	-
	117.90	**138.18**

24 COST OF MATERIALS CONSUMED

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Copper	1,060.94	933.16
Aluminium	510.68	518.77
General plastic & Engineering Plastic	173.19	226.82
Paints and chemicals	268.18	261.20
Steel	141.13	138.27
Packing materials	170.26	166.62
Others	1,301.68	1,083.78
	3,626.06	**3,328.62**

25 PURCHASE OF TRADED GOODS

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Switchgears	56.80	58.37
Lighting and fixtures	225.47	156.31
Electrical consumer durables	203.69	223.49
Lloyd Consumer	1,183.65	-
	1,669.61	**438.17**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

26 CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	532.88	491.37	(41.51)
Traded goods	710.90	123.58	(587.32)
Work in progress	85.35	79.91	(5.44)
Scrap materials	4.00	2.35	(1.65)
	1,333.13	**697.21**	**(635.92)**
Add: Addition on account of Lloyd business combination (refer note 32(2))	**310.18**	**-**	**310.18**
			(325.74)

(₹ in crores)

	As at March 31, 2017	As at March 31, 2016	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	491.37	405.84	(85.53)
Traded goods	123.58	142.06	18.48
Work in progress	79.91	67.06	(12.85)
Scrap materials	2.35	3.41	1.06
	697.21	**618.37**	**(78.84)**
Less : Inventories directly associated with disposal groups		**(34.73)**	**(34.73)**
Change in inventories of finished goods, traded goods and work-in-progress { (Increase)/ Decrease}	**(325.74)**	**(113.57)**	**(113.57)**

27 EMPLOYEE BENEFITS EXPENSES

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages, bonus, commission and other benefits	595.26	456.52
Contribution towards PF, Family Pension and ESI	29.36	23.04
Employee stock option expense {refer note no. 32(11)}	10.74	6.96
Gratuity and Pension expense {refer note no. 32(8)}	10.70	9.00
Staff welfare expenses	13.48	13.49
	659.54	**509.01**

28 FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	20.55	10.23
Exchange difference to the extent considered as an adjustment to borrowing cost	-	0.56
Bank charges	4.08	2.39
Miscellaneous financial expenses	0.20	0.16
	24.83	**13.34**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

29 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets (refer note 3)	116.31	114.04
Amortisation of intangible assets (refer note 5)	22.05	4.31
Depreciation of Investment Property (refer note 4)	2.13	2.16
	140.49	**120.51**

30 OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spares	40.56	37.73
Power and fuel	75.38	75.52
Job work and Installation charges	175.67	181.84
Increase / (Decrease) in excise duty on inventory of finished goods and scrap material	(24.72)	6.68
Rent	61.43	46.33
Repairs and maintenance:		
Plant and machinery	9.72	13.11
Buildings	3.09	3.05
Others	30.41	22.43
Rates and taxes	1.95	3.23
Insurance	13.17	11.16
Trade mark fee and royalty	0.45	0.37
Travelling and conveyance	93.29	79.66
Communication expenses	14.01	11.61
Legal and professional charges	27.14	13.92
Payment to Auditors		
As Auditors:		
Audit fee	1.35	1.63
Tax audit fee	0.01	0.06
In other capacity	-	0.71
Reimbursement of expenses	0.07	0.07
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 32(12)}	14.95	13.37
Directors sitting fees	0.28	0.39
Exchange fluctuations (net)	3.32	-
Freight and forwarding expenses	272.30	222.72
Service tax and custom duty paid	13.20	25.60
Advertisement and sales promotion	307.65	190.70
Secondary Sales Promotion expense	37.43	-
Commission on sales	56.75	52.79
Product warranties and after sales services (net of reversals)	177.26	100.37
Trade receivables factoring charges	28.91	28.59
Loss on sale/ discard of Property, plant and equipment (net)	2.01	1.45
Bad debts written off	1.26	2.68
Impairment allowance for trade receivables considered doubtful	7.86	6.00
Impairment allowance for other financial assets considered doubtful	0.19	-
Miscellaneous expenses	27.16	21.59
	1,473.54	**1,175.36**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

31 COMMITMENTS AND CONTINGENCIES

(₹ in crores)

			As At March 31, 2018	As At March 31, 2017
A		**Contingent liabilities (to the extent not provided for)**		
	a	Claims / Suits filed against the group not acknowledged as debts {refer point (i) and (ii) }	15.29	5.68
	b	Bonds to central tax department against purchase of goods without payment of duty (to the extent utilised)	0.08	0.69
	c	Disputed tax liabilities in respect of pending cases before appellate authorities {Amount deposited under protest ₹ 24.83 crores (March 31, 2017: ₹ 22.08 crores)} {refer point (iii)}	77.80	68.10
	d	Demand raised by Uttarakhand Power Corporation Limited contested before Hon'ble High Court of Uttarakhand, Nainital {Amount deposited under protest ₹ 1.00 crore (March 31, 2017: ₹ 1.00 crore)}	1.00	1.00
	e	Custom duty payable against export obligation	-	8.57

Notes:

i) Claims / Suits filed against the Group not acknowledged as debts includes sum amounting to ₹ 6.22 crores (March 31, 2017: ₹ 5.68 crores) 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) Claim filed by INESA UK Limited against one of the Group Company on February 02, 2018. Management expects that net claim will be settled at 50% of the claimed amount and accordingly the liability of ₹ 9.07 crores has been accrued in the books of accounts. The remaining claim of ₹ 9.07 crores has been shown under contingent liability above.

iii) The various disputed tax litigations are as under :

(₹ in crores)

Sl.	Description	Period to which relates	Disputed amount As At March 31, 2018	Period to which relates	Disputed Amount As At March 31, 2017
a)	**Excise / Customs / Service Tax**				
	Show cause notices / demands raised by Excise and Custom department pending before various appellate authorities.	2005-06 to 2014-15	0.35	2003-04 to 2014-15	3.65
b)	**Income Tax**				
	Disallowances / additions made by the income tax department pending before various appellate authorities.	2004-05 to 2014-15	55.44	2004-05 to 2013-14	45.27
c)	**Sales Tax / VAT**				
	Show cause notices / demands raised by Sales tax / VAT department pending before various appellate authorities	2005-06 to 2015-16	21.86	2005-06 to 2015-16	19.03
d)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			77.80		**68.10**

(a) The group is contesting the demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the group's financial position and results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(b) Besides the above, show cause notices from various departments received by the group have not been treated as contingent liabilities, since the group has adequately represented to the concerned departments and does not expect any liability on this account and there is no further demand from the department.

B Commitments

(₹ in crores)

Disputed Amount		As at March 31, 2018	As at March 31, 2017
(a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	18.95	20.77
(b)	Corporate Social Responsibility commitment	6.00	-
		24.95	**20.77**

C Undrawn committed borrowing facility

(a) Group has availed working capital limits amounting to ₹ 200.00 crores from banks under consortium of Canara Bank, IDBI Bank Limited, State Bank of India, Standard Chartered Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ 199.87 crores remain undrawn as at March 31, 2018 (Previous year : ₹ 150.00 crores). Further The Group has a debit balance in cash credit accounts as on the date of Balance Sheet except in case of Canara Bank where the Company has availed a working capital Demand loan of ₹ Nil (Previous Year ₹ 50.02 crores) . The limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on stocks of raw materials, semi-finished goods, finished goods, stores and spares, bill receivables, book debts and all movable and other current assets of the Company.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with other consortium lenders by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which first charge was held by HSBC Bank (Mauritius) Limited against External Commercial Borrowings.

(b) The Group has availed a secured loan of ₹ 108.00 Crores against sanctioned amount of ₹ 285.00 crores from CITI bank N.A. as of March 31, 2018. The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the company during last 12 months. The loan is having 1 year moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future and immovable properties situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum Fixed Assets Coverage Ratio of 1.1x. The registration of charge on immaterial property is under process.

(c) The Group has availed the Working capital loan from Yes Bank Limited amounting to ₹ 20.00 crores as on March 31, 2018 (March 31,2017: ₹ 20.00 crores). An amount of ₹ 12.62 crores remain undrawn as at March 31, 2018 (March 31, 2017 ₹ 9.72 crores) . The limit is secured by way of:

i) Whole of the Current Assets of the Subsidiary Company's stocks including raw material, semi-finished and finished goods, stores and spares relating to plant and machinery (consumable stores and spares), Bills receivables and book debts and all other receivables and movables (both present and future) whether lying or stored in or about or shall hereinafter from time to time during the security of these presents be brought into or upon or be stored or be in or about of the Subsidiary Company's Manufacturing units, premises and godowns situated anywhere.

ii) Whole of the Moveable Fixed Assets of the Subsidiary company.

iii) All the book debts and receivables (both present and future) of the Subsidiary Company including outstanding monies receivable claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the Company in the course of its business.

iv) Non-disposable undertaking from Havells India Limited, the Holding Company to maintain 51% shareholding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

D Other Litigations

(a) The Group has some sales tax and other tax related litigation of ₹ 7.70 crores (March 31, 2017: ₹ 24.99 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

(b) Various litigation claims against the Group are ₹ Nil as at March 31, 2018 (March 31, 2017: ₹ 50.63 crores) on account of closure of global sylvania business.

E Leases

Operating lease commitments - Company as lessee

a) The Group has taken various residential/commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Group by entering into these leases and there are no subleases. The annual increments are expected to be in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.

b) The Group has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Group by entering into these leases and there are no subleases. Normally there are renewal and escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

(₹ in crores)

	March 31, 2018	March 31, 2017
(i) not later than one year	14.22	11.81
(ii) later than one year and not later than five years	14.72	11.25
(iii) later than five years	-	-
Total minimum lease payments	**28.94**	**23.06**
Lease payments recognised in the statement of profit and loss as rent expense for the year	**61.43**	**46.33**

Operating lease commitments - Company as lessor

a) The Group had entered into a sub-lease agreement to sublet a property situated at Kasna, Noida, which is considered as "Investment Property". The lease agreement is executed on May 12, 2016.

b) The said lease is for a term of four years nine months and 18 days w.e.f May 12, 2016 upto February 28, 2021 for the purpose of setting up its manufacturing unit and the annual increments are expected to be in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.. The lease include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total rent recognised as income during the year is ₹ 6.92 crores (March 31, 2017 : ₹ 5.85 crores).

Present value of minimum rentals receivable under non-cancellable operating leases as at March 31,2018 are, as follows:

(₹ in crores)

	March 31,2018	March 31,2017
(i) not later than one year	6.99	6.38
(ii) later than one year and not later than five years	12.98	17.41
(iii) later than five years	-	-
Present value of minimum lease payments	**19.97**	**23.79**

c) Unearned finance income 2.21 5.33

d) As per terms of agreement, the lessee shall restore the leased premise to its original custodian on termination of agreement.

F During the year, Land measuring 50 acres situated at Ghiloth District , General Zone Industrial Area RIICO in the state of Rajasthan has been allotted to the Group for a consideration of ₹ 71.21 crores. This consideration will be adjusted by way of rebate of ₹ 17.71 crores if the Group will be able to fulfil the conditions of total investment of ₹ 260 crores by November 2019 and an additional amount of ₹ 192.00 crores by March 2022. The Group has considered a rebate as a separate liability till all conditions are fulfilled as disclosed in note no. 16 as "creditor for capital goods".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

G Contingent Assets

The Government of India vide its office memorandum dated April 01, 2007 has announced fiscal incentives and concessions for North East Region viz. the NEIIP 2007. Incentives were available to all industrial units commencing their operations in this area by specified date. The group has set up a plant in Guwahati and started production during the year. A subsidy of 30% of total investment in Plant and Equipment was available as capital investment subsidy. Subsidy will be disbursed after fulfilment of specified conditions and submission of application to the Government. Subsidy will be granted once the agency appointed by Government completes its verification and issues order in this regard. The group has invested total sum of ₹ 7.85 crores in Plant and Equipment and is accordingly eligible for subsidy. The group has filed claim for subsidy and expects that an amount of ₹ 2.35 crores will be released after completion of procedural formalities by the Government.

32 OTHER NOTES ON ACCOUNTS

1 **Divestment of interest in subsidiaries, Joint Ventures and Associates**

(a) During the year, Havells Holdings Limited, a wholly owned subsidiary of Havells India Limited completed sales of remaining 20% stake in Feilo Malta Limited and 100% stake in Havells Sylvania (Thailand) Limited to Shanghai Feilo Acoustics Company Limited, China based listed Company for a agreed consideration of Euro 34.50 Million (INR 263.89 Crores) and Euro 1.60 Million (INR 12.20 Crores) respectively. Gain on sale of balance 20% stake in Felio Malta Limited is recognised as exception item during the year.

(b) (i) During the year, Havells International Limited, wholly owned subsidiary of the Group has transferred its 100% stake in another wholly owned subsidiary "Havells Sylvania Brasil Illuminacao Ltda.", the loss for which had been provided in earlier years as impairment cost:

(ii) During the year, the Group has filed the liquidation application for dissolution of subsidiary "Thai Lighting Asset Company Limited" .

(iii) During the year, another wholly owned of the Group "Havells USA Inc."has been dissolved with effect from 31st Oct 2017

(c) Resultant from above , the total exceptional items disclosed in the statement of Profit and Loss is as under:

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
i)	Gain on disposal of balance 20% stake in Felio Malta Limited	24.99	-
ii)	JV (Jiangsu Havells Sylvania Lighting Co. Limited) classified as held for sale measured at fair value less cost to sell	-	(14.66)
iii)	Loss on account of closure of International business	(13.68)	(92.14)
IV)	Transfer of Foreign currency translation reserve to the statement of Profit and loss account on account of sale/liquidation of group companies.	(29.98)	-
		(18.67)	**(106.80)**

2 **Business combinations**

A. **Acquisition of Consumer durable business of Lloyd Electric and Engineering Limited and brand of Fedders Lloyd Corporation Limited**

On May 08, 2017,the Group has completed acquisition of Consumer durable business of Lloyd Electric and Engineering Limited (LEEL)and trade mark "Lloyd" from Fedders Lloyd Corporation Limited , companies incorporated under the Companies Act 1956. The Consumer durable business of Lloyd consist of business of importing, trading, marketing, exporting ,distribution, sale of air conditioners, televisions, washing machines, and other household appliances and assembling of televisions, which has been acquired by the Group on slump sale basis at an enterprise value of ₹ 1547.38 crores on cash free and debt free basis. The acquisition has enabled the Group to enter into Electronic Consumer durable market. Details of purchase price allocation done on composite basis by the Group in accordance with agreement upto closing date is as given below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

The Assets and Liabilities recognised as result of acquisition are as follow:

(₹ in crores)

Fair Value of Assets/Liabilities	
Assets	
Non-current assets	
Property, plant and equipment	4.35
Intangibles Assets	
i) Trademarks	1,029.00
ii) Distributor/ Dealer Network	82.40
iii) Non-compete Fee	58.50
Total	**1,174.25**
Current Assets	
Inventories	310.18
Financial Assets	
(i) Trade receivables	142.08
(ii) Others financial assets	1.27
Other Current Assets	7.19
Total	**460.72**
Total Assets	**1,634.97**
Liabilities	
Current Liabilities	
Financial Liabilities	
(i) Trade payables	(198.43)
(ii) Other Financial Liabilities	(179.36)
Provisions for warranties and E-waste	(15.90)
Provisions for defined benefit obligation	(4.37)
Total Liabilities	**(398.06)**
Total Identifiable net assets at Fair Value (A)	**1,236.91**
Purchase Consideration paid/ payable in cash (B)	**1,547.38**
Goodwill (B-A) (Refer note 5)	**310.47**

Notes:

a) The fair value and gross amount of acquired trade receivables at acquisition date is ₹ 142.08 crores. None of the trade receivables is credit impaired and it is expected that full contractual amount can be collected.

b) Goodwill of ₹ 310.47 crores comprises the value of expected synergies arising from the acquisition which is not separately recognised. Goodwill is allocated entirely to Lloyd consumer segment.

B. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:
Proportion of equity interest held by non-controlling interests:

(₹ in crores)

Name of subsidiary	Country of incorporation and operation	**Year ended March 31, 2018**	Year ended March 31, 2017
Promptec Renewable Energy Solutions Private Limited	India	31.07%	31.07%
Information regarding non-controlling interest:			
Accumulated balances of material non-controlling interest		7.65	9.05
Loss allocated to material non-controlling interest		(1.40)	(0.42)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

(a) **Summarised Balance Sheet**

(₹ in crores)

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
ASSETS		
1. Non-current assets		
Property, plant and equipment and Capital work in progress	5.97	7.04
Acquired Intangible assets	0.18	0.23
Intangible assets on business combination	13.48	13.48
Financial assets	0.41	0.45
Deferred Tax Assets (net)	-	1.55
Other non-current assets	-	0.17
	20.04	**22.92**
2. Current assets		
Inventories	11.88	17.48
Financial assets		
(i) Trade receivables	4.21	12.96
(ii) Cash and bank balance	0.14	0.04
(iii) Other financial assets	0.23	0.30
Other current assets	3.47	3.14
	19.93	**33.92**
Total Assets	**39.97**	**56.84**
LIABILITIES		
1. Non-current liabilities		
Provisions	0.84	0.88
Deferred tax liabilities (Net)	0.05	-
	0.89	**0.88**
2. Current liabilities		
Financial liabilities		
(i) Borrowings	7.38	10.28
(ii) Trade payables	5.83	14.54
(iii) Other financial liabilities	0.60	1.10
Provisions and other current liabilities	0.66	0.90
	14.47	**26.82**
Total Liabilities	**15.36**	**27.70**
Total Equity	**24.61**	**29.14**
Attributable to:		
Equity shareholders of parent company	16.96	20.09
Non controlling interests	7.65	9.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(b) Summarised Statement of profit and loss

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
I.	**INCOME**		
	Revenue from operations	55.56	85.30
	Other income	0.09	0.25
	Total Income	**55.65**	**85.55**
II.	**EXPENSES**		
	Cost of materials consumed	39.37	59.93
	Purchase of traded goods	0.56	-
	Change in inventories of finished goods, traded goods and work in progress	0.20	(0.54)
	Excise duty on sale of goods	0.90	6.50
	Employee benefits expense	7.15	8.60
	Finance costs	0.85	0.97
	Depreciation and amortisation expenses	0.96	0.88
	Other expenses	8.53	11.59
	Total Expenses	**58.52**	**87.93**
	Profit before tax	**(2.87)**	**(2.38)**
	Income Tax expenses	1.63	(1.04)
	Profit for the year	**(4.50)**	**(1.34)**
	Other comprehensive income (net of tax)	(0.05)	0.01
	Total comprehensive income/(loss) for the year, net of tax	**(4.55)**	**(1.33)**
	Profit for the year attributable to:		
	Equity shareholders of parent company	(3.10)	(0.92)
	Non controlling interests	(1.40)	(0.42)

(c) Summarised Statement of cash flow

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities	3.86	2.24
Cash flow from investing activities	(0.05)	(2.00)
Cash flow from financing activities	(3.71)	(0.28)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

3. Group information

(i) The Consolidated financial statement of the group includes subsidiaries and joint venture are mentioned below :-

S. No	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 ,2018	98.86%	3,694.10	106.00%	700.61	19.49%	1.68	104.88%	702.29
					Mar 31 ,2017	92.47%	3,038.50	117.72%	581.69	11.58%	(2.75)	123.08%	578.94
(II)	**Foreign Subsidiaries having no non-Controlling interest**												
	1. Havells Holdings Limited	Isle of Man	WOS	100%	Mar 31 ,2018	0.06%	2.09	-2.96%	(19.54)	48.84%	4.21	-2.29%	(15.33)
				100%	Mar 31 ,2017	8.22%	270.22	-4.33%	(21.40)	18.11%	(4.30)	-5.46%	(25.70)
	2. Havells International Limited	Malta	WOS	100%	Mar 31 ,2018	0.05%	1.98	-1.75%	(11.57)	4.87%	0.42	-1.67%	(11.15)
				100%	Mar 31 ,2017	0.16%	5.21	-2.17%	(10.74)	63.61%	(15.10)	-5.49%	(25.84)
	3. Havells Sylvania Iluminacion (Chile) Ltda	Chile	WOS of Havells Holdings Limited	100%	Mar 31 ,2018	0.00%	-	0.50%	3.31	-1.51%	(0.13)	0.47%	3.18
				100%	Mar 31 ,2017	0.00%	-	-0.01%	(0.04)	-0.17%	0.04	0.00%	-
	4. Havells USA Inc.	USA	WOS of Havells Holdings Limited	100%	Mar 31 ,2018	0.00%	-	-0.43%	(2.81)	-7.31%	(0.63)	-0.51%	(3.44)
				100%	Mar 31 ,2017	-0.26%	(8.44)	-0.14%	(0.67)	-1.18%	0.28	-0.08%	(0.39)
	5. Havells Sylvania (Thailand) Limited	Thailand	49% held by Havells International Limited and 51% held by Thai Lighting Assets Co Ltd	100%	Mar 31 ,2018	0.00%	-	-0.17%	(1.14)	14.85%	1.28	0.02%	0.14
				100%	Mar 31 ,2017	0.38%	12.34	1.38%	6.80	-6.70%	1.59	1.78%	8.39
	6. Havells Sylvania Brasil Illuminacao Ltda.	Brazil	WOS of Havells International Limited	100%	Mar 31 ,2018	0.00%	-	-0.49%	(3.26)	21.69%	1.87	-0.21%	(1.39)
				100%	Mar 31 ,2017	-2.34%	(76.97)	-11.20%	(55.35)	14.66%	(3.48)	-12.51%	(58.83)
	7. Havells Guangzhou International Limited	China	WOS	100%	Mar 31 ,2018	0.00%	0.08	0.03%	0.18	0.00%	-	0.03%	0.18
				100%	Mar 31 ,2017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	8. Standard Electrical Limited	India	WOS	100%	Mar 31 ,2018	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
				100%	Mar 31 ,2017	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
	9. Lloyd Consumer Private Limited	India	WOS	100%	Mar 31 ,2018	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
	10. Havells Exim Limited	Hong Kong	WOS	100%	Mar 31 ,2018	-0.02%	(0.92)	0.01%	0.04	0.00%	-	0.01%	0.04
	11. Havells Global Limited	India	WOS	100%	Mar 31 ,2018	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
				100%	Mar 31 ,2017	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
(III)	**Foreign Subsidiaries having non-controlling interests**												
	1. Thai Lighting Asset Co. Ltd. {refer note (ii) below}	Thailand	49% held by Havells International Limited	49%	Mar 31 ,2018	0.02%	0.64	-0.05%	-0.35	-0.46%	(0.04)	-0.06%	(0.39)
				49%	Mar 31 ,2017	0.02%	0.69	-0.01%	-0.06	0.13%	(0.03)	-0.02%	(0.09)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

S. No	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
(IV)	**Indian Subsidiary having non-controlling interests {to the extent of control 68.93% (March 31, 2017 : 68.93%}**												
	1. Promptec Renewable Energy Solutions Private Limited	India	Subsidiary Copany	68.93%	Mar 31 ,2018	0.40%	14.83	-0.47%	(3.10)	-0.46%	(0.04)	-0.47%	(3.14)
				68.93%	Mar 31 ,2017	0.58%	18.96	-0.19%	(0.93)	-0.04%	0.01	-0.20%	(0.92)
(V)	**Interest in Foreign Joint Venture (Accounted for using equity method)**												
	1. Jiangsu Havells Sylvania Lighting Co. Ltd		Joint Venture	50%	Mar 31 ,2018	0.43%	16.21	0.00%	-	0.00%	-	0.00%	-
				50%	Mar 31 ,2017	0.49%	16.21	-0.97%	(4.77)	0.00%	-	-1.01%	(4.77)
(VI)	**Non-controlling Interest in all subsidiaries**				Mar 31 ,2018	0.20%	7.65	-0.21%	(1.40)	0.00%	-	0.00%	-
					Mar 31 ,2017	0.28%	9.05	-0.09%	(0.42)	0.00%	-	0.00%	-
			Total - March 31, 2018			**100%**	**3,736.81**	**100%**	**660.97**	**100%**	**8.62**	**100%**	**669.59**
			Total - March 31, 2017			**100%**	**3,285.87**	**100%**	**494.11**	**100%**	**(23.74)**	**100%**	**470.37**

Note:

(i) WOS refers to 'Wholly Owned Subsidiary'

(ii) Havells International Limited (WOS of Havells Holdings Limited) holds 49% equity interest in Thai Lighting Asset Co. Ltd. However the said Company has majority representation on Board of Directors of the entity and approval of the said Company is required for all major operational decisions and the operations are solely carried out for the benefit of the Group. Based on facts and circumstances, management determine that in substance the Group control this entity and therefore reported the same as controlled entities.

(iii) During the year, following campanies ceased to be subsidiaries:

a) Havells Holdings Limited, through its 100% subsidiary Havells International Limited has transferred 100% stake in Havells Sylvania (Thailand) Limited to Feilo group on November 29, 2017 for a consideration of Euro 1.6 million.

b) Havells International Limited, a 100% subsidiary of Havells Holdings Limited has transferred its stake in Havells Sylvania Brasil Illuminação Ltda on March 31, 2018

(iv) During the year, following campanies ceased to be subsidiaries:

a) Havells USA Inc. a 100% subsidiary of Havells Holdings Limited, has been dissolved with effect from October 31, 2017, and approval from appropriate authorities has been received on December 21, 2017.
b) Application for liquidation of Thai Lighting Asset Company Limited, a subsidiary of Havells International Limited, has been filed with authorities in Thailand.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

4. Individually Immaterial joint ventures

Group has interest in the following individually immaterial Joint Venture:

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Aggregate carrying amount of individually immaterial joint venture	16.21	16.21
Aggregate amounts of the group's share of		
Profit/(loss) from continuing operations	-	(4.77)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive Income	-	-
Total Comprehensive Income	-	**(4.77)**

During the previous year, both the joint venture partners of Jiangsu Havells Sylvania Lighting Co. Limited, have agreed to liquidate the operations of the joint venture, in respect of which the Group will receive agreed liquidation proceeds of USD 2.5 million. Accordingly, the investment in joint venture has been classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. Subsequent to the year end, the management of the joint venture have applied for liquidation with relevant authorities. The group is not liable for losses incurred by the Joint venture post March 31, 2017 as the group will receive agreed consideration upon completion of liquidation and accordingly the investment has been measured at lower of its carrying amount and fair value less cost to sell.

5 Discontinued operations

a) During the year, the Group under its plan to exit global Sylvania business and focus on domestic operations, initiated liquidation of its 3 subsidiaries in USA, Chile and Thailand and one joint venture. Also, the Group has completed sales of its remaining 20% stake in Feilo Malta Limited and 100% stake in Havells Sylvania (Thailand) Limited and Havells Sylvania Brasil Iluminacao Ltda. Accordingly the same were classified as a disposal group held for sale and as discontinued operations.

b) (i) The financial performance and cash flow information Disposal group is given as below :-

(₹ in crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	104.39	174.66
Expenses	116.90	162.72
Profit before income tax	**(12.51)**	**11.94**
Income tax expense	-	-
Profit after income tax	**(12.51)**	**11.94**
Add: Profit/ (loss) from share of joint venture (net of tax)	-	-
Profit from discontinued operation	**(12.51)**	**11.94**
Re-measurement (gains)/ losses on defined benefit plans	-	1.76
Exchange difference on translation of foreign operations	-	(3.36)
Other comprehensive income from discontinued operation	-	(1.60)
Total comprehensive income from discontinued operation	**(12.51)**	**10.34**
Net Cash inflow (outflow) from Operating activities	(0.93)	1.06
Net Cash inflow (outflow) from Investing activities	(0.56)	(0.90)
Net Cash inflow (outflow) from Financing activities	28.57	(2.49)
Net Cash used in discontinued operations	**27.08**	**(2.33)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(ii) The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation are given below :-

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment		
Plant and machinery retired from active use	0.12	0.04
Investment in associate company (unquoted)		
Feilo Malta Limited (formerly known as Havells Malta limited) {refer note no.32(1)(a)} Nil (March 31, 2017 : 2,82,51,603) Equity Shares of Euro 1 each fully paid up	-	238.90
Investment in joint venture (unquoted)		
Jiangsu Havells Sylvania Lighting Co. Limited {refer note no. 32(4)} (50% contribution in paid in capital)	16.21	16.21
Disposal group		
Property, plant and equipment (net)	-	0.79
Trade receivables	-	49.76
Other current assets	0.77	51.09
Total Assets of disposal group held for sale	**17.10**	**356.79**
Liabilities directly associated with assets classified as held for sale		
Trade payables	-	23.21
Other current liabilities	**0.13**	**152.07**
Total liabilities of disposal group held for sale	**0.13**	**175.28**

6 During the year, the Group has capitalised the following pre operative expenses to the cost of tangible fixed assets, 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)

	Year ended March 31, 2018	Year ended March 31, 2017
Cost of material consumed	7.53	9.09
Employee benefits expense	3.31	3.12
Other expenses	0.40	1.84
	11.24	**14.05**

7 The Group has incurred following expenditure on Research and Development:

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Revenue Expenditure		
Cost of materials consumed	8.49	8.38
Employee benefits expense	37.82	30.59
Rent	1.35	2.16
Travelling and conveyance	4.55	3.75
Legal and professional	0.12	-
Other expenses	3.01	2.26
	55.34	**47.14**

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(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(b)	**Capital Expenditure**		
	Property, plant and equipment	3.07	1.49
	Intangible Assets	1.28	1.76
		4.35	**3.25**
	Total(a+b)	**59.69**	**50.39**

The Research and Development facilities are located at the Head office, Noida and at some other units of the group which are approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Govt. of India. The Group is entitled to a weighted deduction of 150% of the expenditure incurred at these units under section 35 (2AB) of the Income Tax Act, 1961.

8 Gratuity and other post-employment benefit plans

i) Disclosures pursuant to Ind AS - 19 "Employee Benefits"(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) are given below:

The Group has defined benefit gratuity plan covering eligible employees in Havells India Limited and Promptec Renewable Energy Solutions Private Limited. The measurement date for the Group defined benefit gratuity plan is 31st March of each year.

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Defined Contribution Plan, recognised as expense for the year is as under:		
Employer's Contribution towards Provident Fund (PF)	28.29	22.54
Employer's Contribution towards Employee State Insurance (ESI)	1.07	0.50
	28.36	**23.04**

Defined Benefit Plan

The employees' Gratuity Fund Scheme of Holding Company , which is a defined benefit plan, in Havells India Limited is managed by the trust maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn 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.

(₹ in crores)

		As at March 31, 2018	As at March 31, 2017
(a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Present value of Defined Benefit obligation at the beginning of the year	59.00	45.05
	Obligation assumed on acquisition of Lloyd business	4.37	-
	Interest Expense	4.56	3.49
	Current Service Cost	10.06	8.31
	Benefit paid	(4.25)	(2.78)
	Remeasurement of (Gain)/loss in other comprehensive income		
	Actuarial changes arising from changes in financial assumptions	(2.52)	4.87
	Actuarial changes arising from changes in experience adjustments	(0.04)	0.06
	Defined Benefit obligation at year end	**71.18**	**59.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	45.45	32.88
	Expected return on plan assets	3.91	2.80
	Employer contribution	13.16	11.72
	Remeasurement of (Gain)/loss in other comprehensive income	-	-
	Return on plan assets excluding interest income	(0.03)	0.75
	Benefits paid	(4.16)	(2.70)
	Fair value of plan assets at year end	**58.33**	**45.45**
(c)	**Net defined benefit asset/ (liability) recognised in the balance sheet**		
	Fair value of plan assets	58.33	45.45
	Present value of defined benefit obligation	(71.18)	(59.00)
	Amount recognised in Balance Sheet- Asset / (Liability)	**(12.85)**	**(13.55)**
(d)	**Net defined benefit expense (Recognised in the Statement of profit and loss for the year)**		
	Current Service Cost	10.06	8.31
	Net Interest Cost	0.64	0.69
	Net defined benefit expense debited to statement of profit and loss	**10.70**	**9.00**
(e)	**Remeasurement (gain)/ loss recognised in other comprehensive income**		
	Actuarial changes arising from changes in financial assumptions	(2.52)	4.87
	Actuarial changes arising from changes in experience adjustments	(0.04)	0.06
	Return on Plan assets excluding interest income	0.03	(0.75)
	Recognised in other comprehensive income	**(2.53)**	**4.18**
(f)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds (Havells India Limited)	100%	100%
	Insurer managed funds (Promptec Renewable Energy Solutions Private Limited)	NA	NA
(g)	**Principal assumptions used in determining defined benefit obligation**		
	Mortality Table (LIC)	2006-08	2006-08
		(Ultimate)	(Ultimate)
	Discount rate (per annum)	7.25% to 7.70%	6.65% to 7.50%
	Salary Escalation	8.50% to 9.00%	8.50% to 9.00%
	Attrition Rate	7.00% to 28.00%	5.00% to 28.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
(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		
	Discount Rate		
	Increase by 0.50%	(2.72)	(2.66)
	Decrease by 0.50%	2.91	2.87
	Salary Increase		
	Increase by 0.50%	2.55	2.55
	Decrease by 0.50%	(2.43)	(2.38)
	Attrition Rate		
	Increase by 0.50%	(0.35)	(0.37)
	Decrease by 0.50%	0.20	0.24
(i)	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	5.54	3.52
	Between 2 and 5 years	30.96	20.84
	Between 5 and 10 years	116.89	82.27
	Total expected payments	**153.39**	**106.63**

(j)	The average duration of the defined benefit plan obligation at the end of the reporting period is:		
	Havells India Limited	23.64 years	24.09 years
	Promptec Renewable Energy Solutions Private Limited	25.70 years	27.05 years

k) The plan assets of Holding Company are maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited in Havells India Ltd.

l) The Group expects to contribute ₹ 12.34 crores (March 31,2017 : ₹ 13.50 crores) to the plan during the next financial year.

m) 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.

n) 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.

o) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

ii) For Group companies, the disclosures of Employee benefits as required by Ind AS - 19 "Employee Benefits "(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) are given below

The Group has defined benefit pension plans covering eligible employees in subsidiary located in Thailand which had been transferred to liabilities directly associated with Assets held for sale during the previous year and transferred to buyer in current year upon sale of the subsidiary. Benefits are based on number of years of service and the employee's compensation. The Group's funding policy is consistent with the funding requirements of law and regulations in the local jurisdictions. The measurement date for the Group's defined benefit pension plan is 31st March of each year. which has been transferred to liabilities directly associated with Assets held for sale during the previous year

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

(a) Reconciliation of opening and closing balances of pension Benefit obligation

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
As at beginning of the year	-	5.30
Exchange differences	-	0.24
Current service cost	-	0.39
Interest cost	-	0.20
Remeasurement of (Gain)/loss in other comprehensive income	-	(1.75)
Benefits paid	-	(0.22)
Transfer to liabilities directly associated with Assets held for sale/ discontinued operation	-	(4.16)
As at end of the year	-	-

(b) The amounts recognised in the statement of profit or loss are :

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	-	0.39
Interest cost	-	0.20
Transfer to discontinued operations	-	(0.59)
Total included in staff costs	**-**	**-**

(c) Remeasurement (gain)/ loss recognised in other comprehensive income

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Remeasurement (gain)/ loss on pension Benefit obligation	-	1.75
Net remeasurement (gain)/ loss recognised in other comprehensive income	**-**	**1.75**

(d) Quantitative sensitivity analysis for significant assumptions is as below:

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount Rate		
Increase by 0.25%	NA	0.08
Decrease by 0.25%	NA	(0.08)
Salary Increase		
Increase by 0.50%	NA	0.08
Decrease by 0.50%	NA	(0.08)

(e) Where relevant and available the principal actuarial assumptions used on the defined benefit plans for current year are as follows:

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	NA	3.80%
Future salary increases	NA	5.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

9 **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 organised into business units based on its products and services and has five reportable segments as follows:

a) **Operating Segments**

Switchgears	: Domestic and Industrial switchgears, electrical wiring accessories, industrial motors, pumps and capacitors.
Cables	: Domestic cables and Industrial underground cables.
Lighting and Fixtures	: Energy Saving Lamps (LED), Solar and luminaries.
Electrical Consumer Durables	: Fans, Water Heaters, Coolers, Personal Grooming, Water Purifier and Domestic Appliances
Lloyd Consumer	: Air Conditioner, Television, Washing Machine and Domestic Appliances

No operating segments have been aggregated to form above reportable operating segments.

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 "Others".

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 "Others".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues.

g) During the year, the Group has re-organised its internal reporting and accordingly, lighting and fixtures project business which was earlier identiifed as separate reporting segment and disclosed under "Óthers" has been clubbed under "Lighting & Fixtures" segment. The comparative figures for earlier periods have been accordingly restated.

Summary of Segmental Information

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017 (Restated)
A.	**Revenue**		
	Segment Revenue		
	Switchgears	1,424.45	1,467.68
	Cables	2,683.41	2,675.61
	Lighting and fixtures	1,177.44	1,049.80
	Electrical consumer durables	1,569.57	1,419.87
	Lloyd Consumer	1,414.14	-
		8,269.01	**6,612.96**
	Inter Segment Sale	-	-
	Total revenue	**8,269.01**	**6,612.96**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
B.	**Results**		
	Segment Results		
	Switchgears	557.20	561.03
	Cables	438.03	325.63
	Lighting and fixtures	333.83	255.22
	Electrical consumer durables	420.15	349.37
	Lloyd Consumer	268.32	-
	Segment operating profit	**2,017.53**	**1,491.25**
	Reconciliation of segment operating profit to operating profit		
	Employee benefits expense	(535.35)	(399.38)
	Other expenses	(552.34)	(347.15)
	Other miscellaneous expenses net of income	90.97	86.35
	Operating Profit	**1,020.81**	**831.07**
	Finance Costs	24.83	13.34
	Profit before tax and Exceptional Item	**995.98**	**817.73**
	Exceptional Items {profit/(loss)}	(18.67)	(106.80)
	Profit before tax after Exceptional Item	**977.31**	**710.93**
	Income tax expense	303.83	228.76
	Profit after tax from continuing operations	**673.48**	**482.17**
	Profit/ (loss) for the year from discontinued operations	**(12.51)**	**11.94**
	Profit for the year	**660.97**	**494.11**

(₹ in crores)

		As at March 31, 2018	As at March 31,2017
C.	**Reconciliations to amounts reflected in the financial statements**		
	Segment Assets		
	Switchgears	640.28	624.06
	Cables	757.94	748.64
	Lighting and fixtures	542.99	479.25
	Electrical consumer durables	505.54	488.15
	Lloyd Consumer	2,195.26	-
	Segment operating assets	**4,642.01**	**2,340.10**
	Reconciliation of segment operating assets to total assets		
	Cash and bank balance {refer note 6(C) , 9(B) and (C)}	1,561.98	1,974.47
	Deferred tax assets {refer note 15 (e)}	-	1.55
	Assets classified as held for sale (refer note 11)	17.10	356.79
	Others	386.42	496.37
	Total assets	**6,607.51**	**5,169.28**
	Segment Liabilities		
	Switchgears	307.51	252.68
	Cables	529.05	254.05
	Lighting and fixtures	248.44	230.49
	Electrical consumer durables	385.01	275.09
	Lloyd Consumer	646.82	-
	Segment operating liabilities	**2,116.83**	**1,012.31**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017
Reconciliation of segment operating liabilities to total liabilities		
Deferred tax liability {refer note 15(d)}	211.68	118.43
Borrowings {refer note 13(A)and17(A)}	115.38	208.33
Liabilities directly associated with assets classified as held for sale {Refer note 32(5)}	0.13	175.28
Others	426.68	369.06
Total liabilities	**2,870.70**	**1,883.41**

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Non-current assets other than financial assets, deferred tax assets & Property, Plant & Equipment		
Switchgears	8.33	5.18
Cables	0.08	0.04
Lighting and fixtures	0.08	2.61
Electrical consumer durables	2.99	1.05
Lloyd Consumer	1.74	0.00
	13.22	**8.88**
Others	26.93	79.88
	40.15	**88.76**

(₹ in crores)

	Year ended March 31,2018	Year ended March 31,2017
Capital Expenditure		
Switchgears	37.38	40.08
Cables	15.75	70.79
Lighting and fixtures	11.49	19.04
Electrical consumer durables	21.16	23.82
Lloyd Consumer	1,555.93	-
	1,641.71	**153.73**
Others	39.07	42.66
	1,680.78	**196.39**

(₹ in crores)

	Year ended March 31,2018	Year ended March 31,2017
Depreciation and Amortisation Expenses		
Switchgears	41.52	39.87
Cables	40.21	41.28
Lighting and fixtures	18.23	19.65
Electrical consumer durables	22.12	19.71
Lloyd Consumer	18.41	-
	140.49	**120.51**
Non-cash expenses other than depreciation		
Switchgears	2.25	0.93
Cables	2.84	2.94
Lighting and fixtures	4.27	1.22
Electrical consumer durables	1.76	0.91
Lloyd Consumer	0.01	-
	11.13	**6.00**
Others	-	82.94
	11.13	**88.94**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

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.	**Year ended March 31, 2018**	Year ended March 31, 2017
Revenue-Domestic Market	8,036.99	6,335.90
Revenue-Overseas Market:	232.02	277.06
	8,269.01	**6,612.96**

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Geographical Segment assets		
Within India	6,505.99	4,724.69
Outside India	101.52	444.59
	6,607.51	**5,169.28**
Geographical Non-current operating assets		
Within India	2,882.82	1,400.85
Outside India	-	-
	2,882.82	**1,400.85**

Note:- Non Current assets for this purpose consist of Property, plant & equipment, investment property, goodwill, other intangible assets and other non current assets

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Geographical Capital Expenditure		
Within India	1,680.78	195.49
Outside India	-	0.90
	1,680.78	**196.39**

10 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) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are disclosed below:-

(A) Names of related parties and description of relationship

(i) Joint Venture	
Jiangsu Havells Sylvania Lighting Co. Ltd.	50% ownership interest held by Company.

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises in which directors are interested

QRG Enterprises Limited

QRG Foundation

Guptajee & Company

The Vivekananda Ashrama

QRG Central Hospital and Research Centre Ltd

QRG Medicare limited

(ii) Post employee benefit plan for the benefitted employees

Havells India Limited Employees Gratuity Trust

(iii) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO

Shri Ameet Kumar Gupta, Director

Shri Sanjay Kumar Gupta, Company Secretary

iv) Non Executive Directors

Shri Vijay Kumar Chopra

Shri Avinash Parkash Gandhi (Retired on 18th Oct 2016)

Dr. Adarsh Kishore

Shri Sunil Behari Mathur (Retired on 24th May 2017)

Shri Surender Kumar Tuteja

Smt. Pratima Ram

Shri Vellayan Subbiah

Shri Puneet Bhatia

Shri T V Mohandas Pai

Shri Surjit Kumar Gupta

Shri Jalaj Ashwin Dani (w.e.f 16th Aug 2017)

Shri U K Sinha (w.e.f 1st Mar 2018)

(C) Transactions during the year

(₹ in crores)

		2017-18	2016-17
(i)	**Purchase of traded goods and stores and spares (Refer note (c) below)**		
	Joint Venture		
	Jiangsu Havells Sylvania Lighting Co. Limited	0.41	1.51
		0.41	**1.51**
(ii)	**Sale of products (Refer note (c) below)**		
	Enterprises in which directors are interested		
	QRG Central Hospital and Research Centre Ltd	0.19	-
	QRG Medicare limited	0.33	-
		0.52	**-**
(iii)	**Commission on sales**		
	Enterprises in which directors are interested		
	Guptajee and Company	**8.69**	**8.02**
(iv)	**Rent / Usage Charges Paid**		
	Enterprises in which directors are interested		
	QRG Enterprises Limited	**19.34**	**19.34**
(v)	**CSR Contribution**		
	Enterprises in which directors are interested		
	QRG Foundation	2.55	5.58
	The Vivekananda Ashrama	-	0.03
		2.55	**5.61**
(vi)	**Reimbursement of Expenses received**		
	Enterprises in which directors are interested		
	Guptajee & Company	**-**	**0.08**
(vii)	**Contribution to post employee benefit plan**		
	Havells India Limited Employees Gratuity Trust	**13.18**	**11.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(₹ in crores)

	2017-18	2016-17
(viii) Managerial remuneration		
Key Management Personnel		
Salaries, wages, bonus, commission and other benefits	32.36	25.89
Contribution towards PF, Family Pension and ESI	1.03	0.77
ESPP expense	5.03	3.46
Non-Executive Directors		
Director sitting fees	0.28	0.39
Commission	0.39	0.40
	39.09	**30.91**
(ix) Purchase of equity shares in Lloyd Consumer Private Limited		
Key Management Personnel (refer note below)		
Shri Anil Rai Gupta	0.00	-
Shri Ameet Kumar Gupta	0.00	-
	0.00	**-**

Note: During the year, the Company has purchased 500 equity shares of ₹ 10 each in Lloyd Consumer Private Limited from directors. Since the amounts are rounded off to the nearest crore of rupees upto two decimal places, hence the figure 0.00 represents the amount of ₹ 5,000/-

(D) Balances at the year end

(₹ in crores)

	As at March 31, 2018	As at March 31, 2017
Amount Payables		
(i) Joint Venturre		
Jiangsu Havells Sylvania Lighting Co. Ltd.	-	0.28
(ii) Enterprises in which directors exercise significant influence		
Guptajee & Company	3.29	2.11
	3.29	**2.39**

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 and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties .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) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the group as a whole, the amount pertaining to Key management personnel are not included above.

b) Purchase of goods and sale of goods has been reported gross off Value Added tax/Goods and Service Tax

11 Share based payments

(a) The Group had, vide special resolution passed by way of postal ballot on June 9, 2014 and by way of amendment to the "Havells Employees Stock Option Plan 2013" (ESOP 2013 or Plan) included Part B - "Havells Employees Stock Purchase Plan 2014 and renamed the plan as "Havells Employees Long Term Incentive Plan 2014" for granting Employees Stock Options in the form of Equity Shares to eligible employees. The purchase price of the options was approved on May 11, 2016 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were Granted and vested as on May 16, 2016. In accordance with the terms and conditions of the plan, the said options were exercisable within a period of 30 days from the date of vesting were settled by way of issue of equity shares. During the year 1,39,673 (March 31, 2017: 1,17,562

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

Equity Shares) of ₹ 1/- each were allotted to eligible employees under the said scheme at price of ₹ 502.15 (March 31, 2017: ₹ 345.65) per share (being market price of shares at close of business day immediately preceding the date of Nomination and Remuneration Committee meeting). As per the scheme, 50% of shares are under lock-in-period of 13 months and remaining 50% are under a lock-in-period of two years.

Further, as per the scheme, the Company shall pay 50% of issue price for differential bonus shares on issue of shares and 50% of employee contribution to eligible employees over a period of two years. Accordingly a sum of ₹ 3.04 crores has been recognised as employee stock option expense during the Financial Year. (Previous Year ₹ 1.78 cores)

(b) The Group had, vide special resolution passed by way of postal ballot on December 4, 2015 "Havells Employees Stock Purchase Plan 2015 for granting Employees Stock Options in the form of Equity Shares to eligible employees. The purchase price of the options was approved on May 11, 2017 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were Granted and vested as on May 16, 2017. In accordance with the terms and conditions of the plan, the said options were exercisable within a period of 30 days from the date of vesting and settled by way of issue of equity shares. During the year 1,50,000 (March 31, 2017: 1,50,000 Equity Shares) of ₹ 1/- each were allotted to eligible employees under the said scheme at ₹ 502.15 (March 31, 2017: ₹ 345.65) per share (being market price of shares at close of business day immediately preceding the date of Nomination and Remuneration Committee meeting). As per the scheme, 78% of shares are under lock-in-period of 13 months and remaining 22% are under a lock-in-period of two years.

Further, as per the scheme, the Company shall pay 100% of issue price to the eligible employees on issue of shares. Accordingly a sum of ₹ 7.53 crores has been recognised as employee stock purchase plan expense during the Financial year.(Previous Year ₹ 5.18 crores)

(c) The Group had, vide special resolution passed by way of postal ballot on July 13, 2016 "Havells Employees Stock Purchase Plan 2016 for granting Employees Stock Options in the form of Equity Shares to eligible employees. The purchase price of the options was approved on May 11, 2017 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were Granted and vested in three equal tranche. First tranche was vested on May 17, 2017. In accordance with the terms and conditions of the plan, the said options were exercisable within a period of 30 days from the date of vesting and settled by way of issue of equity shares. During the year First tranche 3,458 Equity Shares of ₹ 1/- each (March 31, 2017: NIL) were allotted to eligible employees under the said scheme at ₹ 502.15 per share (March 31, 2017: ₹ NIL) (being market price of shares at close of business day immediately preceding the date of Nomination and Remuneration Committee meeting). As per the scheme, these shares are under lock-in-period of 13 months

Further, as per the scheme, the Company shall pay 100% of issue price to the eligible employees on issue of shares. Accordingly a sum of ₹ 0.17 crores has been recognised as employee stock purchase plan expense during the financial year. (Previous Year NIL)

(i) Set out below is a summary of options granted under the plan:

Summary of Stock Options	2017-18		2016-17	
	Number of Stock Options	**Weighted average exercise price per share**	Total No. of Stock Options	Weighted average exercise price per share
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	10,377	502.15	-	-
Options vested and exercised during the year	3,458	502.15	-	-
Options outstanding at the end of the year	**6,919**	**-**	**-**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2018 was ₹ 471.20 per share.

No options expired during the period covered in the above table

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

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

Particulars	March 31, 2018	March 31, 2017
Grant date	May 17, 2017	NA
Expiry date	2019-20	NA
Outstanding share options	6919	NA
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	NA

The fair value at grant date of options granted during the year ended March 31, 2018 was ₹ 146.14 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 during the year ended March 31, 2018 included:

Particulars	March 31, 2018	March 31, 2017
Expected Price volatility of the company's share	30.71%	NA
Expected Dividend Yield	0.65%	NA
Share price at the grant date	₹ 502.15	NA
Risk free interest rate	7.50%	NA

((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.

12 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of ₹ 14.95 crores (March 31, 2017: ₹ 13.37 crores) towards this cause and charged the same to the Statement of Profit And Loss. The funds are primary allocated to QRG foundation, a society registered under section 12A of the Income Tax Act, 1961 for undertaking Mid-Day meal scheme and Aga Khan Foundation India, a private non-profit foundation registered u/s 592 of Companies Act, 2013. it is engaged in restoration and conservation of various heritage monuments.

(₹ in crores)

	March 31, 2018	March 31, 2017
Details of CSR Expenditure:		
a) Gross amount required to be spent by the Group during the year	14.82	13.26

b) Amount spent during year

	Amount spent		Amount yet to be spent		Total	
	2018	2017	**2018**	2017	**2018**	2017
(i) Construction/ acquisition of assets	2.43	8.61	-	-	2.43	8.61
(ii) Contribution to Trust/Universities	2.55	4.28	-	-	2.55	4.28
(iii) On Purpose other than above	9.97	0.48	-	-	9.97	0.48
	14.95	**13.37**	**-**	**-**	**14.95**	**13.37**

13 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group’s financial instruments and investment property:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

	Carrying Value		Fair Value	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Investment property valued at cost				
Investment property	53.79	55.92	88.65	87.13
Financial assets at amortised cost				
Cash and bank balances (Current)	1,561.57	1,974.47	1,561.57	1,974.47
Trade Receivables	327.75	230.68	327.75	230.68
Other Bank balance (Non-Current)	0.41	-	0.41	-
Investments in Quoted Bonds	-	161.66	-	164.70
Other Financial Assets (Current)	28.36	6.32	28.36	6.32
Other Financial Assets (Non-Current)	17.62	14.00	17.62	14.00
	1,935.71	**2,387.13**	**1,935.71**	**2,390.17**
Financial Liabilities at amortised cost				
Trade Payables	1,640.01	633.45	1,640.01	633.45
Borrowings (Current)	34.38	208.33	34.38	208.33
Borrowings (Non-Current)	81.00	-	81.00	-
Other financial liabilities (Non-Current)	5.48	2.93	5.48	2.93
Other financial liabilities (Current)	561.96	445.40	561.96	445.40
	2,322.83	**1,290.11**	**2,322.83**	**1,290.11**

The fair value of the 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 Group had determined classification of quoted bonds invested with National Highway Authority of India as subsequently measured at amortised cost in previous year since the Group expected to hold the investment upto maturity and receive the principal and interest amount as per defined term of investment. However, during the year the Group has prematurely sold the said bonds in open market to fund the acquisition of business. Accordingly, the gain of ₹ 18.49 crores has been recorded in "other income".

2) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecasted cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. 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.

3) The fair values of the Group's interest-bearing borrowings and loans are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2018 was assessed to be insignificant.

4) 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.

5) The group enters into derivative financial instruments with various counterparties. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

6) The Group has obtained independent valuation for its investment property as at March 31, 2018 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Group shall continue to operate and run the assets to have economic utility. The fair value is on "as is where" basis. All resulting fair value estimates for investment property are included in Level 3.

7) The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2018, are as shown below:

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018

	Carrying Value As at March 31, 2018	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	53.79	-	-	88.65
Assets carried at amortised cost for which fair value are disclosed				
Cash and bank balances (Current)	1,561.57	1,561.57	-	-
Other Financial Assets (Current)	28.36	-	-	28.36
Trade Receivables	327.75	-	-	327.75
Other financial assets (non-current)	17.62	-	-	17.62
Other bank balances (non-current)	0.41	0.41	-	-
Liabilities carried at amortised cost for which fair values are disclosed				
Trade Payables	1,640.01	-	-	1,640.01
Borrowings (current)	34.38	-	-	34.38
Borrowings (non-current)	81.00	-	-	81.00
Other financial liabilities (non-current)	5.48	-	-	5.48
Other financial liabilities (current)	561.96	-	-	561.96

	Carrying Value March 31, 2017	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	55.92	-	-	87.13
Assets carried at amortised cost for which fair values are disclosed				
Cash and bank balances	1,974.47	1,974.47	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

	Carrying Value March 31, 2017	Fair Value		
		Level 1	Level 2	Level 3
Other Financial Assets (current)	6.32	-	-	6.32
Investments in Quoted Bonds	161.66	164.7	-	-
Trade Receivables	230.68	-	-	230.68
Other financial assets (non-current)	14.00	-	-	14.00
Liabilities carried at amortised cost for which fair values are disclosed				
Trade Payables	633.45	-	-	633.45
Borrowings (current)	208.33	-	-	208.33
Other financial liabilities (non-current)	2.93	-	-	2.93
Other financial liabilities (current)	445.40	-	-	445.40

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

14 Financial risk management objectives and policies

The Group’s principal financial liabilities, other than derivatives, 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 loans, trade and other receivables, and cash and cash equivalents that derive 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 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.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised 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 analyses 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, 2018.

(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 and the Group's net investment in foreign subsidiaries). Foreign currency exchange rate exposure is party balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, AED, NPR, JPY, CHF & GBP exchange rates, with all other variables held constant. The impact on the Group's 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:

(₹ in crores)

Currency	Currency Symbol	**March 31, 2018**		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	**Indian Rupees**	1% increase	1% decrease
Nepalese Rupee	NPR	NPR (0.05)	(0.03)	(0.00)	0.00
United States Dollar	USD	$(4.92)	(319.45)	(3.19)	3.19
EURO	EUR	€ 0.07	5.50	0.06	(0.06)
Arab Emirates Dirham	AED	AED (0.01)	(0.32)	(0.00)	0.00
Kenyan Shilling	KES	KES (0.01)	(0.00)	(0.00)	0.00

(₹ in crores)

Description of Currency	Currency Symbol	March 31, 2017		Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Nepalese Rupee	NPR	NPR (0.03)	(0.02)	(0.00)	0.00
United States Dollar	USD	$(0.20)	(12.39)	(0.12)	0.12
EURO	EUR	€ (0.07)	(5.10)	(0.05)	0.05
Arab Emirates Dirham	AED	AED (0.02)	(0.31)	(0.00)	0.00

(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, 2018 comprise of term loan and working capital demand loan.

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 after considering the impact of interest rate swaps.

	March 31, 2018		March 31, 2017	
	Increase/ decrease in basis points	**Impact on profit before tax**	Increase/ decrease in basis points	Impact on profit before tax
Term Loan/External Commercial Borrowing	+0.50	(0.54)	+0.50	(0.33)
	-0.50	0.54	-0.50	0.33
Working capital demand loan from bank	+0.50	(0.03)	+0.50	(0.01)
	-0.50	0.03	-0.50	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

(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. Due to the significantly increased volatility of the price of the Copper and aluminium, the Group has entered into various purchase contracts for these material for which there is an active market. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price of for each month.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

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. As at March 31, 2018, the Group had 65.25% (March 31,2017: 66.00%) of its trade receivable discounted from banks under Trade Receivable buyout facility. Out of the remaining debtors, the Company has 10 customers that owed the Company approx. ₹ 213.02 crores (March 31, 2017 : ₹ 166.90 crores) and accounted for 62.74% (March 31,2017 : 73.00%) of remaining trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 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, 2018	As at March 31, 2017
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Investments in bonds	-	161.66
Cash and cash equivalents (Current)	336.46	591.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

Other bank balances (Current)	1,225.11	1,382.59
Other bank balances (Non-current)	0.41	-
Others Non Current financial assets	17.62	14.00
Others Current financial assets	28.36	6.32
	1,607.96	**2,156.45**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	327.75	230.68
	327.75	**230.68**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

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

(₹ in crores)

Particulars	**As at March 31, 2018**	As at March 31, 2017
Neither past due nor impaired	167.79	92.19
0 to 180 days due past due date	98.29	107.68
More than 180 days past due date	61.67	30.81
Total Trade Receivables	**327.75**	**230.68**

The following table summarises the change in loss allowance measured using the life time expected credit loss model:-

(₹ in crores)

Particulars	**As at March 31, 2018**	As at March 31, 2017
As at the beginning of year	12.25	44.47
Provision during the year	7.86	6.00
Bad debts Written off	-	-
Reversal of provision	(2.27)	(2.63)
Transfer on account of disposal of subsidiary	-	(35.63)
Exchange loss/(gain) during the year	(0.01)	0.04
As at the end of year	**17.83**	**12.25**

(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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

As at March 31, 2018	Less than 1 year	1 to 5years	Total
Borrowings	34.38	81.00	115.38
Trade payables	1,640.01	-	1,640.01
Other financial liabilities	561.96	5.48	567.44
As at March 31, 2017	**Less than 1 year**	**1 to 5years**	**Total**
Borrowings	208.33	-	208.33
Trade payables	633.45	-	633.45
Other financial liabilities	445.40	2.93	448.33

15 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, 2018 and March 31, 2017. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

(₹ in crores)

Particulars	March 31, 2018	March 31, 2017
Loans and borrowings {refer note 13(A) and 17(A)}	115.38	208.33
Cash and cash equivalents {refer note 9(B)}	(336.46)	(591.88)
Net Debt	**(221.08)**	**(383.55)**
Equity	3,729.16	3,276.82
Total Capital	**3,729.16**	**3,276.82**
Total Capital and Net Debt	**3,508.08**	**2,893.27**
Gearing ratio (Net Debt/Capital and Net Debt)	**-6.30%**	**-13.26%**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and March 31, 2017

16 Earnings per share

(₹ in crores)

		Year ended March 31, 2018	Year ended March 31, 2017
a)	**Basic Earnings per share**		
	Numerator for earnings per share		
	Profit attributable to equity holders of the parent:		
	Continuing operations	673.48	482.59
	Discontinued operations	(12.51)	11.94
		660.97	**494.53**
	Denominator for earnings per share		
	Weighted average number of equity shares outstanding during the year for basic earning per share	625,095,468	624,808,427
	Effect of dilution		
	Share options	6,246	-
	Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	**625,101,714**	**624,808,427**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018

Earnings per equity share from continuing operations		
(nominal value of share ₹ 1/-)		
Basic (₹)	10.77	7.72
Diluted (₹)	10.77	7.72
Earnings per equity share from discontinued operations		
(nominal value of share ₹ 1/-)		
Basic (₹)	(0.20)	0.19
Diluted (₹)	(0.20)	0.19
Earnings per equity share from continuing and discontinued operations		
(nominal value of share ₹1/-)		
Basic (₹)	10.57	7.91
Diluted (₹)	10.57	7.91

Note: During the previous year, there was no instruments issued by the Company which had effect of dilution of basic earning per share

17 Dividend Paid And Proposed

(₹ in crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend declared and paid during the year:		
Final Dividend paid for the year ended March 31,2017 ₹ 3.50/- per share (March 31, 2016 : ₹ 3/- per share)	218.80	187.46
Corporate Dividend Tax on Final Dividend	44.54	38.17
	263.34	**225.63**
Proposed Dividends on equity shares:		
Final Dividend for the year ended March 31,2018 ₹ 4/- per share (March 31,2017: ₹ 3.5/- per share)	250.06	218.70
Corporate Dividend Tax on proposed dividend	51.40	44.52
	301.46	**263.22**

18 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

19 The comparative figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year numbers.

20 Note No.1 to 32 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Date: May 11, 2018
Place: Noida

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sachin Sharma
Executive Vice President (Finance)

Sanjay Kumar Gupta
Company Secretary

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	Invest-ment other than Subsi-diaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	OCI	Total OCI	Proposed Dividend	% of Share-holding
				Currency	Exchange Rate														
1	Havells Holdings Limited	Isle of Man	31/03/2018	EURO	80.62	13.65	(11.36)	50.66	48.37	2.29	-	-	17.51	-	17.51	7.56	25.07	-	100%
2	Havells International Limited	Malta	31/03/2018	EURO	80.62	135.67	(133.69)	24.86	22.88	1.98	-	-	(61.21)	-	(61.21)	0.42	(60.79)	-	100%
3	Havells Sylvania Brasil Iluminacao Ltda.	Brazil	31/03/2018	BRL	19.60	427.93	(379.98)	86.92	38.97	47.95	-	42.65	39.70	-	39.70	(0.22)	39.48	-	100%
4	Havells Sylvania (Thailand) Ltd.	Thailand	31/03/2018	THB	1.97	20.94	(0.13)	48.57	27.76	20.81	-	51.69	(1.74)	-	(1.74)	1.28	(0.46)	-	100%
5	Thai Lighting Assets Co. Ltd.	Thailand	31/03/2018	THB	1.97	11.55	(10.91)	0.77	0.13	0.64	-	-	(10.44)	-	(10.44)	(0.04)	(10.48)	-	49%
6	Havells USA Inc.	USA	31/03/2018	USD	65.10	9.93	(9.93)	-	-	-	-	-	13.15	-	13.15	0.07	13.22	-	100%
7	Havells Sylvania Iluminacion (Chile) Ltda	Chile	31/03/2018	CLP	0.11	3.88	(3.88)	-	-	-	-	-	4.01	-	4.01	(0.13)	3.88	-	100%
8	Standard Electrical Limited	India	31/03/2018	INR	1.00	0.05	0.00	0.05	0.00	0.05	-	0.00	0.00	0.00	0.00	0.00	0.00	-	100%
9	Havells Global Limited	India	31/03/2018	INR	1.00	0.05	0.00	0.05	0.00	0.05	-	0.00	0.00	0.00	0.00	0.00	0.00	-	100%
10	Promptec Renewable Energy Solutions Private Limited	India	31/03/2018	INR	1.00	2.64	8.48	26.50	15.38	11.12	-	55.56	(2.87)	1.63	(4.50)	(0.04)	(4.54)	-	68.93%
11	Havells Guanzhou International Limited	China	31/03/2018	CNY	9.78	0.45	0.16	1.27	0.66	0.61	-	-	0.18	0.02	0.16	-	0.16	-	100%
12	Havells Exim Limited	Hongkong	31/03/2018	USD	65.10	0.13	0.04	2.91	2.74	0.17	-	18.98	0.04	-	0.04	-	0.04	-	100%
13	Lloyd Consumer Private Limited	India	31/03/2018	INR	1.00	0.05	0.00	0.05	0.00	0.05	-	0.00	0.00	0.00	0.00	0.00	0.00	-	100%

Part "B" : Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

1	**Name of Joint Ventures**	Jiangsu Havells Sylvania Lighting Co. Ltd.
2	**Latest audited Balance Sheet Date**	31st December, 2017
3	**Shares of Joint Ventures held by the company on the year end**	50% in paid in capital
	Amount of Investment in Joint Venture	₹ 30.87 crores (Fair Value of ₹ 16.21 crores) (Refer note no. 32(2)(c))
	Extend of Holding %	50%
4	**Description of how there is significant influence**	Havells India Ltd. holds 50% of total capital contribution in Jiangsu Havells Sylvania Lighting Co. Ltd.
5	**Reason why the associate/joint venture is not consolidated**	Held for Sale (Refer note no. 32(2)(c))
6	**Net worth attributable to shareholding as per latest audited Balance Sheet**	₹ 18.45 crores
7	**Profit / Loss for the year**	
	i. Considered in Consolidation	0
	ii. Not Considered in Consolidation	(₹ 13.29 crores)

For and on behalf of Board of Directors

Anil Rai Gupta	**Surjit Kumar Gupta**	**Rajesh Kumar Gupta**	**Sachin Sharma**	**Sanjay Kumar Gupta**
Chairman and Managing Director	Director	Director (Finance) and Group CFO	Executive Vice President (Finance)	Company Secretary
DIN: 00011892	DIN: 00002810	DIN: 00002842		

Date: May 11, 2018
Place: Noida

Progress at a Glance of Last 10 Years- Havells India Limited (Standalone)

(₹ in crores)

Performance for the Year	2009	2010	2011	2012	2013	2014	2015	2016*	2017*	2018*
Turnover (Gross)	2,333.82	2476.18**	3045.6**	3830.56**	4506.37**	5031.11**	5557.79**	5,775.42	6,585.96	8,260.27
Less: Excise Duty	135.46	104.77	163.95	214.95	281.38	311.42	319.10	397.10	450.70	121.70
Turnover (Net)	2,198.36	2,371.41	2,881.65	3,615.61	4,224.99	4,719.69	5,238.69	5,378.32	6,135.26	8,138.57
Profitability										
Earnings Before Interest, Depreciation, Taxes and Amortisation	196.82	305.48	337.30	459.07	534.86	641.60	699.10	756.31	824.14	1,049.29
Profit before Tax	167.27	290.31	309.87	373.81	457.18	595.10	646.25	909.03	768.83	1,014.70
Profit After Tax	145.23	228.16	242.05	305.43	371.39	478.69	464.94	712.03	539.04	712.52
Financial Position										
Share Capital	30.08	31.19	62.39	62.39	62.39	62.39	62.44	62.46	62.49	62.51
Other Equity	901.83	1,104.00	1,278.42	1,545.93	1,807.83	2,067.46	2,313.35	2,891.21	3,211.09	3,676.64
Loan funds	70.28	115.81	133.62	128.58	108.78	195.52	83.46	44.40	198.05	108.00
Other Liabilities	385.47	416.17	642.13	854.44	817.38	1,020.99	1,146.23	1,004.65	1,374.60	2,487.31
Gross Block	523.41	673.64	829.91	975.32	1,108.91	1,188.23	1,349.03	1,328.52	1,452.27	3,421.95
Net Block	465.48	601.23	730.30	833.95	913.54	934.06	1,007.32	1,208.56	1,221.74	2,755.42
Total investments	387.87	531.71	715.47	775.07	791.92	882.52	1,011.76	309.61	227.41	41.70
Cash and Bank Balance	157.37	68.23	49.18	136.21	246.54	626.16	522.34	1,365.21	1,937.53	1,526.17
Other Assets	394.00	509.79	675.23	901.72	906.28	955.36	1,107.43	1,205.60	1,573.31	2,218.12
Earning per share										
EPS-as reported	24.93	36.57	19.40	24.48	29.76	38.36	7.45	11.40	8.63	11.40
EPS-adjusted for bonus issue/split	2.49	3.66	3.88	4.90	5.95	7.67	7.45	11.40	8.63	11.40

**The financial results summary from financial year 2015-16 onwards are prepared in accordance with Ind-AS and financial results for other financial years are prepared as per the prevailing GAAP.*

***Turnover gross is after deducting turnover discount , incentive and rebates .*

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Havells India Limited

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001

Corp. Office: QRG Towers, 2D, Sector-126, Expressway, Noida - 201 304, (U.P.)

Ph.: +91-120-3331000, **Fax:** +91-120-3332000

Email: investors@havells.com, marketing@havells.com

www.havells.com

Consumer Care No.: 1800 11 0303, 1800 103 1313 (All Connections), 011-41660303 (Landline)
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