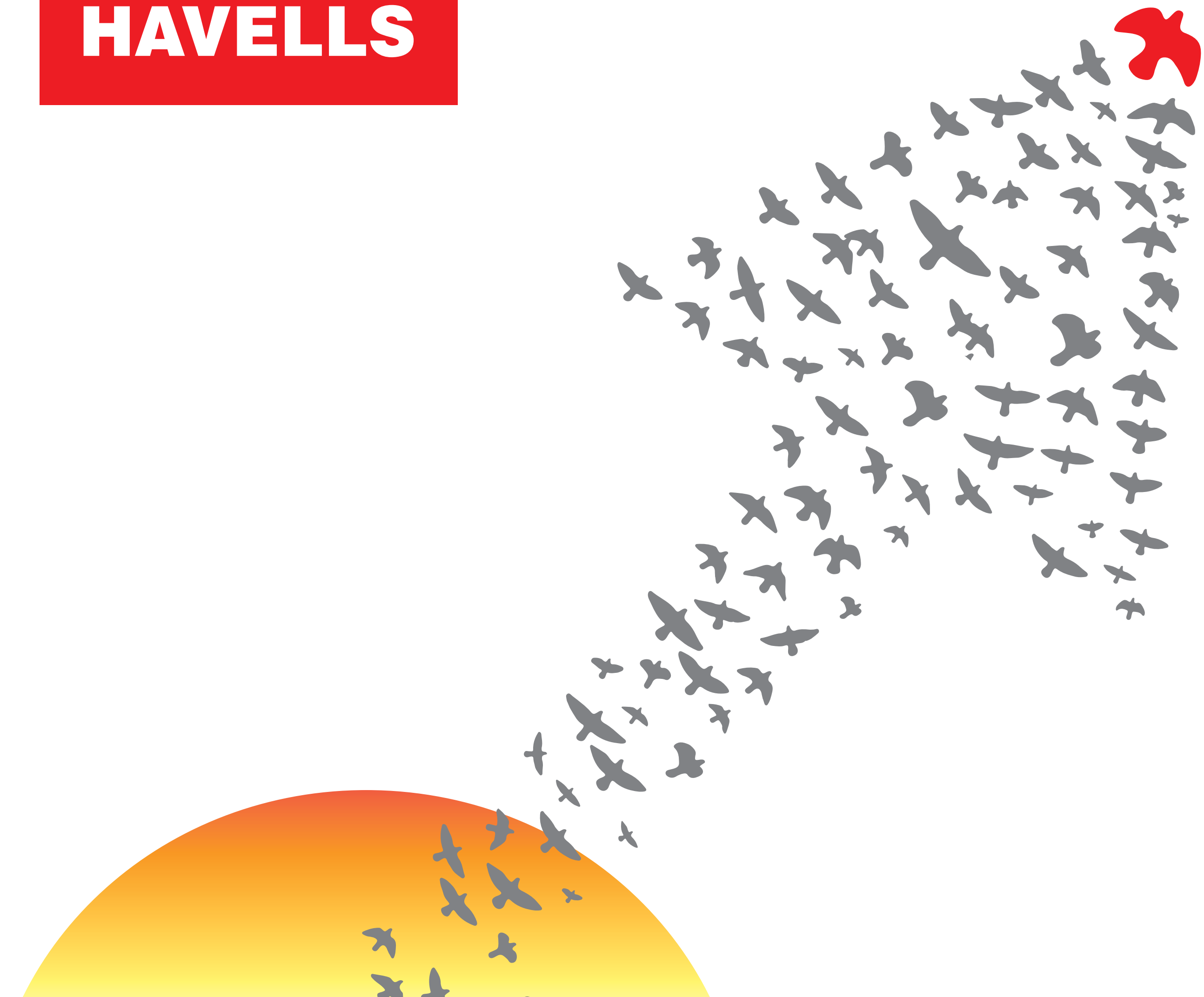
HAVELLS



Future in sight.
Tomorrow in vision.

Havells India Limited
33rd Annual Report 2015-16

Contents

Soaring on the wings of technology, guided by an insightful understanding of markets, products and customers, we have a clear vision for future growth that will take us further as we endeavour to delight customers, excite investors and inspire employees to achieve a future that promises to bear prosperity and purpose.

At Havells, we have the

FUTURE IN SIGHT. TOMORROW IN VISION.

Corporate Information

Company Secretary

Sanjay Gupta

Auditors

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

V. R. Bansal & Associates
Chartered Accountants
B-11, Sector - 2,
Noida - 201 301 (U.P.)

Bankers

Canara Bank
IDBI Bank Limited
Yes Bank Limited
Axis Bank Limited
Standard Chartered Bank
HSBC Bank Limited
HSBC Bank (Mauritius) Limited
ICICI Bank Limited
State Bank of India

Registrars and Share Transfer Agent

Link Intime India Private Limited
44, 2nd Floor, Naraina Community Centre Phase I,
Near PVR Cinema, New Delhi - 110 028
Tel: 011-41410592, 011-41410593
Fax: 011-41410591
Email: delhi@linkintime.co.in

Listed on

National Stock Exchange of India Limited
BSE Limited

Registered Office

1, Raj Narain Marg, Civil Lines,
Delhi - 110 054

Corporate Office

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

The Board of Directors

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

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

Surjit Kumar Gupta
Non-Independent
Non-Executive Director

Pratima Ram
Independent Director

Ameet Kumar Gupta
Whole-time Director

A. P. Gandhi
Independent Director

The Havells Story:
Envisioning our Future and Working Towards it

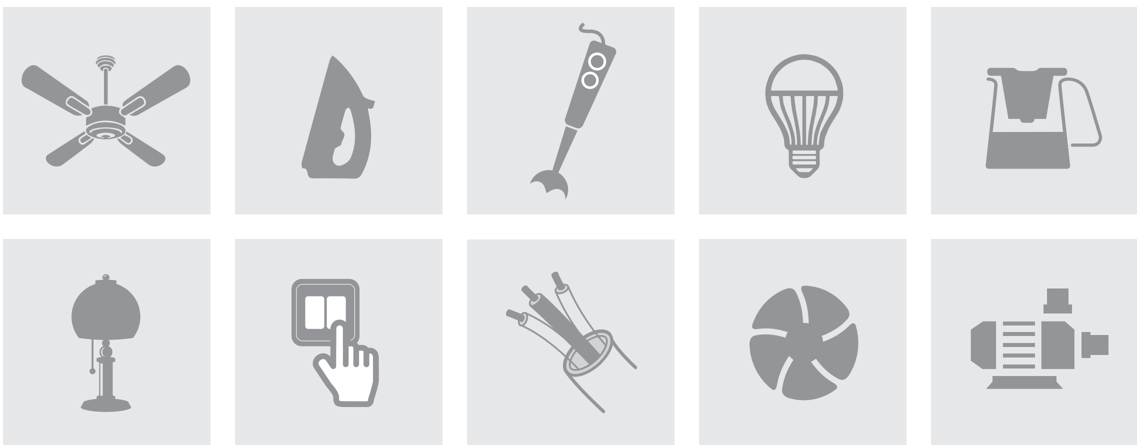
We set out with a vision to become a world-class manufacturer, with a product portfolio that is aligned with evolving consumer needs and aspirations.

Founded in 1958, barely over a decade after India achieved independence, we have seen our nation's growth story unfold and have been a part of it.

- We planned ahead.
- We understood our markets and consumer expectations.
- We conceptualised and crafted products to suit the needs of consumers.
- We invested in manufacturing capabilities and became self reliant.

We contributed to the country's development and benefited from it too.

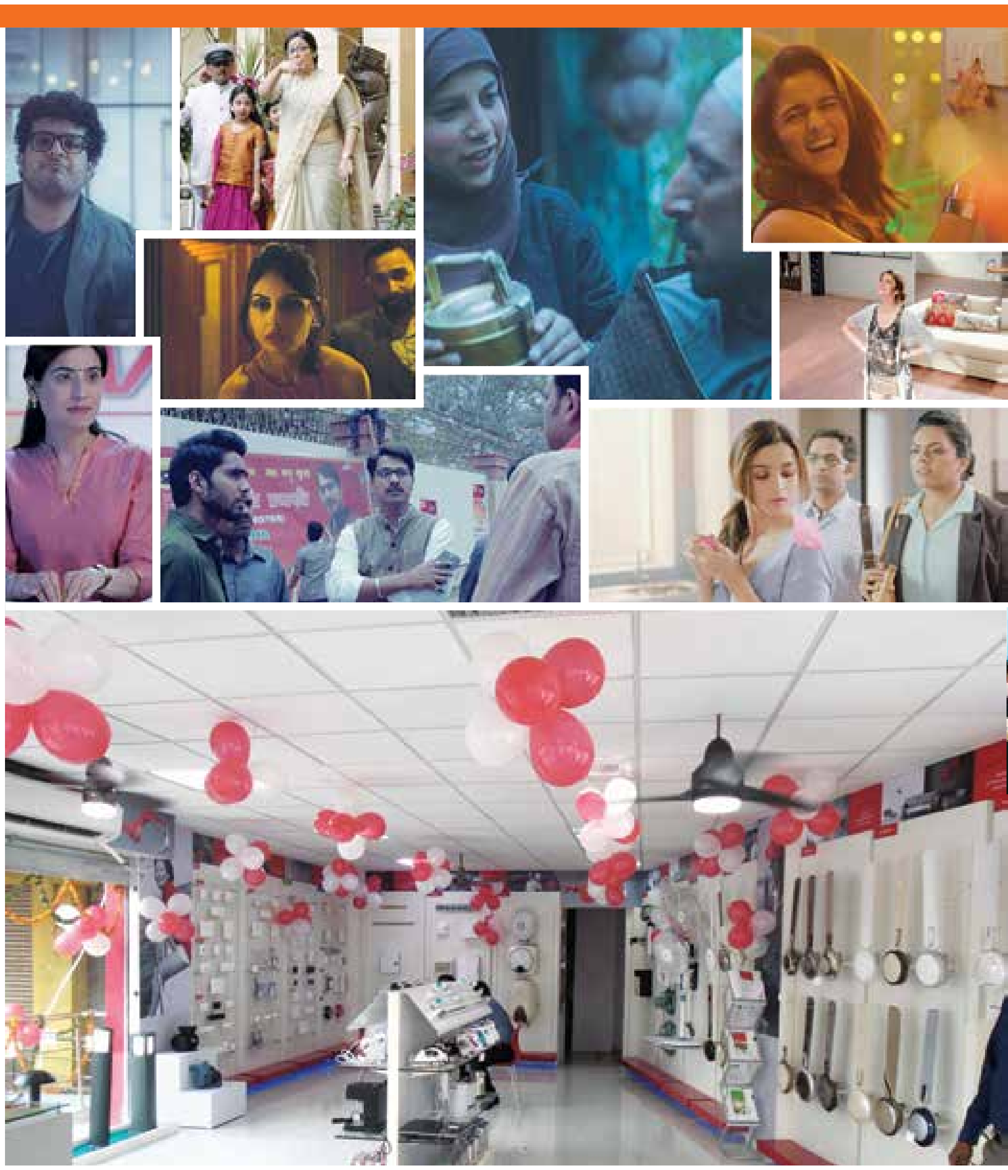
Today, we are a force to contend with, an FMEG company with products ranging from industrial and domestic circuit protection switchgear, cables and wires, motors, fans, power capacitors, compact fluorescent lamps, luminaires for domestic, commercial and industrial applications, modular switches covering household, commercial and industrial electrical needs, water heater and domestic appliances.



What makes us proud is that we offer our customers unique products that appeal to their progressive sense of style, safety and convenience.

The
FMEG Company

At Havells, we not only manufacture innovative products but have also redefined business practices which have helped us transform into a branded consumer company, benchmarked against the best in class, across industries.



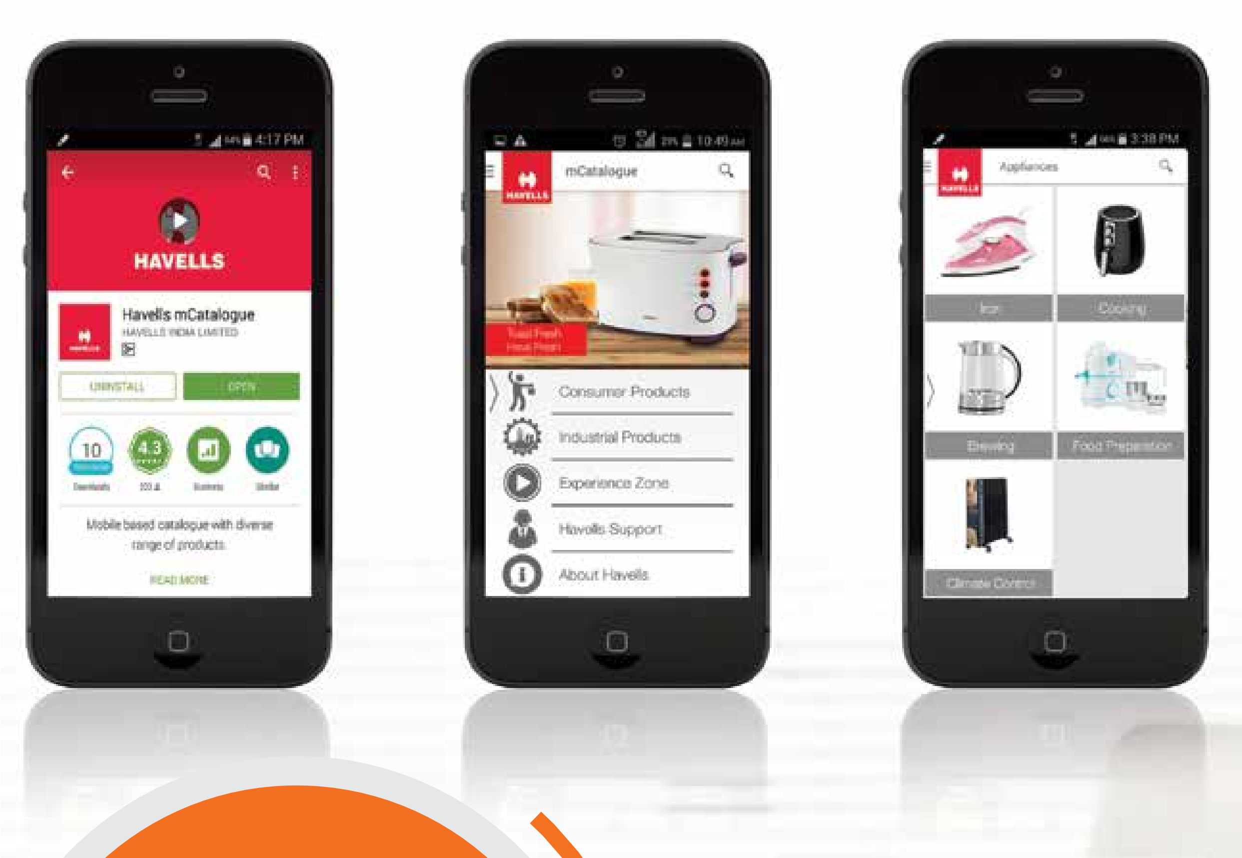
We define Fast Moving Electrical Goods company as:

- One that invests in the brand and sets high standards for the industry
- One in which distribution network is strong and wide
- One that efficiently manages working capital
- One that constantly refreshes product range to suit evolving consumer needs
- Whose product range enjoys recurring demand

We already live in that reality. We are an FMEG company in every sense of the word:

- Our brand enjoys top of the mind recall and has set higher standards for the industry
- We have the largest distribution network in the entire electrical industry
- One of the few companies in the electrical space to effectively use working capital
- Offer largest product portfolio that is constantly refreshed with new product launches
- Recurring demand goes hand in hand with the customer's lifestyle changes

Futuristic
Connect



Leveraging our networks and technology, we have created a 360° connect with our dealers, retailers, electricians and consumers.

Extensive involvement with target groups through m-commerce and e-commerce to ensure faster communication and wider reach.

M Catalogue - A mobile app with a unique augmented reality feature that helps the consumers visualise the product picture on the site of installation.

M Connect - A mobile app for trade partners.

1.5 Lac

Electricians in our network

375

Exclusive one-stop Galaxy showrooms

Adopting a participatory approach, our connect with retailers, electricians and consumers is strengthened through various initiatives...

Havells Galaxy - Around 375 exclusive one-stop showrooms.

Havells Sampark 2015 - Unique engagements for retailers.

Havells Power plus - Enabling us to repeatedly connect with over 1.5 lac electricians.

An integrated bouquet of products offered through the same channel helps in maximising shelf space, creates long-term bonding and ensures faster growth of the channel partners. It also offers wider range of products to customers.

To capture multiple customer universe and ensure exponential future growth, we spread our net wide and balance channel conflict by targeting various channels - B2G, online, B2B and B2C.

Appealing to new-age progressive consumers with products of the future

Aspirations for a better lifestyle amongst India's next-gen has led us to deliver home automation, intelligent lighting, super premium fans, state-of-the-art switchgears, remote-controlled water heaters, air purifiers and air fryers... and the list goes on as our drawing board is packed with innovative ideas.

We anticipated a change in aspirations as the natural outcome of the Indian growth story. So, we conceived and re-engineered our products as lifestyle statements rather than mere essentials.

Imbibing the nation's mission for sustainability, we are revamping our manufacturing capacities and technologies.

We spot emerging trends and innovate accordingly.

Our target audience is getting younger and more varied as decision making patterns within families are becoming more inclusive.

Today, we appeal to 45+year olds, young adults, homemakers, teenagers and even children.

When India reaps the demographic dividend, we are ready to ride the wave.

Supporting future sustainability

Havells has always been quick to adopt research and production of sustainable technology. Some testaments...

Water

- All plants having rainwater harvesting facilities
- 5 zero discharge facilities
- Reduced water consumption by 50,000 kL across all plants

Energy

- Energy audits conducted at all plants
- ISO 50001 being adopted at all plants
- Improving energy efficiency resulting in saving 4 million kWh across our plants
- Adopted LED lighting at all our plants

Materials

- Reduced use of hazardous materials in packaging and process by 20%, e.g. Thermocol, Silicon Spray, etc.
- Reduced wood consumption for packaging

World Class Manufacturing

- Most facilities certified for ISO 9001, 14001 and 50001, along with OHSAS 18001
- Focus on automation

Greenhouse Gas emissions

- Adoption of bio-fuels at 5 plants
- Optimisation of logistics resulting in reduced miles and costs
- Use of solar lighting in Faridabad plant

And the list goes on...

Looking at emerging growth hot spots (tier 2-3 cities)

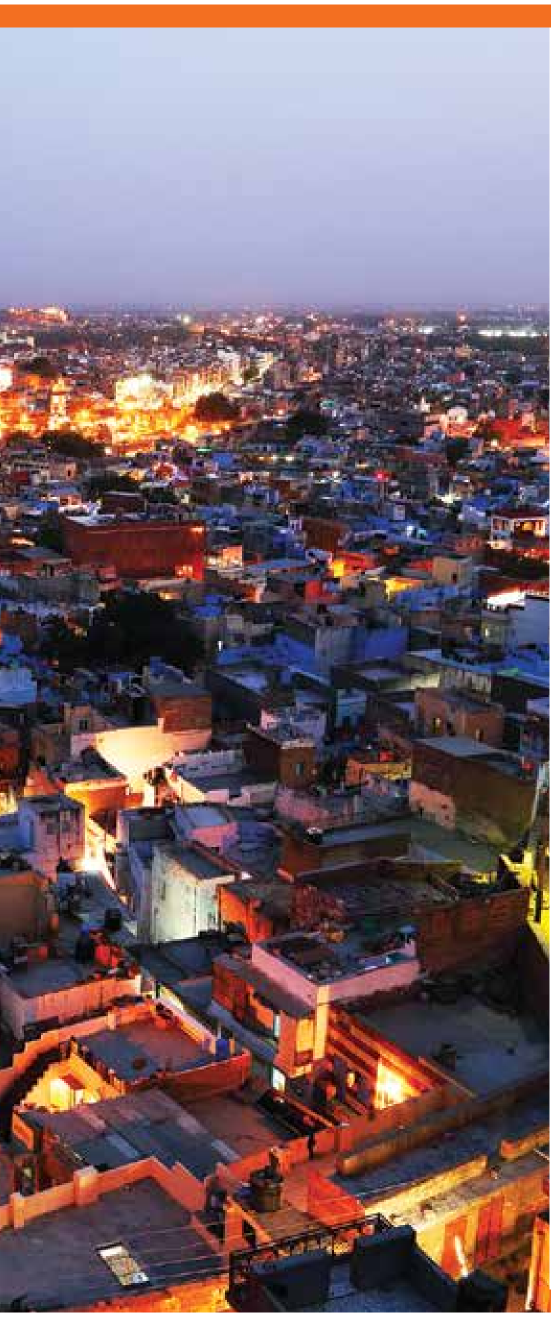
8,000 towns,

6,30,000 villages,

over **8 million** stores

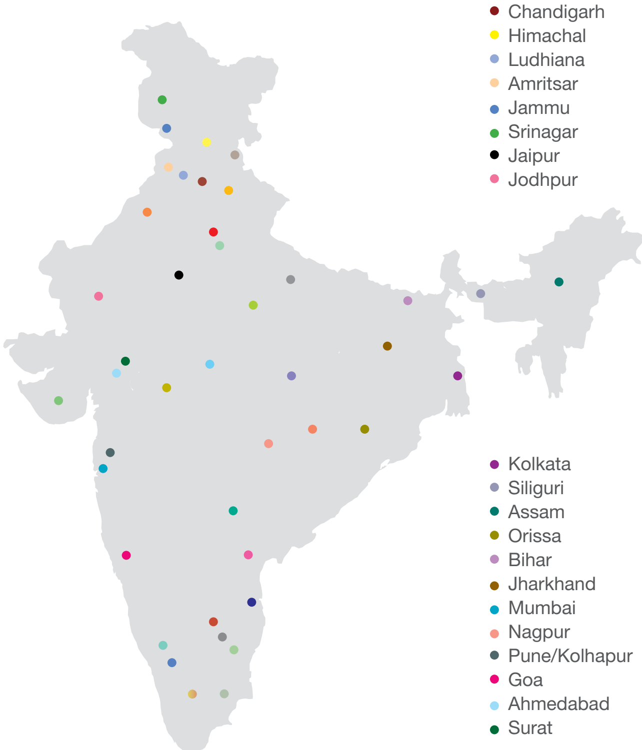
and **1.2 billion** people

The next incremental wave of growth will come from 'small town India' where demand for lifestyle products has just begun. As incomes rise and exposure increases, tier II and tier III towns could well overshadow the current pool of consumers.



Anticipating these dynamics, we reach out to dealers, retailers, electricians and consumers in tier II, III and IV towns by building bonds with them via technological platforms.

List of 43 branches in India



- Delhi
- Haryana
- Chandigarh
- Himachal
- Ludhiana
- Amritsar
- Jammu
- Srinagar
- Jaipur
- Jodhpur
- Noida
- Kanpur
- Lucknow
- Dehradun
- Haldwani
- Indore
- Bhopal
- Jabalpur
- Chhatisgarh
- Kolkata
- Siliguri
- Assam
- Orissa
- Bihar
- Jharkhand
- Mumbai
- Nagpur
- Pune/Kolhapur
- Goa
- Ahmedabad
- Surat
- Rajkot
- Hyderabad
- Vijayawada
- Bangalore/Hubli
- Chennai
- Trichy
- Coimbatore
- Madurai
- Cochin
- Calicut
- Trivandrum

NOT TO SCALE - FOR ILLUSTRATION PURPOSE

Our tomorrow is tied together as we help each other soar.

Future Ready Management

With the progressive approach of the young, energetic and visionary management team which percolates to every fraction of the company, we have the ability to weather business storms and ride economic waves.

The management has long focussed on financial prudence, good governance and continues to emphasize on:

Financial discipline: With our prudent and innovative approach in managing our finances, we have delivered high ROI and profitability and efficient capital management.

Proactive investments: Our high investments in state-of-the-art infrastructure and brand have driven growth.

Price discipline and cost efficiencies across business verticals: This has infused transparency, objectivity and uniform policies from Kashmir to Kanyakumari.

Our management's long-term focus has enabled us to stay ahead of the industry in terms of production, growth and market presence as well as profitability and margins.

CSR because
we have always cared

We have always believed that a business is an active entity of society and economy, and plays an important role in nation-building.

We have viewed our Corporate Social Responsibility (CSR) activities as a honour rather than an obligation.

Children are the future of the nation and hence, nothing can parallel their safety, proper nourishment and care. With this thought, we have focussed on providing mid-day meals to 57,000 children in 672 schools.

Concern for their health and hygiene has prompted us to set up 816 toilets in 102 schools so far and we pledge to construct another 800 toilets in 100 additional schools in the next one year.

Having a strong belief in sustainable CSR, we have made tables and benches from waste wood and provided them to government schools in Haridwar. We have supplied 100 benches across schools, within the vicinity of our plant.

Additionally, our interest in protecting the environment has led us to planting trees, recycling of waste and adoption of public parks.

Through all these activities we seek to provide our posterity with a brighter future.

Ready for the future

Our financials reflect strong cash flows...

Our revenues grew by 4% over the last financial year, while our profit before tax and exceptional item grew by 10%.

Further, we are insulated against wide forex fluctuation as we derive 91% of revenue from in-house manufacturing.

Our manufacturing facilities are future ready...

- Defying industry convention, we have invested significantly in 12 large scale, state-of-the-art plants
- Continuously enhancing capacity to serve future needs

Our marketing strategy is in place with a strong brand and network...

Beyond tech-connect and participatory activities, we focus on providing confidence to dealers and consumers. As a result, we enjoy critical and strategic swiftness to harness market opportunities, bridging gaps and satiating demand. Our marketing spend at ₹ 179 crores for the year - by far the highest in the FMEG industry. This endorses our commitment to our brand and network.

Against this backdrop, we are excited to seize opportunities that emerge from India's growth, in terms of the development of Smart cities and sustainable infrastructure as well as demand from overseas that spring up from global revival.

Always a step ahead

1958
- Commenced trading operations in Delhi

1971
- Bought Havells brand

1976
- Set up the first manufacturing plant for Rewirable Switches and Changeover Switches at Kirti Nagar, Delhi

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

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

1983
- Havells India Ltd. was incorporated on 08.08.1983
- Acquired Towers and Transformers Ltd. and turned it into a profitable manufacturing Energy Meters company in one year

1987
- Started manufacturing MCBs at Badli, Delhi, in a Joint Venture with Geyer, Germany

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

1993
- Set up a manufacturing plant at Faridabad, Haryana for Control Gear Products
- Listed on both, the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE)

1997
- Acquired Electric Control & Switchboards at Noida, UP, for manufacturing customised packaged solutions

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

2000
- Acquired controlling stake in Duke Arnics Electronics (P) Limited, engaged in manufacturing of Electronic Meters - Single Phase, Three Phase, Multi Function, Tri Vectors
- Acquired controlling stake in an industry major – Standard Electricals Ltd.

2001
- Acquired business of Havells Industries Ltd.
- Acquired MCCB business of Crabtree India Ltd
- Merged ECS Limited in the Company

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

2003
- Launch of Fans, CFL and Lighting

2004
- Set up a plant for manufacturing Domestic Switchgear at Baddi, HP
- Set up a plant for manufacturing CFL at Faridabad, Haryana
- Set up a plant for manufacturing Ceiling Fans at Noida, UP
- Set up a marketing office in London through wholly owned subsidiary company Havells U.K. Ltd.
- In December 2004, placed 235 fully convertible debentures of ₹ 10 Lacs on M/s. Shine Ltd., Mauritius
- Attained CE certificate for CFL

2005
- Set up another unit in Haridwar, Uttarakhand for manufacturing Fans
- Set up R&D Centre at Noida H.O.
- Started Mid-Day Meal programme at Alwar, Rajasthan with 1,500 students
- Awarded KEMA certification by The Dutch Council for Accreditation, making QRG the only group to attain this certification

2006
- Added CFL production unit in Haridwar plant

- Expansion at Alwar manufacturing plant for increase of production capacity
- Expansion at Baddi plant and set up an Export Oriented Unit
- Crabtree India merged with Havells India
- First company to get the ISI Certification for complete range of CFLs

2007

- Set up Capacitor manufacturing plant in Noida, U.P., with capacity of 6,00,000 kVAr per month
- Acquired “Sylvania”, a global leader in lighting business; Havells turnover crossed US$ 1 billion
- Warburg Pincus, a global private equity firm and one of the largest investors in India, invested US $110 million in Havells India Ltd. Havells issued fresh shares to Warburg Pincus, representing approximately 11.2% of the fully diluted share capital of the company
- 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 a J.V. with Lafert of Spain in Neemrana
- First India CFL manufacturer to have adopted RoHS, (European norms on Restriction of Hazardous substances) in CFLs
- Set up Global Corporate office, QRG Towers in Noida
- Investment of ₹ 50 crores in Global Center for Research and Innovation (CRI)
- Change in Corporate Brand identity

2009

- Set up fully automatic 2nd unit for Switchgear manufacturing at Baddi
- Global consolidation of CFL manufacturing plant at Neemrana for domestic and export purposes
- Launch of India’s 1st HPF CFL
- Launch of India’s 1st BEE 5* Rated Fan

2010

- Set up 2nd unit for manufacturing Fans at Haridwar
- Set up world’s first new generation CMH Lamp Plant at Neemrana
- Acquired 100% interest in Standard Electricals
- Entered Electrical Water Heaters business
- Launched Havells brand in US & Mexico

2011

- Set up a new Industrial Switchgear Plant in Sahibabad
- Launched new range of Control Gear Cosmic Star series
- 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 in Neemrana
- Launched Copper Flexible Cables under the Standard brand
- Launched Crabtree XPRO Switchgear
- Entered new segment, Kit Kat switches, under the brand REO
- Expanded Baddi plant for manufacturing of Kit Kat Switches

2013

- First private cable & wire testing facility set up at Alwar plant
- Entered the business of Self Priming Monoblock Pumps
- Introduced first Sustainability Report
- Transfer Brand Rights to the Company

2014

- Introduced Premium Fans under Standard Brand
- Became the only company to manufacture entire range of Ceiling, Table, Pedestal and Wall (TPW) range of Fans in-house
- More than 270 Galaxies across the country

2015

- Pledged to build eco-friendly and sustainable toilets in over 300 Schools
- Introduced India’s First Brightest LED Lights ‘LUMENO’
- Reached a milestone of 375 Galaxy
- Launched the world’s most modern electric water heater plant in Neemrana
- Divested 80% stake in Sylvania
- Started in 2005, Mid-Day Meal scheme now stands extended to over 57,000 school children across 672 schools in Alwar district of Rajasthan

Worldwide
Presence

The map used is for informational purpose only and has not been prepared for, or be suitable for legal, engineering, or surveying purposes.


Kashmir
Jammu
Baddi
Ludhiana
Chandigarh
Haridwar
Dehradun
Haryana
Delhi
Alwar
Noida
Lucknow
Kanpur
Siliguri
Guwahati
Neemrana
Bhiwadi
Faridabad
Patna
Jodhpur
Ranchi
Jaipur
Jabalpur
Jamshedpur
Rajkot
Bhopal
Raipur
Kolkata
Ahmedabad
Indore
Surat
Nagpur
Bhubaneshwar
Mumbai
Pune
Hyderabad
Vishakhapatnam
Kolhapur
Vijayawada
Vizag
Hubli
Bangalore
Coimbatore
Chennai
Calicut
Trichy
Kochi
Madurai
Trivandrum
Nepal
Bhutan
Bangladesh
Myanmar
Vietnam
Thailand
Sri Lanka
Maldives
Malaysia
Seychelles
Mauritius
Australia
New Zealand
Global Head Quarters /Corporate Offices
Havells Manufacturing Locations
Alwar
Noida
Baddi
Haridwar
Faridabad
Neemrana
Sahibabad
Havells - Sales Locations

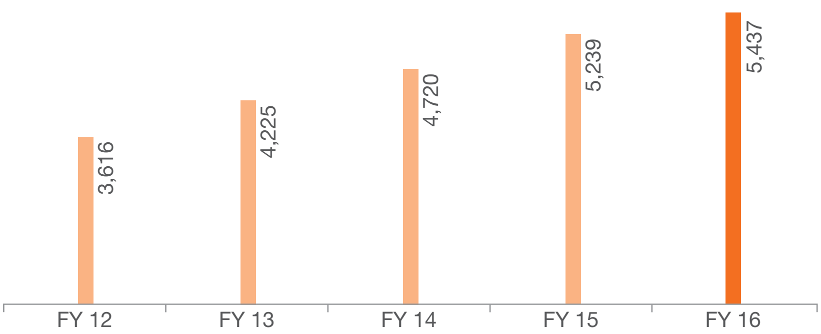
Results at a Glance

Staying focussed on our core strategy

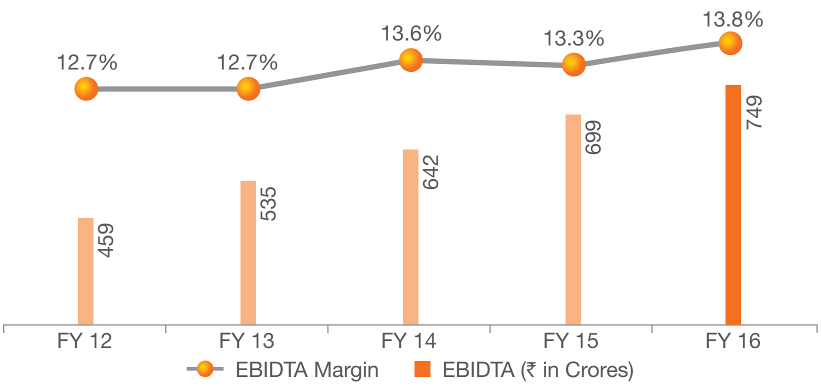
Despite volatility in the global macroeconomic environment, we envision a better future with focus on maintaining profitability and strengthening our dealer network. Our consumers' aspirational needs have been our beacon through good times and bad, enabling us to stay focussed on our future.

Net Revenue

(₹ in Crores)

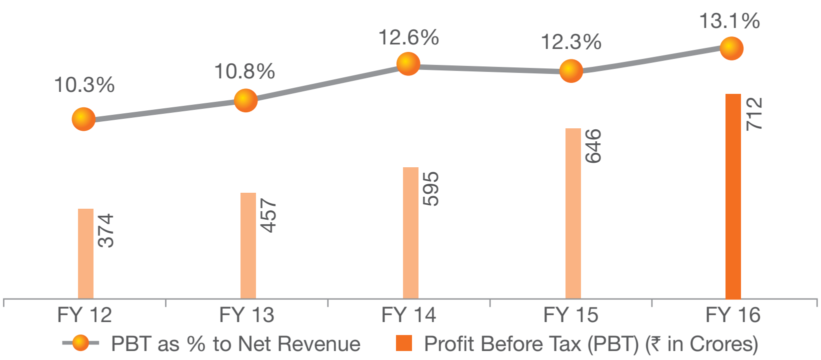


EBIDTA & EBIDTA Margin (%)

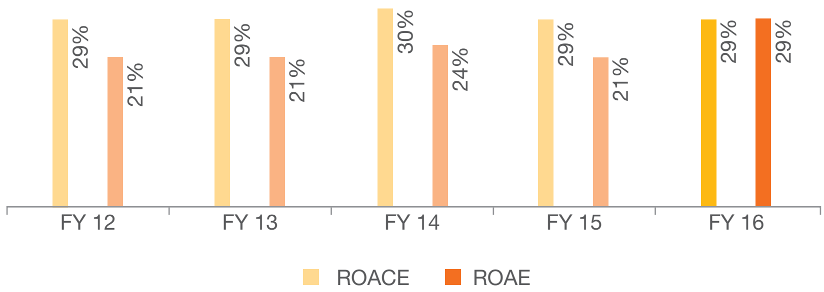


Earnings Before Interest, Depreciation, Tax & Amortisation.

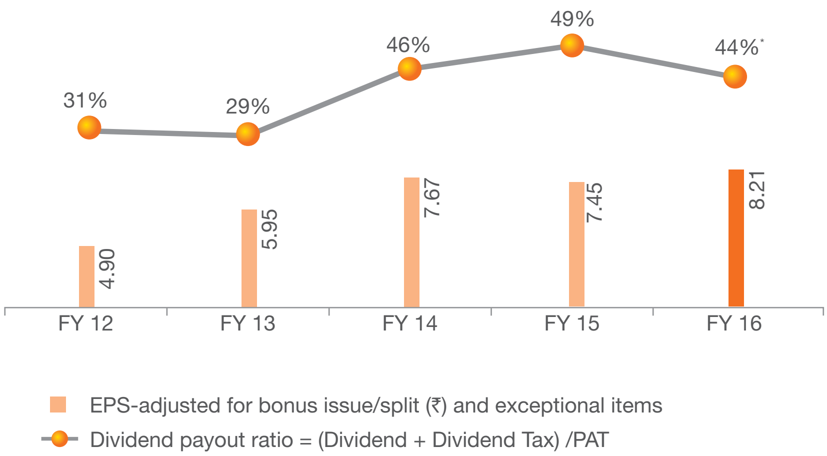
Profit (Before Tax and Exceptional Items) (PBT) & PBT as % to Net Revenue



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



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



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

Chairman's Letter

We remain focussed on growing our network. We have expanded our 'Galaxy' outlets to 375 stores across the country.

Dear Shareholders,

"Simplicity, Transparency and Trust" – the guiding philosophy of our management team – is a legacy that has been handed down to us from our late Founder Chairman, Shri Qimat Rai Gupta (QRG). A true visionary in every sense of the word, he left us with the wisdom that the consumer always comes first.

The global macroeconomic environment continues to be in a state of flux with recession in key developed economies, soft commodity prices, geo-political tensions and volatility in global financial markets causing uncertainty and trepidation.

In this environment, your Company's revenues grew by 4% over the last financial year. The profit before tax and exceptional item grew by 10%.

Given the flurry of initiatives taken by the Central government, including its focus on smart cities and industrial corridors as well as incentives for the housing sector in the budget, we expect to clock better growth in all our segments in the coming financial year.

Amidst the current macroeconomic setup, we continue to invest in our future and augment our brand building activities. Our focus continues to be on maintaining profit margins and strengthening of our dealer network. We are also fervently pursuing our initiatives to expand our visibility and reach out to tier-2 and tier-3 cities.

We registered a

100%

growth in revenues from our LED business

Havells has been committed to the "Make in India" initiative since 1976, when we set up our first manufacturing unit. Since then, we are constantly striving to become bigger and better and enhance our stakeholder connect. In line with this endeavour, in FY 2015-16 we have set up a manufacturing facility at Neemrana, Rajasthan. It is an ultra-modern electric water-heaters plant, designed to have minimal manual intervention, while significantly enhancing productivity. With this state-of-the-art plant, Havells now operates twelve manufacturing units in India. We also manufacture over 90% of our products in-house, which is a big step in realising our dream of self-sufficiency and our nation's mission to 'Make in India'.

We remain focussed on growing our network. During the year, new offices were opened at Srinagar, J&K and Raipur, Chhattisgarh and a premium range of switchgears was launched in Karnataka, Tamil Nadu, Chandigarh, Andhra Pradesh and Telangana. Our plant at Neemrana is equipped with the latest and best-in-class machines from Switzerland, Japan and Italy and offers a wide range of top quality products to our consumers. We have also unveiled a new logo for our line of products under the 'Standard' brand, to align it with the changing preferences of our consumers.

The LED lighting segment of our business continues on its high growth trajectory and looks promising in the coming quarters as well. Despite a high base, we registered a 100% growth in revenues from our LED business during the year and contribute 51% of our Lighting division. During the year, your Company enlarged its portfolio in this segment by working closely with Promptec Renewables Energy Solutions, a company we acquired in FY 2014-15. We are confident that a combination of the expected surge in consumer demand for this product and the government's push to LED and Solar lighting solutions will boost market sentiment and help us to achieve further growth in this business.

During the year, your Company successfully completed the divestment of 80% of its stake in Sylvania Malta to Shanghai Feilo Acoustics Co Ltd. Post this sale, we have renewed our focus on the Indian operations and your Company will continue to expand in the domestic market.

Your Company reaffirms its commitment to doing business in a responsible manner, fulfilling its social responsibilities with utmost passion and sincerity. We continue to serve mid-day meals to 57,000 school children everyday across 672 schools in Alwar, Rajasthan. We have also built 800 eco-friendly bio-toilets for the students till date and are hopeful this will help bring down the dropout rate, especially among girl students, and inculcate good hygiene habits amongst these children.

An ocean of opportunities lies before us and given our passion for what we do, your Company is confident of leveraging its assets and human capital to continue on the path of growth, profitability and firm customer orientation.

Our enduring success would not have been possible without the support and cooperation of our people, partners and associates. My heartfelt gratitude to the Board of Directors for their invaluable guidance throughout this exciting journey.

As I look ahead to the future, I see unprecedented opportunities as the Indian economy accelerates ahead. In the India of tomorrow, we envision reaching more consumers and bringing joy to their homes with top notch quality products across all segments of the FMEG industry.

At Havells, we assure you, we have the Future in Sight and Tomorrow in Vision.

Thanking you,

Yours truly

ANIL RAI GUPTA

Directors’ **Report**

To

The Members

Your Directors have pleasure in presenting their 33rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

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	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Net Sales	7,714.18	8,569.43	5,436.88	5,238.69
Other Income	86.25	50.46	68.74	52.21
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	886.46	771.59	816.62	751.33
Less:				
Depreciation and amortization expenses	126.67	138.66	92.22	87.51
Finance Costs	44.94	63.96	12.60	17.57
Profit before Tax and Exceptional Expenses	**714.85**	**568.97**	**711.80**	**646.25**
Add: Exceptional Items	724.02	-	202.39	-
Less: Tax	229.96	183.55	198.84	181.31
Net Profit for the year	**1,208.91**	**385.42**	**715.35**	**464.94**
Add: Balance brought forward from previous year	1,070.70	960.69	1,618.57	1,429.04
Less: Adjustment related to transitional provision as per Schedule II to the Companies Act, 2013	-	3.42	-	3.42
Less: Share of Profit transfer to minority	0.13	-	-	-
Profit available for appropriation	**2,279.48**	**1,342.69**	**2,333.92**	**1,890.56**
Appropriation of Profits				
Transfer to General Reserve	71.55	46.50	71.55	46.50
Interim (Special) Dividend	187.38	-	187.38	-
Proposed Dividend	187.38	187.35	187.38	187.35
Dividend for previous year	0.03	-	0.03	-
Corporate Dividend Tax	76.30	38.14	76.30	38.14
Balance carried over to Balance Sheet	1,756.84	1,070.70	1,811.28	1,618.57
	2,279.48	**1,342.69**	**2,333.92**	**1,890.56**

Havells, on a standalone basis achieved 4% growth in its net sales to ₹ 5,437 crores in 2015-16 as against ₹ 5,239 crores in 2014-15 with improvement in growth visible in second half at 8.6%. The sale growth in value terms was impacted by drop in commodity prices during the year 2015-16 offsetting higher volume growth in cable business.

The financial year 2015-16 embarked upon visible improvement in operating profit margins due to focused cost efficiency measures, price discipline and low commodity prices. Havells sustained its investment in brand and manpower to prepare for next growth phase. The operating profit before finance costs, depreciation and tax grew by 8.8% to ₹ 817 crores in financial year 2015-16 as compared to ₹ 751 crores in financial year 2014-15.

Profit after tax was ₹ 715 crores in year 2015-16 as compared to ₹ 465 crores of preceding year. Profit after tax includes exceptional item of ₹ 202 crores due to profit on stake sale of Sylvania, during financial year 2015-16. Increase in other income is due to interest earned on fund received from redemption/ sale of investment.

Each business segment shows growth over last year. Higher volume growth in cable division offset by drop in commodity prices. In lighting and fixture division new technology lighting i.e. LED grew by 100% during financial year 2015-16 as compared to financial year 2014-15 and comprised 51% of the total lighting segment. Havells has been able to capture the transition in lighting market from conventional lighting to LED by introducing leading products. Although drop in conventional lighting slowed down overall growth in lighting and fixture division.

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

Towards the end of the calendar year 2015, your Company, divested 80% stake in Sylvania to Shanghai Feilo Acoustics Co Ltd. The divestment is optimal for each stakeholder. Havells post divestment would realign its focus on domestic markets and growth.

Havells continues to invest in the future technology, products and people. During the year we launched smarter products that not only helped us connect better with the gen-next but also adhere to our core philosophy of providing energy efficient products. The Company launched some award winning products in the switchgear, LED and also marked its entry into air cooler and air purifiers thus strengthening its consumer durable business.

In the switchgear segment the Company launched award winning Euro II series of switchgear including super premium distribution boards. The new range has been designed, developed and manufactured entirely in the country. The Company strengthened its range of LED products like colour changing LED's, ambient dual colour LED's, Solar LED street lights to name a few. As we get ready for our next phase of growth, we intend to make our conventional products smarter using technologies such as 'Internet of Things'.

In the fiscal 15-16, we equipped our dealers with new technologies so that they are ready to take full advantage of upcoming products and solutions from the Company. We launched 'M-Connect' a mobile application for dealers helping them conduct business even on the go. In a short span of time this has not only added to the convenience but has become a great tool to enhance their productivity. The Company offered similar application with augment reality features to customers to enhance their experience with Havells products and make an informed choice.

Advertising has been one of the core differentiators for Havells. The Company came up with some of the most memorable yet relevant campaigns that helped it connect with the audience effectively. The brand Standard took the young bollywood actress, Alia Bhat as its brand ambassador positioning itself as a youthful and energetic brand. During the year the Company came up with some award winning campaigns for fans, domestic cables, Crabtree switches, LED and Standard fans. The Company spent ₹ 179 crores in advertising and brand initiatives during the year.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

During financial year 2015-16, the Company divested its international operations. Havells Holdings Limited, wholly owned subsidiary of the Company, completed 80% stake sale in its subsidiary Havells Malta Limited (excluding its subsidiaries based in United States, Brazil, Chile and Thailand) to INESA UK Limited, an affiliate of Shanghai Feilo Acoustics Co. Limited, a China based listed company at an agreed consideration of Euro 138.40 million (equivalent to ₹ 1,011.05 crores). Also the Company had sold its 80% stake in Havells Exim Limited, Hong Kong, a wholly owned subsidiary, to Shanghai Feilo Investment Ltd (a subsidiary of Shanghai Feilo Acoustics Co. Limited), at an agreed consideration of Euro 10.40 million (equivalent to ₹ 75.89 crores). The combined equity value for 100% stake for both the companies were Euro 186 million.

The profit on Divestment in stake as stated above has been disclosed as exceptional items in the financial statement.

(₹ in crores)

	Standalone	Consolidated
i) On account of Profit on disposal of stake in Havells Malta Limited	126.58	702.65
ii) On account of Profit on the disposal of stake in Havells Exim Limited	75.81	55.07
iii) Restructuring cost incurred	-	(33.70)
Total	**202.39**	**724.02**

The consolidated profit and loss account for the period ended 31st March, 2016 includes profit and loss account for all of these sold out subsidiaries and their further subsidiaries for the nine months ended 31st December, 2015.

As on 31st March, 2016, your Company has 8 (Eight) subsidiary companies, 2 (Two) being direct subsidiaries and the rest 6 (Six) step-down subsidiaries, all except 1 (One) of which are registered outside India. The consolidated profit and loss account for the period ended 31st March, 2016 includes the profit and loss account for these 8 (Eight) subsidiaries and the joint venture company for the complete financial year ended 31st March, 2016. The 2 (Two) Direct subsidiaries are -

1. Havells Holdings Limited based at Isle of Man. This entity is an SPV formed for the purpose of holding investments and mobilizing funds for the 6 (Six) step-down subsidiaries of the Company.

2. Promptec Renewable Energy Solutions Pvt. Ltd. based at Bangalore. This entity is engaged in marketing and manufacturing of LED products including street lighting, office lighting and Solar lighting.

The Board of Directors of the Company has, by Resolution passed in its Meeting held on 11th May, 2016, 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 and, where applicable, Listing Agreement 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 (AOC-1) annexed to the financial statements in the 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 made 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 in the head office of the Company and the respective offices of its subsidiary companies.

JOINT VENTURE

Your Company has a 50:50 joint venture in People's Republic of China with Shanghai Yaming Lighting Co. Ltd. under the name of Jiangsu Havells Sylvania Lighting Co. Ltd. (JV). This Joint Venture Company is created with an objective to use advanced technology, know-how and scientific management techniques for production of lighting lamps and fixtures and to sell it to Havells and its other affiliates.

Both the partners have made full investment in JV (USD 5.3 mn by each partner) as required by Joint Venture contract for its registered capital.

In Financial Year 2015-16, JV achieved sales of US$ 18.9 mn against US$ 19.9 mn in 2014-15 and the net profit for the year was 2.9% as against 4% in 2014-15.

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

Consequent to the divestment of 80% stake in Havells Malta Limited by Havells Holdings Limited, a wholly-owned subsidiary of the Company and divestment of 80% stake in Havells Exim Limited, a wholly-owned subsidiary of the Company, the following entities ceased to be subsidiaries of the Company:

Sr. No.	Name of the entity which ceased to be subsidiary
1	Havells Sylvania Argentina S.A.
2	Havells Sylvania Colombia S.A.
3	Havells Sylvania Venezuela C.A.
4	Havells Sylvania N.V. (Ecuador)
5	Havells Sylvania El Salvador S.A. de C.V.
6	Havells Sylvania Guatemala S.A.
7	Havells Mexico S.A. de C.V.
8	Panama Americas Trading Hub SA
9	Havells Sylvania Panama S.A.
10	Havells Sylvania Peru S.A.C.
11	Havells Sylvania Europe Ltd.
12	Havells Sylvania Spain S.A.
13	Havells Sylvania Portugal Lda.
14	Havells Sylvania Italy S.p.A.
15	Havells Sylvania Greece A.E.E.E.
16	Havells Sylvania Sweden A.B.
17	Havells Sylvania Norway A.S.
18	Havells Sylvania Finland OY
19	Havells Sylvania Tunisia S.A.R.L.
20	Havells Sylvania UK Ltd.
21	Havells Sylvania Fixtures UK Ltd.
22	Havells Sylvania Lighting Belgium N.V.
23	Havells Sylvania Poland S.p.z.o.o
24	Havells Sylvania Belgium B.V.B.A.
25	Havells Sylvania Germany GmbH
26	Havells Sylvania Fixtures Netherlands B.V.
27	Havells Sylvania Lighting France S.A.S.
28	Havells Sylvania France S.A.S.
29	Havells Sylvania Switzerland A.G.
30	SLI Europe B.V.
31	Sylvania Lighting International B.V.
32	Flowil International Lighting (Holding) B.V.
33	Guangzhou Havells Sylvania Enterprise Ltd.
34	Havells Sylvania Asia Pacific Ltd.
35	Havells Sylvania (Shanghai) Ltd
36	Havells Sylvania (Malaysia) Sdn. Bhd
37	Havells Sylvania Dubai FZCO
38	Havells Malta Ltd
39	Havell's Netherlands Holdings B.V.
40	Havell's Netherlands B.V.
41	Havells Sylvania Costa Rica S.A.
42	Havells Sylvania TR Elektrik Ürünleri Ticaret Limited Şirketi
43	PT Havells Sylvania Indonesia
44	Havells Sylvania South Africa Proprietary Limited
45	Havells Mexico Servicios Generales SA De CV
46	Havells Sylvania Export N.V.
47	Havells Sylvania Holdings BVI-1 Limited
48	Havells Sylvania Holdings BVI-2 Limited
49	Havells Exim Limited

After the divestment, Havells Malta Limited and Havells Exim Limited became Associate Companies of the Company.

During the financial year ended 31st March, 2016,

1. Promptec Renewable Energy Solutions Pvt. Ltd. became a subsidiary of the Company, with a majority stake of 51% held by the Company in it. Promptec is a Bangalore based company engaged in marketing and manufacturing of LED products including street lighting, office lighting and solar lighting.
2. Havells International Limited was incorporated in Malta during the financial year 2015-16 as a wholly owned subsidiary of Havells Holdings Limited. This entity was incorporated to hold the shares of subsidiaries carved out from the Sylvania divestment in January, 2016. It holds the shares of Havells Sylvania (Thailand) Limited, Thai Lighting Assets Co Ltd and Havells Sylvania Brasil Illuminacao Ltda.

4. RESERVES

Your Company proposes to carry ₹ 71.55 crores to the general reserve and retain ₹ 1,811.28 crores in the profit and loss account.

5. DIVIDEND

INTERIM (SPECIAL) DIVIDEND

Post the divestments carried out in January, 2016, as a balancing act of rewarding shareholders and preserving resources for further growth of the Company, both organically and inorganically, an Interim (Special) Dividend at the rate of ₹ 3/- per Equity Share of the face value of ₹ 1/- each was declared for the year 2015-16, resulting in an outflow of ₹ 225.53 crores (including Corporate Dividend Tax of ₹ 38.15 crores). The dividend amount was disbursed to all the Shareholders whose names were appearing in the Register of Members as on the Record date i.e. 11th February, 2016, fixed for the aforesaid purpose.

FINAL DIVIDEND

In addition to the Interim (Special) Dividend declared during the year, your Directors are pleased to recommend a Final Dividend @ ₹ 3/- per equity share for the year 2015-16. The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹ 225.53 crores (including Corporate Dividend Tax of ₹ 38.15 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 1st July, 2016, Friday, to 8th July, 2016, 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 "Part B - Havells Employees Stock Purchase Plan 2014" of the Havells Employees Long Term Incentive Plan 2014, which is administered by Havells Employees Welfare Trust, 1,17,562 Equity Shares of ₹ 1/- each, were approved for grant on 11th May, 2016 to the eligible employees, which, if exercised, shall result in an equivalent no. of Equity Shares of ₹ 1/- to be allotted to Eligible Employees of the Company under the Plan.

Further, pursuant to Havells Employees Stock Purchase Scheme 2015, which was instituted during the year, 1,50,000 Equity Shares of ₹ 1/- each, were approved for grant to the Eligible Employees which, if exercised, shall result in an equivalent no. of Equity shares of ₹ 1/- to be alloted to Eligible Employees of the Company under the scheme.

Further, the Board of Directors upon the recommendation of the Nomination and Remuneration Committee approved the Havells Employees Stock Purchase Scheme 2016 framed in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014. The Board recommends the same for Shareholders approval at the forthcoming Annual General Meeting. The details of the Scheme are contained in the Explanatory Statement to the Notice of AGM.

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, 2016.

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

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Surjit Kumar Gupta, Non-Executive Director and Shri Anil Rai Gupta, Chairman and Managing Director, are due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers themselves for re-appointment.

The details of Directors being recommended for re-appointment as required under the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

Further, Shri A. P. Gandhi, Shri V. K. Chopra, Shri S. B. Mathur, Shri S. K. Tuteja and Dr. Adarsh Kishore, whose first term as Independent Directors of the Company shall be expiring on 31st March, 2017 are proposed to be re-appointed as Independent Directors for a second term of 3 (Three) years w.e.f. 1st April, 2017.

Due notices under section 160 of the Companies Act, 2013 have been received from Members of the Company proposing the appointment of Shri A. P. Gandhi, Shri V. K. Chopra, Shri S. B. Mathur, Shri S. K. Tuteja and Dr. Adarsh Kishore as Independent Directors of the Company at this Annual General Meeting.

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 2015-2016, the Board of Directors of the Company, met 9 (Nine) times on 20th April, 2015, 11th May, 2015, 25th July, 2015, 23rd September, 2015, 9th November, 2015, 10th December, 2015, 27th January, 2016, 3rd February, 2016 and 21st March, 2016.

Further, a separate Meeting of the Independent Directors of the Company was also held on 21st March, 2016, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

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) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have submitted their disclosures to the Board that they fulfill 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 rules.

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

In line with the statutory requirements enshrined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out a performance evaluation of itself, its Committees, the Chairman and each of the other Directors. As in previous year, this was carried out on the basis of framework approved by the Nomination and Remuneration Committee. The Committee had unanimously consented for an 'in-house' review built on suggestive parameters. Based on the suggestive parameters approved by the Nomination and Remuneration Committee, the following evaluations were carried out:

- Review of Board as a whole by all the Members of the Board
- Review of all Board Committees by all the Members of the Board
- Review of Individual Directors by rest of the Board Members except the Director being evaluated

At the conclusion of the evaluation exercise, the Members of the Board assessed that the Board as a whole together with each of its Committees was working effectively in performance of its key functions. The peer review concluded on the note that each of the individual directors was performing efficiently and effectively contributing to a well performing Board and shared a common vision to turning organization goals into reality.

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

The Statutory Auditors, M/s V. R. Bansal & Associates, Chartered Accountants, (Registration No. 016534N) and M/s S. R. Batliboi & Co. LLP (Registration No. 301003E/ E300005) hold office till the conclusion of the ensuing Annual General Meeting. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Audit Committee and the Board of Directors recommends the re-appointment of M/s V. R. Bansal & Associates, Chartered Accountants as the Statutory Auditors of the Company in relation to the financial year 2016-17 till the conclusion of the next Annual General Meeting.

The Audit Committee and the Board of Directors recommends the re-appointment of M/s S. R. Batliboi & Co. LLP as the Statutory Auditors of the Company till the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2021.

The re-appointments proposed are within the time frame for transition under the third proviso to sub-section (2) of Section 139 of the Companies Act, 2013.

STATUTORY AUDITORS' REPORT

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

2. COST AUDITORS

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 auditors of the Company for the year ending 31st March, 2016.

In terms of the Cost Audit Order notified by the Ministry of Corporate Affairs dated 31st December, 2014, the Company is covered under the purview of Cost Audit w.e.f. the financial year 2015-16.

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, 2016.

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, 2016, no Loan u/s 186 of the Companies Act, 2013 was made by the Company.

The particulars of investments and guarantees made/ given by the Company, under Section 186 is furnished in **ANNEXURE – 4** and forms part of this Report.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract and arrangement 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 form 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 ₹ 222.71 crores towards Income Tax as compared to ₹ 150.99 crores paid during the last financial year. The Company also paid Excise Duty of ₹ 397.10 crores, Custom Duty, Sales Tax & Service Tax of ₹ 547.84 crores, totaling ₹ 944.94 crores during financial year 2015-16 as compared to ₹ 842.64 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 has been actively contributing to the overall growth of the society through various CSR initiatives undertaken either by itself or through QRG Foundation, a trust instituted by the group. The flagship program of providing mid-day meal to school children in Alwar district started from 1,500 students during the year 2005. It has now expanded its wings to 57,000 students every day in 672 schools in financial year 2015-16. Inculcating good hygiene habits and enhance the lives of the students and future citizens has been another important pillar for your Company. In this regard it has taken a step forward to include sanitation under Swachh Bharat Abhiyaan. The Company in the current fiscal has built 800 environment friendly bio toilets in 108 schools in the Alwar district of Rajasthan.

Your Company believes in Sustainable CSR that can help improve lives of students around the country. One such noble idea was implemented at its plant in Haridwar where the plant manufactured benches made out of waste wood used in the packaging of aluminium blades of its fans. Instead of selling the wood to scrap dealer the plant created furniture for school children and donated them to the government primary school in Haridwar.

Environment is another major area where your Company plans to contribute its bit. This year your Company planted 1,000 trees in Baddi, Himachal Pradesh and would take care of them for another few years until they can grow on their own. Your company also has undertaken the task of managing few parks in the Baddi area that could help maintain greenery, save environment and are appealing to eye.

Further, the Board of Directors of your Company has 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

The Audit Committee of the Board of Directors of the Company, comprises 4 (Four) Members, namely Shri S. B. Mathur, Shri V. K. Chopra, Shri A. P. Gandhi 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 S. B. Mathur, an Independent Director, is the Chairperson of the Audit Committee.

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

22. RISK MANAGEMENT POLICY

Havells understands controlling risks through a formal programme is necessary for the well-being of the Company. To this end, the Board has formed an Enterprises Risk Management Committee to identify the risks impacting the business and formulate strategies/ policies aimed at risk mitigation as part of risk management. Further, a core Committee comprising senior management, has also been formed to identify and assess key risks and formulate strategies for mitigation of risks identified in consultation with process owners.

The Board of Directors has also adopted a formal Risk Management policy for the Company, whereby, risks are broadly categorized into Strategic, Operational, Compliance and Financial & Reporting Risks, outlining the parameters of identification, assessment, monitoring and mitigation of various risks.

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

The Risk Management and Governance Department of the Company have assured the existence of various risk-based controls in the Company and also tested the key controls towards assurance for compliance for the present fiscal.

Further, the testing of such 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 control 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

Prior to the statutory mandate, the Company has had in place a composite Policy "Idea & Satark", whereby "Idea" seeks to promote a culture of innovative thinking and creativity in all aspects of business – technical, non-technical, commercial, administrative, processes, cost saving etc. that may benefit the Company; and "Satark" (alert/ vigilant) functions as a Whistle Blowing mechanism, empowering any person associated with the organization to bring to the attention of the management any irregularity that he/ she may notice. Under the Policy, "Satark"

- is a forum available to the employees and any person associated with the organization, allowing him/ her to blow the whistle/ highlight any fraud, irregularity, wrongdoing etc.
- ensures confidentiality of the whistle-blower subject to the rights of the person against whom the grievance is made
- provides whistle-blower access to the Chairman of the Audit Committee

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

Havells has always maintained that human capital is one of the critical factors towards achieving success. Therefore, the Company's comprehensive Human resource strategy takes into cognizance the key aspects of people development such as employee engagement, talent management, performance management capability development and progressive industrial relations. The endeavour is to build and strengthen organizational capabilities thereby enabling the Organization to sustain attractive growth in a dynamic business environment.

We have established a Leadership Competency Framework that drives our leadership culture. We plan to utilize this framework in our core HR processes of Performance Management, Talent Development though development centers and 360° Feedback. The Company has established "Training Model" that focusses on improving capabilities in Sales and Operations and will be a key driver towards enhancing our operating efficiencies.

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 qualifications and performance. We provide equal opportunity in all aspects of employment, including recruitment, training, work conditions, career progression, etc. that reconfirms our commitment that equal employment opportunity is a 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.

At Havells, the Human Resource function is a business partner that focusses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. The Company believes in developing an engaged, efficient and committed employee base that is aware and empowered. Employees are involved in inculcating business efficiencies through policies like "Idea" thereby making them partners in the wealth created at Havells.

"Nirbhaya"

In accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work places, your Company has in place a "Nirbhaya Policy", duly approved by the Board of Directors.

An Internal Complaints Committee has been constituted under the above policy which provides a forum to all female personnel to lodge complaints (if any) therewith for redressal. The Committee submits an Annual Report 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.

In order to fulfill the desired utility of the Committee and make the Nirbhaya Policy meaningful, the Committee meets at specified intervals to take note of useful tools, mobile applications, media excerpts etc. that enhance security of female employees. The same are circulated within the organization to encourage general awareness. In its endeavour to ensure the spirit of law, during the financial year 2015-16, the ICC undertook several interactive sessions at the head office and various other plant locations. The interactions were primarily aimed at understanding as to how comfortable female employees are working in the organisation especially from safety point of view and how forthcoming would they be, in raising their voice if they are put in an undesirable situation.

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 A**NNEXURE - 7.**

28. EMPLOYEES STOCK OPTION PLANS

The Company has in place 2 (Two) employee benefit plans, namely, Havells Long Term Incentive Plan 2014 (LTIP 2014) and the Havells Stock Purchase Scheme 2015 (ESPS 2015). Besides, with the intent of rewarding its senior management based on their performance and achievement of KRAs, the Board upon the recommendation of Nomination and Remuneration Committee has also approved the "Havells Employees Stock Purchase Scheme 2016" and recommends the same for Shareholders approval in the forthcoming AGM, details whereof are included in the Notice of AGM.

All the existing and proposed employee benefit schemes are/ shall be 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 22nd April, 2016 from the 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 and 4th December, 2015 in respect of LTIP 2014 and ESPS 2015 respectively.

The Certificates would be placed at the Annual General Meeting for inspection by Members.

There has been no material change in any of the subsisting Schemes. Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, in respect of LTIP 2014 and ESPS 2015, as at 31st March, 2016, are available on the website of the Company at http://www.havells.com/content/havells/en/investor-relations/disclosure.html.

29. CREDIT RATINGS

CARE Ratings

Credit Analysis & Research Limited (CARE) is a full service rating company that offers a wide range of rating and grading services across sectors. CARE's Credit rating is an opinion on the relative ability and willingness of an issuer to make timely payments on specific debt or related obligations over the life of the instrument. CARE rates rupee denominated debt of Indian companies and Indian subsidiaries of multinational companies.

During the year, CARE has revised the rating assigned to the long-term facilities of your Company from CARE AA+ [Double A Plus] to **CARE AAA [Triple A]**. 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.

ICRA Ratings

During the year, ICRA assigned a long-term rating of **[ICRA] AA+ (ICRA double A plus)** and a short-term rating of **[ICRA] A1+ (ICRA A one plus)** to the Line of Credit of the Company. The outlook on the long-term rating is stable.

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.

31. CORPORATE GOVERNANCE

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in both letter and spirit. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making. Setting the tone at the top, your Directors cumulatively at the Board level, advocate good governance standards at Havells. Havells has been built on a strong foundation of good corporate governance which is now a standard for all operations across your Company.

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 the 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 the Annual Report.

32. ENVIRONMENT, HEALTH AND SAFETY

Your Company is continuously working towards laying a strong foundation and creating a sustainable future for our organization, our people and the society as a whole. Here, Environment Health and Safety (EHS) management is a key pillar of our sustainable growth agenda. We are committed to lead and excel in all aspects of environmental stewardship, safety, health and social responsibility, always striving to provide safe and healthy work environment to our employees and efficient, safe and environmentally responsible products to our customers.

Your Company's primary focus in this regard is on product innovation, developing safe and efficient products which are environmentally friendly, i.e. energy-efficient, safer to use, using non-toxic / eco-friendly raw-materials, having long use life and those can be safely disposed and dismantled at the end of their use life. Further, we are actively working towards improving the EHS systems and practices within our operations. From environment aspect, our efforts are directed towards resource conservation and efficiency within our operations. We have initiated an energy conservation drive within our plants with the objective of monitoring our energy consumption at micro-level, benchmarking our performance and implementing solutions for continuous improvements. One of our plants now complies with the ISO 50001 Energy Management Standard, with others also preparing for the same. On similar note our plants are also working towards better materials, water and waste management, including implementation of initiatives such as integrated management system (i.e. ISO 9001, ISO 14001 and OHSAS 18001), rainwater harvesting, and zero water discharge.

Similarly, we remain focused on our occupational health and safety performance with an eye on our overall objective of "zero accidents" operations. Relevant health, safety and fire trainings are provided to all employees, with special trainings organized for employees working with or around hazardous materials and processes. We offer our employees, a working environment with high level of health and safety protection. Our safety management is a combination of preventive and remedial approaches. Apart from focusing on process related safety procedures, the salient features of our safety management include managing risks against fires, disaster management and effective health management of the employees that reduce the inherent risk and build capacities of the workforce.

Further, we continue to use the "Idea policy" to encourage employees to share their ideas and contributions in making your Company an accident free and sustainable business unit. This process is important for us as we strongly believe that those on the shop floor who actually execute a task are the best to judge the parameters involved for safety and welfare.

Overall, we believe we have worked hard to put in place management systems, controls, objectives and targets, strategies and training that uphold and honour national and international codes and standards on health, safety and environment.

33. RESEARCH AND DEVELOPMENT

With the objective of enhancing in-house R&D capability, 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 focusses on continuous and sustainable product innovations, working across the product lifecycle aspects including design, development, manufacturing and use phases.

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.

There is an increasing focus on improving the co-relation between virtual (CAE - Computer Aided Engineering) and as manufactured so as to reduce the number of iterations in the development cycle.

As a result Company has many products to its name in the FMEG sector, such as being the first Company to offer 5-star energy efficient fans in India, the green CFL of the country. The Company has 185+IPRs registered including 18+ patents for its innovations throughout the years. 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.

34. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205C of the Companies Act, 1956, your Company has transferred ₹ 4,49,588/- during the year to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of seven years after declaration of Dividend for the financial year ended 2007-08.

35. LISTING OF SHARES

The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Subsequent to the notification of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) during the year, the Company has entered into "Uniform Listing Agreement" with both the Stock Exchanges where its securities are listed, namely, National Stock Exchange of India Limited and BSE Limited in order to carry out a novation of the erstwhile Listing Agreement.

The listing fee for the year 2016-17 has already been paid to the credit of both the Stock Exchanges.

36. 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.

37. ACKNOWLEDGEMENTS

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and all the employees with whose help, cooperation and hard work the Company is able to achieve the results.

The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

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

Anil Rai Gupta
Noida, May 11, 2016 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 organization 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 organization 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 endeavored 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, summarized 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 organization's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

Specific Criteria

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large, multifaceted, global organization.
- 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 organization 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 organizations.

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

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

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

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

GENERAL

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

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the 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, 2016

[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	**1, Raj Narain Marg, Civil Lines, Delhi – 110 054**
	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 Cinema, 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:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Switchgears	3120	24%
2.	Cable	3130	41%
3.	Lighting & Fixtures	3150	15%
4.	Electric Consumer Durables	2930	21%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY		CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
	NAME	ADDRESS				
1	Havells Sylvania Brasil Iluminacao Ltda.	Rua Jaceru, 151, 3º Andar, Vila Gertrudes - São Paulo - SP, CEP/ZIP Code 04705-000	61.578.118/0001-96	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
2	Havells Sylvania (Thailand) Ltd.	2 Ploenchit Center Bldg, 19th Floor Sukhumvit Soi 2 Road, Klongtoey Bangkok 10110, Thailand	105,536,038,787	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
3	Havells USA Inc.	125B Villanova DR., Atlanta, GA 30336.	2,135,148	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
4	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
5	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
6	Havells Holdings Limited	33, Athol Street, Douglas, Isle of Man	00475V	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
7	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
8	Promptec Renewable Energy Solutions Private Limited	"SHIBRA FARMS", Nagasandra Main Road, 8th Mile, Tumkur Road, Bangalore, Karnataka 560073	U40108KA2008PTC047683	SUBSIDIARY	51%	Section 2(87) of Companies Act, 2013
9	Havells Malta Ltd	33, St. Barbara Bastion, Valletta, VLT 1961 Malta	C 40825	ASSOCIATE	20%	Section 2(6) of Companies Act, 2013
10	Havells Exim Limited	Unit 1005, 10/F, Tower B, Hunghom Comm, CTR 37, MA TAU WAI RD, Hunghom KL	52472231-000-06-14-7	ASSOCIATE	20%	Section 2(6) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) CATEGORY- WISE SHARE HOLDING

Category of shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year$
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	12,63,57,380	0	12,63,57,380	20.23	12,63,57,380	0	12,63,57,380	20.23	0.00
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	25,86,00,540	0	25,86,00,540	41.41	25,86,00,540	0	25,86,00,540	41.40	-0.01
(e) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)	**38,49,57,920**	**0**	**38,49,57,920**	**61.64**	**38,49,57,920**	**0**	**38,49,57,920**	**61.63**	**-0.01**
(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	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**	**61.64**	**38,49,57,920**	**0**	**38,49,57,920**	**61.63**	**-0.01**
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	1,50,28,203	0	1,50,28,203	2.41	2,46,86,864	0	2,46,86,864	3.95	1.55
(b) Financial Institutions / Banks	9,94,019	0	9,94,019	0.16	14,92,166	0	14,92,166	0.24	0.08
(c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(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	16,23,25,060	0	16,23,25,060	25.99	15,95,98,459	0	15,95,98,459	25.55	-0.44
(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
Sub-Total (B)(1)	**17,83,47,282**	**0**	**17,83,47,282**	**28.56**	**18,57,77,489**	**0**	**18,57,77,489**	**29.74**	**1.19**

Category of shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year$
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(2) Non-institutions									
(a) Bodies Corporate									
1) Indian	1,45,39,655	0	1,45,39,655	2.33	81,05,502	0	81,05,502	1.30	-1.03
2) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individual									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,07,21,361	21,82,700	3,29,04,061	5.27	3,06,83,261	19,54,523	3,26,37,784	5.23	-0.04
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	81,51,410	1,04,000	82,55,410	1.32	71,03,397	1,04,000	72,07,397	1.15	-0.17
(c) Others									
(1) Trusts	4,315	0	4,315	0.00	14,039	0	14,039	0.00	0.00
(2) Non Resident Indians	31,58,374	9,12,000	40,70,374	0.65	28,23,080	9,09,000	37,32,080	0.60	-0.05
(3) Clearing Members	5,14,986	0	5,14,986	0.08	12,84,770	0	12,84,770	0.21	0.12
(4) Hindu Undivided Families	8,94,032	0	8,94,032	0.14	8,70,799	0	8,70,799	0.14	0.00
Sub-Total (B)(2)	**5,79,84,133**	**31,98,700**	**6,11,82,833**	**9.80**	**5,08,84,848**	**29,67,523**	**5,38,52,371**	**8.62**	-1.18
Total Public Shareholding(B)=(B)(1)+(B)(2)	**23,63,31,415**	**31,98,700**	**23,95,30,115**	**38.36**	**23,66,62,337**	**29,67,523**	**23,96,29,860**	**38.37**	0.01
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)	**62,12,89,335**	**31,98,700**	**62,44,88,035**	**100.00**	**62,16,20,257**	**29,67,523**	**62,45,87,780**	**100.00**	0.00

$ During the year on 14th May, 2015, 99,745 Equity Shares of ₹ 1/- each were issued and allotted to Eligible Employees under the Havells Employees Long Term Incentive Plan 2014 (LTIP Plan), 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 LTIP Plan of the Company.

(ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholdr'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	2.18	N.A	1,35,84,000	2.17	N.A	-0.01
2	SURJIT KUMAR GUPTA	3,26,50,800	5.23	N.A	3,26,50,800	5.23	N.A	0.00
3	VINOD GUPTA	5,27,70,240	8.45	N.A	5,27,70,240	8.45	N.A	0.00
4	AMEET KUMAR GUPTA	15,66,160	0.25	N.A	15,66,160	0.25	N.A	0.00
5	ANIL RAI GUPTA	1,73,39,740	2.78	N.A	1,73,39,740	2.78	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 GUPTA	22,31,220	0.36	N.A	22,31,220	0.36	N.A	0.00
9	AJANTA MERCANTILE LIMITED	6,87,41,660	11.01	N.A	6,87,41,660	11.01	N.A	0.00
10	QRG ENTERPRISES LIMITED	18,98,58,880	30.40	N.A	18,98,58,880	30.40	N.A	0.00
	Total	**38,49,57,920**	**61.64**		**38,49,57,920**	**61.63**		**-0.01**

 # 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

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 Long Term Incentive Plan 2014.

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs.)

Sl. No.	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1	**NALANDA INDIA EQUITY FUND LIMITED**						
	At the beginning of the year			3,30,44,930	5.29		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		N.A.	0			3,30,44,930	5.29
	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			2,17,44,394	3.48		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		10.04.2015	1,65,102			2,19,09,496	3.51
		17.04.2015	2,08,974			2,21,18,470	3.54
		24.04.2015	62,500			2,21,80,970	3.55
		01.05.2015	-10,38,983			2,11,41,987	3.39
		15.05.2015	-5,97,618			2,05,44,369	3.29
		22.05.2015	-10,02,859			1,95,41,510	3.13
		29.05.2015	-3,32,452			1,92,09,058	3.08
		10.07.2015	2,88,138			1,94,97,196	3.12
		17.07.2015	1,54,896			1,96,52,092	3.15
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,96,52,092	3.15		
3	**CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED**						
	At the beginning of the year			1,97,96,300	3.17		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		10.04.2015	78,000			1,98,74,300	3.18
		17.04.2015	2,22,000			2,00,96,300	3.22
		01.05.2015	-30,000			2,00,66,300	3.21
		08.05.2015	-3,61,000			1,97,05,300	3.16
		15.05.2015	1,16,000			1,98,21,300	3.17
		22.05.2015	68,000			1,98,89,300	3.18
		29.05.2015	60,000			1,99,49,300	3.19
		05.06.2015	-3,19,000			1,96,30,300	3.14
		12.06.2015	-3,62,000			1,92,68,300	3.08
		19.06.2015	-44,000			1,92,24,300	3.08
		26.06.2015	-39,000			1,91,85,300	3.07
		30.06.2015	-13,000			1,91,72,300	3.07
		10.07.2015	1,01,000			1,92,73,300	3.09
		17.07.2015	16,000			1,92,89,300	3.09
		24.07.2015	19,000			1,93,08,300	3.09
		14.08.2015	-12,000			1,92,96,300	3.09
		21.08.2015	-31,000			1,92,65,300	3.08
		28.08.2015	-3,09,000			1,89,56,300	3.04
		04.09.2015	-2,46,000			1,87,10,300	3.00
		20.11.2015	-20,000			1,86,90,300	2.99
		27.11.2015	-13,62,000			1,73,28,300	2.77
		04.12.2015	-83,90,000			89,38,300	1.43
		11.12.2015	5,38,000			94,76,300	1.52
		18.12.2015	1,12,000			95,88,300	1.54
		25.12.2015	2,06,000			97,94,300	1.57
		08.01.2016	1,28,010			99,22,310	1.59
		15.01.2016	4,000			99,26,310	1.59
		22.01.2016	16,000			99,42,310	1.59
		29.01.2016	-1,66,000			97,76,310	1.57
		05.02.2016	-68,000			97,08,310	1.55
		12.02.2016	-1,02,000			96,06,310	1.54
		19.02.2016	-3,04,000			93,02,310	1.49
		26.02.2016	42,000			93,44,310	1.50
		18.03.2016	38,000			93,82,310	1.50
		25.03.2016	20,000			94,02,310	1.51
		31.03.2016	-19			94,02,291	1.51
	At the End of the Year (or on the date of Separation, if Separated during the Year)			94,02,291	1.51		

Sl. No.	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
4	**SMALLCAP WORLD FUND, INC**						
	At the beginning of the year			1,60,48,000	2.57		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		N.A.	0			1,60,48,000	2.57
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,60,48,000	2.57		
5	**FRANKLIN TEMPLETON INVESTMENT FUNDS**						
	At the beginning of the year			90,97,292	1.46		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		29.05.2015	1,02,708			92,00,000	1.47
		04.09.2015	83,920			92,83,920	1.49
		18.12.2015	-14,83,727			78,00,193	1.25
		25.12.2015	-3,56,273			74,43,920	1.19
		29.01.2016	-3,00,000			71,43,920	1.14
		12.02.2016	-13,941			71,29,979	1.14
		11.03.2016	4,60,922			75,90,901	1.22
	At the End of the Year (or on the date of Separation, if Separated during the Year)			75,90,901	1.22		
6	**HSBC BANK (MAURITIUS) LIMITED A/C JWALAMUKHI**						
	At the beginning of the year			53,19,000	0.85		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		15.05.2015	-1,50,000			51,69,000	0.83
		22.05.2015	-6,00,000			45,69,000	0.73
		29.05.2015	-12,12,000			33,57,000	0.54
		05.06.2015	-10,03,000			23,54,000	0.38
		12.06.2015	-3,31,000			20,23,000	0.32
		19.06.2015	-7,00,000			13,23,000	0.21
		26.06.2015	-11,63,000			1,60,000	0.03
		30.06.2015	-1,60,000			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
7	**CANTILLON FUND PLC**						
	At the beginning of the year			36,98,517	0.59		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		10.04.2015	92,346			37,90,863	0.61
		17.04.2015	6,03,841			43,94,704	0.70
		24.04.2015	5,15,790			49,10,494	0.79
		01.05.2015	9,29,354			58,39,848	0.94
		08.05.2015	4,18,152			62,58,000	1.00
		22.05.2015	-2,70,000			59,88,000	0.96
		05.06.2015	-70,000			59,18,000	0.95
		30.09.2015	-90,000			58,28,000	0.93
		13.11.2015	-50,000			57,78,000	0.93
		05.02.2016	-30,000			57,48,000	0.92
		26.02.2016	-1,90,000			55,58,000	0.89
		25.03.2016	-50,000			55,08,000	0.88
	At the End of the Year (or on the date of Separation, if Separated during the Year)			55,58,000	0.89		
8	**ICICI PRUDENTIAL FOCUSED BLUECHIP EQUITY FUND**						
	At the beginning of the year			33,83,872	0.54		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		19.06.2015	51,580			34,35,452	0.55
		11.12.2015	-3,89,762			30,45,690	0.49
		18.12.2015	-5,05,244			25,40,446	0.41
		05.02.2016	-3,45,170			21,95,276	0.35
		12.02.2016	-1,24,792			20,70,484	0.33
		26.02.2016	-3,69,294			17,01,190	0.27
		04.03.2016	-1,43,922			15,57,268	0.25
		25.03.2016	-15,57,268			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sl. No.	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
9	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**						
	At the beginning of the year			33,79,160	0.54		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		10.04.2015	15,449			33,94,609	0.54
		11.09.2015	-2,26,854			31,67,755	0.51
		18.09.2015	-7,10,230			24,57,525	0.39
		25.09.2015	-3,37,416			21,20,109	0.34
		04.12.2015	-5,94,609			15,25,500	0.24
		15.01.2016	65,000			15,90,500	0.25
		11.03.2016	1,00,000			16,90,500	0.27
		31.03.2016	2,00,000			18,90,500	0.30
	At the End of the Year (or on the date of Separation, if Separated during the Year)			18,90,500	0.30		
10	**MACQUARIE BANK LIMITED**						
	At the beginning of the year			29,22,276	0.47		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No. of shares (- denotes sale)				
		17.04.2015	-3,32,104			25,90,172	0.41
		11.09.2015	-1,15,000			24,75,172	0.40
		30.09.2015	-1,21,000			23,54,172	0.38
		09.10.2015	-2,49,000			21,05,172	0.34
		30.10.2015	-40,000			20,65,172	0.33
		06.11.2015	-2,72,000			17,93,172	0.29
		13.11.2015	-3,90,008			14,03,164	0.22
		20.11.2015	-4,42,000			9,61,164	0.15
		27.11.2015	-3,02,000			6,59,164	0.11
		22.01.2016	-6,59,164			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

(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		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			3,26,50,800	5.23		
2	**SHRI ANIL RAI GUPTA**						
	At the beginning of the year			1,73,39,740	2.78		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			1,73,39,740	2.78		
3	**SHRI AMEET KUMAR GUPTA**						
	At the beginning of the year			15,66,160	0.25		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			15,66,160	0.25		
4	**SHRI RAJESH KUMAR GUPTA**						
	At the beginning of the year			12,22,255	0.20		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):		No. of shares				
	Shares Under Havells Long Term Incentive Plan for financial year 2012-13	08.05.2015	5,740			12,27,995	0.20
	Shares Under Havells Long Term Incentive Plan for financial year 2014-15	01.06.2015	11,549			12,39,544	0.20
	At the end of the year			12,39,544	0.20		

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
5	**SHRI SUNIL BEHARI MATHUR**						
	At the beginning of the year			0	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			0	0.00		
6	**SHRI AVINASH PARKASH GANDHI**						
	At the beginning of the year			0	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			0	0.00		
7	**SHRI VIJAY KUMAR CHOPRA**						
	At the beginning of the year			0	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			0	0.00		
8	**SHRI SURENDER KUMAR TUTEJA**						
	At the beginning of the year			0	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the End of the Year			0	0.00		
9	**Dr. ADARSH KISHORE**						
	At the beginning of the year			0	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			0	0.00		
10	**SMT. PRATIMA RAM**						
	At the beginning of the year			0	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			0	0.00		
11	**SHRI T. V. MOHANDAS PAI**						
	At the beginning of the year			0	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			0	0.00		
12	**SHRI PUNEET BHATIA**						
	At the beginning of the year			49,750	0.01		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year			49,750	0.01		
13	**SHRI SANJAY GUPTA**						
	At the beginning of the year			3,190	0.00		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):		No. of shares				
	Shares Under Havells Long Term Incentive Plan for financial year 2012-13	08.05.2015	680			3,870	0.00
	Shares Under Havells Long Term Incentive Plan for financial year 2014-15	01.06.2015	1,262			5,132	0.00
	At the end of the year			5,132	0.00		

 # 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 transmission to Smt. Vinod Gupta (spouse).

V. INDEBTEDNESS

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

(Amount in ₹ Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	83.46	-	-	83.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.32	-	-	0.32
Total (i+ii+iii)	**83.78**	**-**	**-**	**83.78**
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	41.73	-	-	41.73
Net Change	**41.73**	-	-	**41.73**
Indebtedness at the end of the financial year				
i) Principal Amount	44.22*	-	-	44.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.18	-	-	0.18
Total (i+ii+iii)	**44.40**	-	-	**44.40**

**Indebtedness at the end includes exchange fluctuation of ₹ 2.49 Crores*

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹)
		Shri Anil Rai Gupta** (Chairman and Managing Director)	Shri Ameet Kumar Gupta$ (Whole-time Director)	Shri Rajesh Kumar Gupta*** (Whole-time Director (Finance) and Group CFO)#	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,00,15,000	1,20,15,000	1,86,84,413	6,07,14,413
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	39,600	39,600	39,600	1,18,800
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	2,00,639#	2,00,639
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	9,11,37,500**	3,64,55,000$	3,64,55,000***	16,40,47,500
5.	Others, please specify	-	-	-	-
	Total (A)	**12,11,92,100**	**4,85,09,600**	**5,53,79,652**	**22,50,81,352**
	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			

*** 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.

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

 # During the year 2015-16, 5,740 Equity Shares of ₹ 1/- each, being the second tranche of benefit entitlement in respect of financial year 2012-13, were transferred from Havells Employees Welfare Trust to Shri Rajesh Kumar Gupta in terms of the Havells Long Term Incentive Plan 2014. Further, in terms of the same Plan, Shri Rajesh Kumar Gupta was also allotted 11,549 Equity Shares of ₹ 1/- each in respect of benefit entitlement for financial year 2014-15.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount (₹)
		Shri V.K. Chopra (ID)	Shri A.P. Gandhi (ID)	Dr. Adarsh Kishore (ID)	Shri S.B. Mathur (ID)	Shri S.K. Tuteja (ID)	Smt. Pratima Ram (ID)	Shri Surjit Kumar Gupta (NED, Non-Independent)	Shri Puneet Bhatia (NED, Non-Independent)	Shri T. V. Mohandas Pai (NED, Non-Independent)	
1.	Independent Directors (ID)							N.A.	N.A.	N.A.	
	• Fee for attending Board Committee Meetings	6,10,000	6,00,000	4,20,000	5,70,000	4,70,000	3,50,000	-	-	-	30,20,000
	• Commission	5,00,000^	5,00,000^	5,00,000^	5,00,000^	5,00,000^	5,00,000^	-	-	-	30,00,000
	• Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	**11,10,000**	**11,00,000**	**9,20,000**	**10,70,000**	**9,70,000**	**8,50,000**	**-**	**-**	**-**	**60,20,000**

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount (₹)
		Shri V.K. Chopra (ID)	Shri A.P. Gandhi (ID)	Dr. Adarsh Kishore (ID)	Shri S.B. Mathur (ID)	Shri S.K. Tuteja (ID)	Smt. Pratima Ram (ID)	Shri Surjit Kumar Gupta (NED, Non-Independent)	Shri Puneet Bhatia (NED, Non-Independent)	Shri T. V. Mohandas Pai (NED, Non-Independent)	
2.	Other Non-Executive Directors **(NED)**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.				
	• Fee for attending Board Committee Meetings							-	1,20,000	1,00,000	2,20,000
	• Commission							-	-	-	-
	• Others, please specify							-	-	-	-
	Total (2)	-	-	-	-	-	-	-	**1,20,000**	**1,00,000**	**2,20,000**
	Total (B)=(1+2)	**11,10,000**	**11,00,000**	**9,20,000**	**10,70,000**	**9,70,000**	**8,50,000**	-	**1,20,000**	**1,00,000**	**62,40,000**
	Total Managerial Remuneration										**23,13,21,352**
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors									

^ *In terms of Shareholders approval dated 9th June, 2014, all the Non-Executive Independent Directors of the Company are entitled for a commission of ₹ 5 lakhs per annum.*

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

Sl. 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		48,40,243		48,40,243
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		100		100
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-		-
2.	Stock Option		22,043		22,043
3.	Sweat Equity		-		-
4.	Commission				
	- as % of profit		-		-
	- others, specify…		-		-
5.	Others, please specify		-		-
	Total		**48,62,386**		**48,62,386**

** 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.*

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 31.03.2016

[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 authorized 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, 2016 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, 2016 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, 2014;

        (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 members 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 Employees Stock Option Scheme i.e Havells Employees Stock Purchase Plan 2014 which were successfully listed and currently traded at both the Stock Exchanges. The Company has also taken the approval of the shareholders of the company in pursuance of Section 180 of the Companies Act, 2013 for disinvestment of upto 100% stake in Havells Malta Limited by Havells Holdings Limited, a wholly–owned subsidiary of the Company and for disinvestment of upto 100% stake in Havells Exim Limited, a wholly-owned subsidiary of the Company, by way of postal ballot, the results whereof were declared on 18th January, 2016. 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

Place: New Delhi
Date: 14th April, 2016

For MZ & Associates
Company Secretaries

CS Mohd Zafar
Partner
Membership No: ACS 28165
CP: 13875

ANNEXURE 4

Details of Investments as on 31st March, 2016

Name of Company	Amount (INR)
Havells Holdings Limited*	2,49,61,82,602
Jiangsu Havells Sylvania Lighting Limited	30,86,72,388
Havells Exim Limited	1,160
Promptec Renewable Energy Solutions Private Limited	29,11,80,820
National Highway Authority of India (Tax-free Bonds)	1,50,66,37,918
Total	**4,60,26,74,887**

**Being wholly-owned subsidiary of the Company, the investment made by the Company are exempt under section 186 of the Companies Act, 2013*

Details of Guarantees as on 31st March, 2016

As at 31st March, 2016, 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: **NA**

   (b) Nature of contracts / arrangements / transactions: **NA**

   (c) Duration of the contracts / arrangements / transactions: **NA**

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

(e) Justification for entering into such contracts or arrangements or transactions: **NA**

(f) Date(s) of approval by the Board: **NA**

(g) Amount paid as advances, if any: **NA**

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

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: **NA**

(b) Nature of contracts / arrangements / transactions: **NA**

(c) Duration of the contracts / arrangements / transactions: **NA**

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

(e) Date(s) of approval by the Board, if any: **NA**

(f) Amount paid as advances, if any: **NA**

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

Anil Rai Gupta
Chairman and Managing Director

Noida, May 11, 2016

ANNEXURE - 6

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

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 to schools, supporting education and healthcare.

   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, 2016, the Corporate Social Responsibility Committee comprises of 4 (Four) members of the Board, 2 (Two) of which are Independent Directors and remaining 2 (Two) are Executive. The Chairman of the Committee is an Independent Director.

NAME	CATEGORY	DESIGNATION
Shri Surender Kumar Tuteja	Independent Director	Chairman
Dr. Adarsh Kishore	Independent Director	Member
Shri Anil Rai Gupta	Executive Director	Member
Shri Rajesh Kumar Gupta	Executive Director	Member

3. Average net profit of the Company for last 3 financial year

The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2014-15, 2013-14, 2012-13) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 574.04 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. 2015-16 is ₹ 11.48 crores.

5. Details of CSR spent during the financial year

(a) Total amt. to be spent for the financial year = ₹ **11.48 crores**

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

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

(₹ in Crores)

Sl. 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	Amount spent: Direct or through implementing agency
1.	Mid-Day Meal (MDM) programme.	(i)	Alwar, Rajasthan	4.00	5.51#	5.51	Through QRG Foundation
2.	Providing sanitation facilities - By building toilets in schools where mid-day meals are provided.	(i)	- do -	3.75	2.59	2.59	0.04 - Direct 2.55 - Through QRG Foundation
3.	Supporting education of underprivileged children - Aid, support and facilitate all activities in connection with and related to the school being run by The Vivekananda Ashrama	(ii)	Faridabad, Haryana	0.25	0.38	0.38	Through The Vivekananda Ashrama
4.	Contributing to eligible institutions, universities etc. for promotion of education - Contributions to Ashoka University promoted by IFRE (a not-for-profit company formed under section 25 of erstwhile Companies Act, 1956, undertaking programs/ projects/ activities pertaining to promotion of education in India with an established track record of more than 3 years.)	(ii)	Sonepat, Haryana	3.00	3.00	3.00	Through Ashoka University
	TOTAL			**11.00**	**11.48**	**11.48**	

** Sector refers to the Entries specified in Schedule VII to the Companies Act, 2013.*

 # Includes ₹ 5.08 crores as donation given to QRG Foundation towards Mid-day Meal programme which is expected to be utilised during the financial year 2016-17.

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

The unspent amount in respect of financial year 2015-16 lying with the QRG Foundation, shall continue to be utilised in the financial year 2016-17 towards the Company's flagship CSR activity of Mid-day Meal Scheme running in Alwar district of Rajasthan.

7. 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

S. K. Tuteja
Chairman CSR Committee

Date: May 11, 2016

(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 – 196:1 - Ratio of the remuneration of Shri Ameet Kumar Gupta, Whole-time Director to the median remuneration of the employees – 78:1 - Ratio of the remuneration of Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO – 90:1
(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 – 51.10% - Shri Ameet Kumar Gupta, WTD – 2.40% - Shri Rajesh Kumar Gupta, WTD (CFO) – 9.65% - Shri Sanjay Gupta, CS – 12.34%
(iii)	Percentage increase in the median remuneration of employees in the financial year	32.94%
(iv)	Number of permanent employees on the rolls of company	4,476 Employees
(v)	Explanation on the relationship between average increase in remuneration and company performance	Average increase in remuneration – 21.55% Average increase in Profit Before Tax – 10.14%
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	(see table below)
(vii)	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	Variations in the market capitalization - Market capitalization as at 31st March, 2015: 19,059 crores - Market capitalization as at 31st March, 2016: 20,070 crores Variations in the PE Ratio - PE Ratio as at 31st March, 2015: 49:47 - PE Ratio as at 31st March, 2016: 16:60 (with exceptional profits) 41:40 (without exceptional profits) 1010 times increase in the market quotation of the Shares in comparison to the rate at which the company came out with IPO, adjusted for bonus issue / split.

(vi) (₹ in crores)

KMP	Remuneration	Company Performance (PBT)
Shri Anil Rai Gupta, Chairman and Managing Director	12.48	711.80
Shri Ameet Kumar Gupta, Whole-time Director#	4.99	711.80
Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO	5.75	711.80
Shri Sanjay Gupta, Company Secretary	0.51	711.80

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(viii)	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 – 26.40% - Average increase in remuneration of employees other than the Managerial Personnel – 16.80% The top level compensation is linked to Profit Before Tax.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Covered in sub-clause (vi) above.
(x)	Key parameters for any variable component of remuneration availed by the directors	• Financial and operating performance of the Company • Industry/ sector trends for the remuneration paid to executive directorate
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable. There is no such employee who received remuneration in excess of the highest paid director during the year.
(xii)	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

Persons employed for the full year ended March 31, 2016 who were in receipt of the remuneration which in the aggregate was not less than ₹ 60,00,000/- p.a.

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

Anil Rai Gupta 47 MBA Chairman and Managing Director 30-09-1992 24 12,47,52,500; Ameet Kumar Gupta 44 BE, MBA Whole-time Director 01-01-2015 17 4,99,10,000; Rajesh Kumar Gupta 59 CA Director (Finance) and Group CFO 21-03-1992 35 5,74,77,552; Rajiv Goel 45 CA, CS Executive President 01-04-2009 24 3,88,09,574 Rosewood Advisors (Director); Vivek Khanna 52 C.A., ISA Sr. Vice President – Finance 01-09-1989 28 1,33,68,321 M/s S.S. Kothari & Co. Audit Manager; Sunil Sikka 61 BE, PGDMM President 03-05-2000 39 76,73,290 Bajaj Electricals Limited Sr. General Manager; Narendra Kumar Choudhary 58 M Sc., MBA Sr. Vice President 15-07-2003 33 81,38,954 Polar International Ltd. General Manager; Anil Bhasin 56 B Sc., PGDBM Sr. Vice President 01-01-2004 35 81,07,326 Singer India Ltd. General Manager; Bhagirath Singh Galgat 52 M Tech., Diploma in Management Sr. Vice President 20-05-2002 23 80,86,249 Amtek Auto Ltd. Dy General Manager.

Persons employed for part of the year ended March 31, 2016 who were in receipt of the remuneration which in the aggregate was not less than ₹ 5,00,000/- p.m.

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

Cecil Prem Treasure 54 MBA Executive Vice President 20.01.2016 23 23,93,395 Director, Jubilant Life Sciences; Vivek Yadav 50 M.Tech Vice President 01.02.2016 26 14,44,822 Vice President, Schneider Electric India Pvt Ltd; Saurabh Goel 47 PGDBM Executive Vice President 01.02.2016 13 22,89,286 Sr. Vice President, Bharti Airtel Limited; Sachin Gupta 48 M.Sc. Sr. Vice President and CIO 16.02.2016 12 14,49,083 CIO, Times Group; Amit Gupta 34 PGDBM Vice President 24.06.2015 12 57,57,518 Mckinsey and Company

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.

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;

Energy conservation measures taken

Company has taken several steps to conserve energy through its "Sustainability" initiatives. The Company continues its endeavour to improve energy conservation and utilization. The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being put on undertaking specific energy conservation projects like

1. Lighting:

Efforts have been put by Company to reduce or optimize the lighting requirements at all the plants. Some of the initiatives are enumerated as under:

a) Solar based day light system at Faridabad plant. This has resulted in reduction of lighting load during day time.

b) Lighting load optimization of lighting circuits.

c) Replacement of Conventional Light fittings with LED light fixtures, leading to savings in power at office areas.

d) Installation of CFL, LED indicators, Use of 54Wx4 T5 lamps for assembly area.

2. Replacement of old equipment with new/ energy efficient equipment:

a) Conversion of DC motor & drives to AC VFD motors and drives.

b) Installation of Auto compound loader in Extruders.

c) Installation of compressed air saving guns for cleaning applications.

d) Timer based operations for air conditioner units across the manufacturing units.

e) Conventional cooling towers are being replaced with fan-less cooling towers to eliminate the high power-load due to operation of the fans in cooling towers. Old cooling towers in the plants were replaced with new and better energy-efficient units.

f) Conversion of pneumatic screw driver to energy efficient Electrical screw driver.

g) Installation of precision temperature controlling equipment in drying ovens to avoid unnecessary overheating.

h) Replacement of HPSV lights to CMI / LED light.

i) Installation of Star Rated AC systems.

3. Optimization of Electrical Equipment:

In addition to the existing controls on prime production equipment and existing prime utilities equipment, some electrical equipment modifications / additions being done are:

a) Continuous monitoring of Power factor of plant on daily basis, we operate in range 0.96 ~ 0.99 against min standard required from RSEB 0.95.

b) Redesign of pay off fixtures in cable division to reduce energy consumption by 30%.

Company believes in sharing and implementing best practices across all plants & stage wise replacement of conventional light fittings to LED light fittings is under progress across the manufacturing units.

Impact of measures for reduction of energy consumption

The above measures have resulted in optimizing energy consumption and savings cost of production, reduction on carbon emissions and processing time.

(ii) Capital investment on energy conservation equipments – Efforts have been put by Company to reduce or optimize the energy requirements at all the plants. Company encourages capital investment in energy-saving equipment's, plants or machinery and this year company has spent approximate ₹ 3.24 crores.

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

The Company is putting continuous efforts in acquisition, development, assimilation and utilization of technological knowledge through its wide advance engineering project portfolio. This has enabled the Company to keep abreast with the latest developments in product technology, manufacturing process and methods, quality assurance and improvement, marketing, management systems and benefit out of mutual experience.

The Company has a full-fledged R&D division continuously engaged in research on new products and process improvement on existing products as part of continuous improvement. As a part of technology absorption and adoption, once technology is developed for a product, it is tested in a Pilot Plant and thereafter commercial production is performed. Innovation is embarked on by an incremental approach towards cost, time, quality and complex product development by adopting cutting edge technology and our philosophy is to continuously upgrade the technology. 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. Company is carrying out the following activities to fulfil short term and long term business goals:

- Upgradation of existing product and processes to save cycle time, energy consumption and overall operational efficiency.
- Import substitution and identification of new raw materials for development.
- Technology support to all plants to improve efficiency and enable business growth.
- Optimization of products and processes to minimize waste generation and address environmental and safety concerns.
- Development of smart test methods to speed up testing of incoming raw materials.
- Undertaking collaborative development projects with vendors, academia and institutes.
- Development of in house domain expertise to support product development.
- Development of laboratory simulation techniques for faster resolution of product complaints.
- Focus on in house product development in the area of smart internet base solution etc.
- 90+ Intellectual Property Rights applied.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- Increased Customer satisfaction & sale ability.
- Improved Brand equity.
- Cost Reduction through Quality & productivity.
- New product introduction.

(iii) 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.

(a) Technology imported with year of Import.

- Extra High Voltage plant for cable manufacturing imported from Germany (Year 2015-16).
- Automated lamp assembly line (Year 2015-16).
- SMT Line (Year 2015-16).
- Visual Measuring Machine (Year 2015-16).
- Laser marking on Switches (Year 2015-16).
- Robotic arms Implementation on Molding Machine (Year 2015-16).
- Fully Automatic Switch Assembly (Year 2015-16).
- Fully Automatic Socket Assembly (Year 2015-16).
- Fanuc Robo Drill, for high speed cutting with fine finish (Year 2015-16).
- Linear Micro Height from Mitutoyo with an accuracy of .1 Micron. Best in its Class for Tool Room Jobs (Year 2015-16)
- Incorporation of Mold Flow in analysis for Tool Design from Autodesk (Year 2015-16).
- On line welding machine for bunched copper conductor make-August Stracker GMBH, Germany (Year 2013-14).
- High speed Press tool with auto riveting unit imported from Taiwan (2015-16).
- Multi cavity Mold imported from china to enhance the productivity (2013-14).
- 3D Scanner Germany (2014-15).
- XRF Analyzer (2014-15).
- Servo based Molding Machine of Toshiba (2014-15).
- Multi cavity Mold imported from china to enhance the productivity (2014-15).

(b) Year of import.

As mentioned above

(c) Has technology been fully absorbed?

Yes

(d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.

N.A.

(iv) The expenditure incurred on Research and Development.

(₹ in crores)

		2015-16	2014-15
a)	Capital	2.30	2.43
b)	Recurring	33.42	26.20
c)	Total	35.72	28.63
d)	Total R & D expenditure as a percentage of total turnover	0.61%	0.52%

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 2015-16, the Company made Export sales of INR 274.15 crores as against INR 333.52 crores last year. All round efforts made to grow / sustain the business in spite of weak global sentiments on account of huge currency fluctuation and sharp decline in oil & other commodity prices.

The main highlights of Export Business in this financial year were:

- Middle East & Africa continues to be the core market in spite of sharp decline in oil prices and huge currency fluctuation.
- Positive growth across SAARC region esp. Sri Lanka & Bangladesh.
- Bagged prestigious project orders from TESCO (UK), Indorama (Nigeria) & KPLC (Kenya).
- Initiated work for opening Havells branch offices at Middle East, Kenya & Bangladesh.
- Distribution Channel expansion for new product verticals like hot water heater & home appliances.
- Exploration into newer markets which included CIS & ASEAN etc.
- Leveraging in house manufacturing of Lighting Fixture and Lamps as well.
- Initiated development of market specific/ customized products to beat competition.
- Strengthening Brand building activities to increase sales.
- Initiative taken to obtain country-specific local certifications/ approvals.

Total Foreign Exchange used and earned

(₹ In Crores)

	2015-16	2014-15
Foreign exchange earned	246.53	296.32
Foreign exchange used	530.07	526.59

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

Anil Rai Gupta
Noida, May 11, 2016 Chairman and Managing Director

Management Discussion and **Analysis**

Management Discussion and Analysis

Our unrelenting pursuits in updating ourselves in anticipation of future changes in consumer dynamics have led us on a journey towards enhancing customer delight.

HAVELLS - USHERING IN THE FUTURE

Havells, a Fast Moving Electrical Goods brand, has been able to successfully capitalise on the shift in consumer preferences towards premium products that facilitate comfort and lifestyle. Over the years, the Company has carved out a unique position for itself in the electrical space. This progress has been achieved on the wings of our commitment to serve our dealers and consumers by offering them a robust portfolio of products. By catering to various segments of consumers, especially those who aspire for advancements in lifestyle, we have set benchmarks for others to follow.

Supporting evolution through innovation is central to Havells growth strategy. We are continuously a step ahead of the fast-changing consumer world by reinventing ourselves and reassessing the way we think and act. Our unrelenting pursuits in updating ourselves in anticipation of future changes in consumer dynamics have led us on a journey towards enhancing customer delight.

With the same passion and zeal, we look forward to taking Havells to the next level by creating better value for all our stakeholders.

INDUSTRY OVERVIEW

Over the last year, we have seen a revival in the Indian economy with macroeconomic indicators now starting to trend favourably. With policy reforms and de-bottlenecking of processes initiated by the government, the global sentiment towards India has improved substantially. The World Bank, in its report – Global Economic Prospects – 2016, states that for FY 2016-17, India, the dominant economy in the South Asian region, is projected to grow at a faster rate of 7.8%. At the same time, global growth has slowed to 2.4% in 2015 and is expected to recover at a slower pace than previously envisioned. Accordingly, India has once again entered the spotlight. With the government pushing for smart cities, there will be a greater demand for solutions to make homes, commercial complexes, industries and cities smarter. Initiatives by the government like "Make in India" and "Digital India", amongst others, will further boost interest in India as it gives a fillip to the manufacturing sector.

FUTURE READY: Laying the groundwork for long-term growth

At Havells, we are excited about our mission to constantly transform ourselves into a more consumer-focussed company. Our journey until now has been challenging and characterised by major initiatives that have taken us from one phase of growth to the next as we lead the way to a vibrant future India.

Connect with customers, retailers and dealers

Havells continues to invest substantially in its core businesses to gain further market share, thereby bucking the frugal spending trend by corporates in the electrical space. We are continuously investing in products to anticipate the growing aspirations of consumers. We are also constantly working towards better alignment with our channel partners to address the changing environment. Continuous effort have been initiated to enhance our 'connect' with retailers and consumers through both people and technology. Havells' strategies hinges on leveraging long-term growth opportunities and thus the Company is continuously investing in products and technology that fuel growth and make it 'future ready'.

As businesses have begun to operate in entirely new ways, creating greater value by leveraging technology, unprecedented opportunities have been uncovered. Our recently launched mobile-based application for dealers and consumers has enabled us to connect better and use technology to drive sales efficacy through hand-held devices. Our mobile application for consumers - 'm Connect' - has a unique augmented reality feature that enables consumers to visualise products at the place of installation. Adopting a participatory approach, our connect with the retailers and electricians has been further strengthened through various initiates like Sampark Plus and Power Plus.

We take pride in the fact that we are well connected with our dealers and distributors. Over the years, the bond has only become stronger through strategic initiatives for dealers. We are constantly in touch with our dealers across the country through regional meetings. We have also been conducting conferences with dealers at international locations. All this has not only resulted in stronger relationships but better co-ordination and information sharing. In a two-way exchange of information, the informal environment helps us to comprehend the real happenings on ground and at the same time provides us with an opportunity to effectively update dealers about the Company's product programmes. We see a win-win situation in our conscious effort to increase the earnings of the dealer as it cements a long cherished partnership between them and the Company.

Brand building

In this financial year, we extended our brand campaign to include the theme - respect for women. Using an unconventional mode of communication, we sought to enhance the nation's perspective of women and celebrated the spirit of modern womanhood. In addition, we highlighted energy saving. We also leveraged digitisation to enhance our brand equity through regional brand initiatives and print.

Vigorous efforts have also been made to create an identity for our 'Standard' brand. A new logo and brand identity seeks to align products under the Standard umbrella with today's modern-day consumers' perceptions and requirements. We also invited Bollywood celebrity, Alia Bhatt, to be the face of the brand, as she defines energy and dynamism and has youth appeal. Based on the theme "Built for young energy", the advertisement campaign for Standard positions it as a brand for young and energetic consumers. Standard is looking to tap new markets in India by launching superior and innovative products and entering new segments to boost business. Through multiple brands, there has been a conscious effort to create a different identity for our premium products.

Augmenting Outlets

Havells achieved its ambitious target of increasing the number of Havells Galaxies across India. With over 375 Havells Galaxy stores, we have not only increased our presence across different

In addition to the Galaxy stores, we have also promoted our 'Shop in shop' where a designated space within host retailer is dedicated to the Havells brand.

markets but also increased the flow of revenues from this channel. In addition to the Galaxy stores, we have also promoted our 'Shop in shop' where a designated space within host retailer is dedicated to the Havells brand. In addition to paying attention to our existing distribution network, we developed new customer channels such as Modern Format Retail (MFR), Canteen Store department (CSD), Energy Efficiency Services Limited (EESL) and Business to Government (B2G).

INTELLIGENT PRODUCTS TO SUIT GEN-X

Across product lines, we have introduced intelligent product ranges which are far superior in terms of technology and user friendliness. These products have been launched to provide smarter solutions to our consumers. The product extension also allows us to cover the uncovered distribution network.

As Havells expects the next stage of growth to be powered by technology driven products, we are working to synchronise the conventional product range with the ones that can be pre-programmed, contribute to energy efficiency and get connected using solutions such as the Internet of Things. The smart products trend dovetails with the Central government's Smart Cities initiative.

Accordingly, we have continued to focus on diversifying our product portfolio with adjacencies to the current offering. Besides new products, we also focus on product evolution, differentiation and customer choice, which will go a long way in sustaining our market leadership position further. We have undertaken technology-based product extensions in the new category, i.e., LED lighting and product extension, in the existing category of Switches, with a focus on home automation. With the introduction of products like air fryers and air purifiers, we will be targeting health conscious consumers across the country.

HAVELLS INDIA LIMITED (STAND ALONE) SEGMENT DISCUSSION

SWITCHGEARS

There has been a continuous focus on the traditional business segment, with a continuous focus to serve the consumer better. In this financial year, we introduced the Havells Euro-II series range of Switchgears, developed keeping in mind the safety requirements of new age customers, who use multiple appliances that often overloads the wiring system. Apart from meeting international standards, the Euro-II series offers safety terminals to eliminate human errors by electricians and new outer designs for better air circulation.

We also launched a super-premium range of distribution boards that match with modern day décor and aesthetics. These offers unique metallic, leather, wood and marble finishes combined with features such as magnetic locks, sleek curves, scratch resistant glossy surfaces with metallic paints and designer handles colours.

In an attempt to connect our products through technology, home automation is an area of focus wherein fan and light sources could be controlled through the use of technology.

In this financial year, Switchgear witnessed a modest growth in its revenue. Cost efficiency measures and better price management led to margin improvements in Switchgears.

The Switchgear division registered net revenues at ₹ 1,286.1 crores during FY 2015-16 with contribution margins at 39.2% compared to net revenues of ₹ 1,279.0 crores with contribution margins at 34.3% during FY 2014-15.

CABLE

Cables account for a considerable portion of the revenue mix. During the financial year under review, this segment witnessed volume growth but as there was volatility in commodity prices, the volume growth did not translate into revenue growth. The segment registered improvements in margins as a result of the focus on cost efficiency measures and the brand strength.

The Cable division registered net revenues at ₹ 2,208.1 crores during FY 2015-16 with contribution margins at 14.2% compared to net revenues of ₹ 2,190.4 crores with contribution margins at 12.1% during FY 2014-15.

LIGHTING & FIXTURES

Lighting products have witnessed a radical transformation. Our division catering to this segment is well positioned to capitalise on the change from conventional lighting to energy efficient, LED, lifestyle-focussed lighting. In sync with the fast changing lighting industry, we have also expanded our presence in the new areas of LED application. Today, over 51% of revenues from lighting business comes from LED lighting.

Where the Consumer lighting segment is concerned, we have expanded our range and strengthened it with exhaustive surface, colour changing and ambient dual colour products to improve the aesthetics of the Home. We have not left any stone unturned in the Commercial space as well where we continue to entice the market with our new LED landscape range.

The acquisition of Promptec is an ideal fit for Havells as it is expected to provide substantial impetus to Havells' growth plans in the high potential segments of LED and Solar Solutions. To increase customer segmentation, we have started focussing on EESL and CSD.

As a stand-alone company, our Lighting business is well positioned to capture the value that is shifting from individual products to connected LED lighting systems and services, more than offsetting the decline of conventional lighting.

The Lighting & Fixtures division registered net revenues at ₹ 801.6 crores during the FY 2015-16 with contribution margins at 24.1% compared to net revenues of ₹ 741.0 crores with contribution margins at 26.6% during the FY 2014-15.

ELECTRICAL CONSUMER DURABLES

In line with a continuous focus on innovation and energy efficiency, we have launched the country's first most energy efficient fan - ES 40, which is a blend of energy conservation and elegant design. The key USP of the ES 40 is the energy efficiency quotient as the fan consumes only 40 watts of electricity, while a normal fan consumes between 75-80 watts of electricity.

In continuation with our strong focus on investments in world

class manufacturing facilities, our state-of-the-art unit for water heaters at Neemrana, Rajasthan has become operational. This plant has the unique ability to manufacture most of the critical components in-house, adhering to stringent quality norms. It is the only plant in the country to use the world's latest FeroGlas dry powder technology wherein the powder becomes a uniform glass line coating once baked at the high temperature of 850 degrees Celsius. This prevents the tank from corrosion and extends its life even in hard water conditions. The plant is a zero discharge manufacturing facility, in line with our environment-friendly policy, and will go a long way in promoting sustainable growth.

In the appliances segment, newer ranges of air coolers were introduced. We have also introduced lifestyle-based products like Air Fryers and Air Purifier, which have a niche market as of now.

The Electrical Consumer Durables division registered net revenues of ₹ 1,141.1 crores during FY 2015-16 with contribution margins at 25.2% compared to net revenues of ₹ 1,028.3 crores with contribution margins at 25.1% during FY 2014-15.

FINANCIAL PERFORMANCE REVIEW

The key highlights of financial performance of stand-alone business are as under:

- Total Revenue for the FY 2015-16 was ₹ 5,436.9 crores compared to ₹ 5,238.7 crores in the previous year, a growth of 4%.
- Earnings before interest, depreciation, tax and amortisation (EBIDTA) for the FY 2015-16 rose to ₹ 749.3 crores from ₹ 699.1 crores in the previous year, a growth of 7%.
- Profit before tax (before exceptional items) for the FY 2015-16 increased to ₹ 711.8 crores from ₹ 646.2 crores in the previous year, a growth of 10%.

During the year, Company has paid an interim (special) dividend of ₹ 3/- per equity share of ₹ 1/- each. The Company has also recommended a final dividend of ₹ 3/- per equity share of ₹ 1/- each, subject to approval of the shareholders.

FINANCIAL PERFORMANCE REVIEW

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The second half of the financial year witnessed early signs of a recovery. The substantial decrease in commodity prices impacted revenue growth in the cable segment, which contributes considerably to the total revenue mix. Thus despite volume growth, revenue growth remained modest during this financial year. Despite this unprecedented situation, we were able to mobilise internal resources effectively to mitigate the impact on profitability.

Our focus on cost efficiency throughout the product portfolio enabled us to improve margins across product segments.

Domestic trade has witnessed sequential improvements aided by our continued focus on innovations and brand building, supported by competitive marketing investments and enhancements in our go-to market infrastructure. The year witnessed a drop in exports as earlier the export strategy was aligned to the international business. It is now a focus area way forward.

SYLVANIA

Havells divested from its international operations during this financial year. Havells India Limited's wholly owned subsidiary i.e. Havells Holdings Limited, Isle Of Man has entered into a definitive agreement with Shanghai Feilo Acoustics Co Ltd ("Feilo") for stake divestment of 80% in its wholly owned subsidiary Havells Malta Limited (excluding its subsidiaries based in United States, Chile, Thailand and Brazil). Further, Havells India Limited also divested its 80% stake in wholly owned subsidiary, Havells Exim Limited, Hong Kong. The combined equity value for 100% stake for both companies was Euro 186 million.

OPPORTUNITIES

1. *Growth in the Housing Segment*

   India is a rapidly transforming society. The country's demographic advantage and enhanced investments in infrastructure, manufacturing, education and socio-economic well-being are expected to create new opportunities for growth. Side by side, the Government has been focussed on its mission of 'Housing for All by 2020'. Towards this end, it has created a more robust delivery mechanism for subsidies and facilitated developers with policy changes too. All these measures will have a positive impact on growth in the housing sector and as a result, boost housing products.

2. *LED Lighting Segment*

   Growing awareness about the environmental benefits of LED lights and the cost saving that they deliver during their life has spurred demand for these products. Further, the government's drive to replace existing street lights with their LED counterpart will also increase the overall demand. Havells has been able to capitalise the change in technology in the lighting segment.

3. *Focus on Lifestyle products*

   Over the past two decades, liberalisation and globalisation has presented people of all ages with more choices in the market place. At the same time, faster economic growth has augmented disposable incomes. The combination of these two trends has given rise to demand for more aspirational and lifestyle products. Anticipating this, the Company has been delivering lifestyle products to consumers and benefiting from this trend.

THREATS

1. *Macroeconomic Scenario*

   Due to the strong linkage between the manufacturing sector and the economy, macroeconomic conditions impact the Company's growth in the short term. Ensuring a diverse presence across all segments of consumers with a bias towards those who have less elastic demand has insulated Havells in times of economic down-cycles.

2. *Competition*

   Competition, whether domestic or international, is always a challenge and transforming challenges into opportunities has been a practice at Havells.

RISK MANAGEMENT AND GOVERNANCE

Havells is committed for global benchmarking in good corporate governance, which promotes the long-term interests of all stakeholders, strengthens Board, create self-accountability across its management and helps built public trust in the Company.

A robust internal financial control system forms the backbone for our risk management and governance. In line with our commitment to provide sustainable returns to all our stakeholders, Havells has formalised clearly defined systems and policies for timely addressing key business challenges and opportunities.

Enterprise Risk Management (ERM) is a key strategic focus which encompasses:

Aligning risk appetite and strategy: Management considers the risk appetite in evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks.

Enhancing risk response decisions: It provides the rigour to identify and select among alternative risk responses - risk avoidance, reduction, sharing, and acceptance.

The twin purpose of Enterprise Risk Management at Havells is to minimise adverse impacts and to leverage market opportunities effectively.

Reducing operational surprises and losses: It helps to enhance capability to identify potential events and establish responses, reducing surprises and associated costs or losses.

Identifying and managing multiple and cross-enterprise risks: Enterprise risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.

Seizing opportunities: By considering a full range of potential events, management is positioned to identify and proactively realise opportunities.

Improving deployment of capital: Obtaining robust risk information allows us to effectively assess overall capital needs and enhance capital allocation.

The twin purpose of Enterprise Risk Management at Havells is to minimise adverse impacts and to leverage market opportunities effectively. The objective is to sustain and enhance short-term and long-term competitive advantage to the Company.

A structured risk management system permits the management to take calibrated risks. This system provides a holistic view of the business, wherein risks are identified in a structured manner at two levels. The bottom-up approach is conducted through workshops with respective team at branch, factory and corporate functions. At another level, the top-down approach enables discussion of all risks and opportunities at the management level, to be included thereafter in the subsequent reporting process.

In line with Companies Act 2013 and as per guidelines of the Institute of Chartered Accountants of India (ICAI), management has taken appropriate measures for orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Key ERM Practice at a Glance

Brainstorming session is carried out at periodic intervals by cross functional team for identification and treatment of emerging business challenges and to overview the progress on agreed milestone.

Most recent status is presented before the Steering Committee and ERM Committee of the Board for their perusal.

Self-monitoring mechanism has been put in place for performance of key business activities and timely compliance of applicable statutory provisions.

Monthly performance rating is done for all plants and branch locations for healthy competition and self-bench marking.

Risk Control Matrix (RCM) has been prepared for financial and operational functions and their mapping done with ERP or Compliance management system

Fraud prevention and control assessment is done periodically.

To further enhance the system control implementation of SAP, GRC (Governance, Risk & Compliance) is in process.

The formation of various groups like Business Management Group (BMG), Channel Management Group (CMG), Strategic Business Unit (SBUs) ensures smooth operational and financial management. These teams engage in self-benchmarking and enable optimum utilisation of available resources.

Risk-based internal audit is performed and root cause analysis along with action taken status is presented before the Sub Audit Committee and Audit Committee on a periodical interval.

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**

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, 2016 is presented below:

(1) A BRIEF STATEMENT ON THE COMPANY'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 profit is our intention, how we achieve this profit 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 of 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 recognize 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 standardization 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 comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and half of the board of directors is comprised of Independent Directors. The Board meets at least four times a year and more often if Company needs merit additional oversight and guidance. During the financial year 2015-16, the time gap between any two Board Meetings did not exceed 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 tabled before 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 Non-Executive, Nominee Director - institution represented and whether as lender or as equity investor):

As at 31st March, 2016, 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
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 Avinash Parkash Gandhi		Independent Director
6	Shri Sunil Behari Mathur		Independent Director
7	Shri Vijay Kumar Chopra		Independent Director
8	Shri Surender Kumar Tuteja		Independent Director
9	Dr. Adarsh Kishore		Independent Director
10	Smt. Pratima Ram		Independent Director
11	Shri T. V. Mohandas Pai		Non-Executive Non-Independent
12	Shri Puneet Bhatia		Non-Executive Non-Independent

(b) Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting:

Sr. No.	Name of the Director	Attendance in Board Meetings									
		20 Apr 15	11 May 15	25 Jul 15	23 Sep 15	9 Nov 15	10 Dec 15	27 Jan 16	3 Feb 16	21 Mar 16	AGM 13 Jul 15
1	Shri Anil Rai Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
3	Shri Ameet Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Shri Rajesh Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Shri Avinash Parkash Gandhi	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
6	Shri Sunil Behari Mathur	✓	✓	✓	✓	✓	✓	✓	×	✓	✓
7	Shri Vijay Kumar Chopra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Shri Surender Kumar Tuteja	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Dr. Adarsh Kishore	✓	✓	✓	✓	✓	×	✓	✓	✓	×
10	Smt. Pratima Ram	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Shri T. V. Mohandas Pai	×	✓	✓	×	×	×	✓	×	×	×
12	Shri Puneet Bhatia	✓	✓	✓	×	×	×	×	✓	×	×

(c) Number of other Board of Directors or Committees in which a Directors is a Member or Chairperson:

Sr. No.	Name of the Director	Directorships in Other Board of Directors*	Memberships of Committees of Other Boards**	Chairmanships 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 Avinash Parkash Gandhi	5	9	4
6	Shri Sunil Behari Mathur	8	8	4
7	Shri Vijay Kumar Chopra	6	8	4
8	Shri Surender Kumar Tuteja	6	8	5
9	Dr. Adarsh Kishore	1	1	0
10	Smt. Pratima Ram	4	2	0
11	Shri T. V. Mohandas Pai	1	0	0
12	Shri Puneet Bhatia	2	3	0

** Directorships are reported for listed companies only including Havells India Limited.*

*** Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together including Havells India Limited. 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 2015-16, 9 (Nine) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) hereinabove.

(e) Disclosure of relationships between Directors inter-se:

Shri Ameet Kumar Gupta, Whole-time Director on the Board of Directors is the son of Shri Surjit Kumar Gupta, Non-Executive 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 Puneet Bhatia, who holds 49,750 Equity Shares of ₹ 1/- each in the Company. Mr. Bhatia has held these shares, in his individual capacity, prior to his appointment as a Director of Company.

(g) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:

All Independent Directors are familiarized 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 (based on predefined factory rating parameters), 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 http://www.havells.com/content/havells/en/about-havells/corporate-governance/policy.html

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 21st March, 2016, at the Corporate Office of the Company at QRG Towers, 2D, Sector 126, Expressway, Noida (U.P.) – 201 304, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were 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 Directors 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.

COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING

The Company has also 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.

SUBSIDIARY

The Company has 8 (Eight) Subsidiary Companies, all of which are incorporated outside India except 1 (One) namely, Promptec Renewable Energy Solutions Pvt. Ltd.

The Board has approved a Policy Statement 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.

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the unlisted subsidiary company.

The minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting of the Company.

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 materiality of 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.

The shareholders of the Company vide Special Resolution passed on 9th June, 2014 have 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 affirm the annual limits for related party transactions in the first meeting of every 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:

(1) 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;

(2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) 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;

(5) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(6) 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 utilized 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;

(7) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

(8) approval or any subsequent modification of transactions of the listed entity with related parties;

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) 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;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) 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;

(16) 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;

(17) 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;

(18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) considering such other matters the Board may specify;

(21) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, as and when amended.

(b) Composition, Name of Members and Chairperson:

The Audit Committee comprises 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, 2016, is given below:

Sr. No.	Name	Category	Designation
1	Shri Sunil Behari Mathur	Non-Executive Independent	Chairman
2	Shri Avinash Parkash Gandhi	Non-Executive Independent	Member
3	Shri Vijay Kumar Chopra	Non-Executive Independent	Member
4	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

(c) Meetings and attendance during the year:

Sr. No.	Name	Attendance in Audit Committee Meetings held on						
		10 May 15	25 Jul 15	23 Sep 15	9 Nov 15	10 Dec 15	27 Jan 16	21 Mar 16
1	Shri Sunil Behari Mathur	✓	✓	✓	✓	✓	✓	✓
2	Shri Avinash Parkash Gandhi	✓	✓	✓	✓	×	✓	✓
3	Shri Vijay Kumar Chopra	✓	✓	✓	✓	✓	✓	✓
4	Shri Surjit Kumar Gupta	✓	✓	✓	✓	×	✓	✓

(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 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 and Havells Employees Stock Purchase Scheme 2015.

(b) Composition, Name of Members and Chairperson:

The Nomination and Remuneration Committee comprises 4 (Four) 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, 2016, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surender Kumar Tuteja	Non-Executive Independent	Chairman
2	Shri Avinash Parkash Gandhi	Non-Executive Independent	Member
3	Shri Vijay Kumar Chopra	Non-Executive Independent	Member
4	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

(c) Meetings and attendance during the year:

Sr. No.	Name	Attendance in Nomination and Remuneration Committee Meetings held on			
		25 Jul 15	23 Sep 15	27 Jan 16	21 Mar 16
1	Shri Surender Kumar Tuteja	✓	✓	✓	✓
2	Shri Avinash Parkash Gandhi	✓	✓	✓	✓
3	Shri Vijay Kumar Chopra	✓	✓	✓	✓
4	Shri Surjit Kumar Gupta	✓	✓	✓	✓

(d) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Committee of the Board, in its Meeting held on 21st March, 2016, 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.

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

(5) REMUNERATION OF DIRECTORS

(a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

None except for the Sitting Fee or the payment of Commission to Independent Directors.

(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 'Code & Policies' section in 'Corporate Governance'.

The Non-Executive Directors, except for promoter directors, are entitled to Sitting fees for attending Meetings of the Board, its Committees and the Shareholders. The Non-Executive Independent Directors 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(s) 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 2015-16 is 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	1,73,39,740	-	336.15	-	911.38	1247.53
2	Shri Ameet Kumar Gupta** (Whole-time Director)	1-1-15 to 31-12-19	15,66,160	-	134.55	-	364.55	499.10
3	Shri Rajesh Kumar Gupta*** (Whole-time Director (Finance) and Group CFO)	1-4-15 to 31-3-20	12,39,544	-	208.23	2.00	364.55	574.78
4	Shri Surjit Kumar Gupta	-	3,26,50,800	-	-	-	-	-
5	Shri Sunil Behari Mathur	-	-	5.70	-	-	5.00^	10.70
6	Shri Avinash Parkash Gandhi	-	-	6.00	-	-	5.00^	11.00
7	Shri Vijay Kumar Chopra	-	-	6.10	-	-	5.00^	11.10
8	Shri Surender Kumar Tuteja	-	-	4.70	-	-	5.00^	9.70
9	Dr. Adarsh Kishore	-	-	4.20	-	-	5.00^	9.20
10	Smt. Pratima Ram	-	-	3.50	-	-	5.00^	8.50
11	Shri T. V. Mohandas Pai	-	-	1.00	-	-	-	1.00
12	Shri Puneet Bhatia	-	49,750	1.20	-	-	-	1.20

** Entitled to Commission @ 1.25% of the profit before tax.*

*** Entitled to Commission @ 0.50% of the profit before tax*

**** Entitled to Commission @ 0.50% of the profit before tax*

^ In terms of Shareholders approval dated 9th June, 2014, all the Non-Executive Independent Directors of the Company are entitled for a commission of ₹ 5 lakhs per annum w.e.f. 1st April, 2013.

(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 year 2015-16, 5,740 Equity Shares of ₹ 1/- each, being the second tranche of benefit entitlement in respect of financial year 2012-13, were transferred from Havells Employees Welfare Trust to Shri Rajesh Kumar Gupta in terms of the Havells Long Term Incentive Plan 2014. Further, in terms of the same Plan, Shri Rajesh Kumar Gupta was also allotted 11,549 Equity Shares of ₹ 1/- each in respect of benefit entitlement for financial year 2014-15.

(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 member correspondences, queries, grievances etc. are endeavored 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:

Shri Avinash Parkash Gandhi, Non-Executive Independent Director was appointed as the Chairman of the Stakeholders Relationship / Grievance Redressal Committee with effect from 27th January, 2016. Prior to him, Shri Sunil Behari Mathur was the Chairman of the Committee.

The Stakeholders Relationship / Grievance Redressal Committee comprises 5 (Five) members of which, 4 (Four) 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, 2016, is given below:

Sr. No.	Name	Category	Designation
1	Shri Sunil Behari Mathur#	Non-Executive Independent	Chairman
2	Shri Avinash Parkash Gandhi*	Non-Executive Independent	Member
3	Dr. Adarsh Kishore	Non-Executive Independent	Member
4	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member
5	Shri Anil Rai Gupta	Executive	Member

 # Chairman upto 27th January, 2016.

** Inducted as a Member and Chairman after the Committee Meeting of 27th January, 2016.*

(b) Name and designation of Compliance Officer:

Shri Sanjay Gupta, Vice President & Company Secretary is the Compliance Officer of the Company.

(c) Number of shareholders' complaints received so far:

The number of shareholder grievances received and resolved during financial year 2015-16 is given below:

Nature of Grievance	Received	Resolved	Max. period of Reply (in days)
Annual Report	2	2	1
Non-receipt of dividend for the F.Y.2014-15	4	4	2
Clarification sought u/c 36 of the erstwhile Listing Agreement on a News items	1	1	2
Corporate Action for transfer of Locked-in Securities due to change of Depository by the Shareholder	1	1	1
Total	**8**	**8**	

(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, 2016, 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 15	25 Jul 15	9 Nov 15	27 Jan 16
1	Shri Sunil Behari Mathur#	✓	✓	✓	✓
2	Shri Avinash Parkash Gandhi*	-	-	-	-
3	Dr. Adarsh Kishore	✓	✓	✓	✓
4	Shri Surjit Kumar Gupta	✓	✓	✓	✓
5	Shri Anil Rai Gupta	✓	✓	✓	✓

 # Chairman upto 27th January, 2016.

** Inducted as a Member and Chairman after the Committee Meeting of 27th January, 2016.*

Besides the above, the Board of Directors has CSR Committee, ERM 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

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 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.

The Corporate Social Responsibility Committee comprises 4 (Four) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on 31st March, 2016, is given below:

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

During the financial year 2015-16, the Corporate Social Responsibility Committee met once on 11th May, 2015 and the Meeting was attended by all the Members of the Committee.

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 minimization and risk mitigation as part of risk management.

The Committee is chaired by an Independent Director with half its members being Non-Executive and Independent. 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, 2016, is given below:

Sr. No.	Name	Category	Designation
1	Shri Avinash Parkash Gandhi*	Non-Executive Independent	Chairman
2	Shri Sunil Behari Mathur	Non-Executive Independent	Member
3	Shri Anil Rai Gupta	Executive	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

**Chairman since 30th October, 2015*

During the financial year 2015-16, the Enterprises Risk Management Committee met once on 21st March, 2016 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 attend 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, 2016, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Rajesh Kumar Gupta	Executive	Member

During the financial year 2015-16, the Share Allotment and Transfer Committee met 12 (Twelve) times.

EXECUTIVE COMMITTEE

The role of the Executive Committee (nomenclature was changed by the Board from Finance Committee to Executive Committee with effect from 9th November, 2015) 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 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, 2016, is given below:

Sr. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Ameet Kumar Gupta*	Executive	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

** Inducted as Member w.e.f. 9th November, 2015.*

During the financial year 2015-16, the Executive Committee met 16 (Sixteen) times.

(7) GENERAL BODY MEETINGS

(a) Location and time, where last three Annual General Meetings held:

Date of AGM	Location	Time
13th July, 2015	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003	10:00 a.m.
9th July, 2014	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003	10:00 a.m.
5th July, 2013	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003	10:00 a.m.

(b) Special Resolutions passed in the previous three Annual General Meetings:

Date of AGM	Details of Special Resolutions passed, if any
13th July, 2015	1. Amendment of Articles of Association of the Company
9th July, 2014	1. Change in Period of Office of Shri Qimat Rai Gupta, Chairman and Managing Director, to be liable to determination by retirement of Directors by rotation
5th July, 2013	1. Re-appointment of Shri Qimat Rai Gupta as Chairman and Managing Director (CMD) of the Company

(c) Special Resolution passed last year through postal ballot – details of voting pattern and the procedure thereof:

During the year, 5 (Five) Special Resolutions were passed through Postal Ballot procedures, 3 (Three) of them being passed on 4th December, 2015 and other 2 (Two) being passed on 18th January, 2016. The details of voting pattern in respect of all these Special Resolutions are mentioned below:

(1) Special Resolutions passed by way of postal ballot on 4th December, 2015:

The Board of Directors by its Resolution passed on 23rd September, 2015 had appointed Ms. Balika Sharma, Practicing Company Secretary, to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the National Securities Depository Limited (NSDL) to enable its members to cast their votes electronically pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force). The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Ms. Balika Sharma, had carried out the scrutiny of all the postal ballot forms received upto the close of working hours (5 P.M.) on 2nd December, 2015 and that she had submitted her Report thereon to the Chairman of the Company. Based on the Scrutinizer's Report, Shri Anil Rai Gupta, Chairman and Managing Director, declared the result of the voting exercise on 4th December, 2015, as follows:

I. Special Resolution for Approval of the Havells Employees Stock Purchase Scheme 2015 and its implementation through Trust.

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	46	561	607
b) Total number of votes casted	15,24,074	48,95,92,253	49,11,16,327
c) Less: Invalid no. of votes casted	125	0	125
d) Valid no. of votes casted (Net)	15,23,949	48,95,92,253	49,11,16,202
e) Total no. of votes with assent for the Resolution	15,23,949	45,00,58,184	45,15,82,133
f) Total no. of votes with dissent for the Resolution	0	3,95,34,069	3,95,34,069

% of total votes casted in favour of the Resolution: 91.95%

% of total votes casted against the Resolution: 8.05%

II. Special Resolution for the Authorization for Havells Employees Welfare Trust to subscribe to Shares for and under the Havells Employees Stock Purchase Scheme 2015.

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	46	560	606
b) Total number of votes casted	15,24,074	48,96,20,202	49,11,44,276
c) Less: Invalid no. of votes casted	125	0	125
d) Valid no. of votes casted (Net)	15,23,949	48,96,20,202	49,11,44,151
e) Total no. of votes with assent for the Resolution	15,23,949	45,18,18,335	45,33,42,284
f) Total no. of votes with dissent for the Resolution	0	3,78,01,867	3,78,01,867

% of total votes casted in favour of the Resolution: **92.30%**

% of total votes casted against the Resolution: **7.70%**

III. Special Resolution for Provisioning of money by the Company to the Havells Employees Welfare Trust/ Trustees for Subscription of Shares under the Havells Employees Stock Purchase Scheme 2015.

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	46	561	607
b) Total number of votes casted	15,24,074	48,96,18,629	49,11,42,703
c) Less: Invalid no. of votes casted	125	0	125
d) Valid no. of votes casted (Net)	15,23,949	48,96,18,629	49,11,42,578
e) Total no. of votes with assent for the Resolution	15,23,949	45,18,00,188	45,33,24,137
f) Total no. of votes with dissent for the Resolution	0	3,78,18,441	3,78,18,441

% of total votes casted in favour of the Resolution: **92.30%**

% of total votes casted against the Resolution: **7.70%**

(2) Special Resolutions passed by way of postal ballot on 18th January, 2016

The Board of Directors by its Resolution passed on 10th December, 2015 had appointed Ms. Balika Sharma, Practicing Company Secretary, to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the National Securities Depository Limited (NSDL) to enable its members to cast their votes electronically pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force). The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Ms. Balika Sharma, had carried out the scrutiny of all the postal ballot forms received upto the close of working hours (5 P.M.) on 17th January, 2016 and that she had submitted her Report thereon to the Chairman of the Company. Based on the Scrutinizer's Report, Shri Anil Rai Gupta, Chairman and Managing Director, declared the result of the voting exercise on 18th January, 2016, as follows:

IV. Special Resolution for Approval of Divestment upto 100% Stake in Havells Malta Limited by Havells Holdings Limited, a wholly-owned subsidiary of the Company.

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	87	711	798
b) Total number of votes casted	28,24,482	54,14,87,147	54,43,11,629
c) Less: Invalid no. of votes casted	215	0	215
d) Valid no. of votes casted (Net)	28,24,267	54,14,87,147	54,43,11,414
e) Total no. of votes with assent for the Resolution	28,24,217	54,14,05,126	54,42,29,343
f) Total no. of votes with dissent for the Resolution	50	82,021	82,071

% of total votes casted in favour of the Resolution: **99.98%**

% of total votes casted against the Resolution: **0.02%**

V. Special Resolution for Approval of Divestment upto 100% Stake in Havells Exim Limited, a wholly-owned subsidiary of the Company.

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	87	716	803
b) Total number of votes casted	28,24,482	54,14,88,422	54,43,12,904
c) Less: Invalid no. of votes casted	215	0	215
d) Valid no. of votes casted (Net)	28,24,267	54,14,88,422	54,43,12,689
e) Total no. of votes with assent for the Resolution	28,24,217	54,14,06,373	54,42,30,590
f) Total no. of votes with dissent for the Resolution	50	82,049	82,099

% of total votes casted in favour of the Resolution: **99.98%**

% of total votes casted against the Resolution: **0.02%**

(3) Person who conducted the postal ballot exercise:

Ms. Balika Sharma, Practicing Company Secretary.

(4) Special Resolution proposed to be conducted through postal ballot:

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at this Annual General Meeting.

(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 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 under relevant sections.

(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:

Annual General Meeting (in the Financial Year 2016-17)

Day : Wednesday
Date : 13th July, 2016
Time : 10:00 am
Venue : Sri Sathya Sai International Centre,
Pragati Vihar, Lodhi Road,
New Delhi -110 003

(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 ₹ 3/- per equity share of ₹ 1/- each i.e. @ 300% for the financial year 2015-16. Date of payment of dividend would be within 30 days from 13th July, 2016.

This final dividend is in addition to the interim (special) dividend of ₹ 3/- per Equity Share of ₹ 1/- each declared by the Board of Directors in its Meeting held on 3rd February, 2016 and paid by the Company in the month of February 2016.

(d) Name and address of each Stock Exchange(s) at which the Company 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 Limited (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The listing fees for the financial year 2016-17 have been paid by the Company 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:

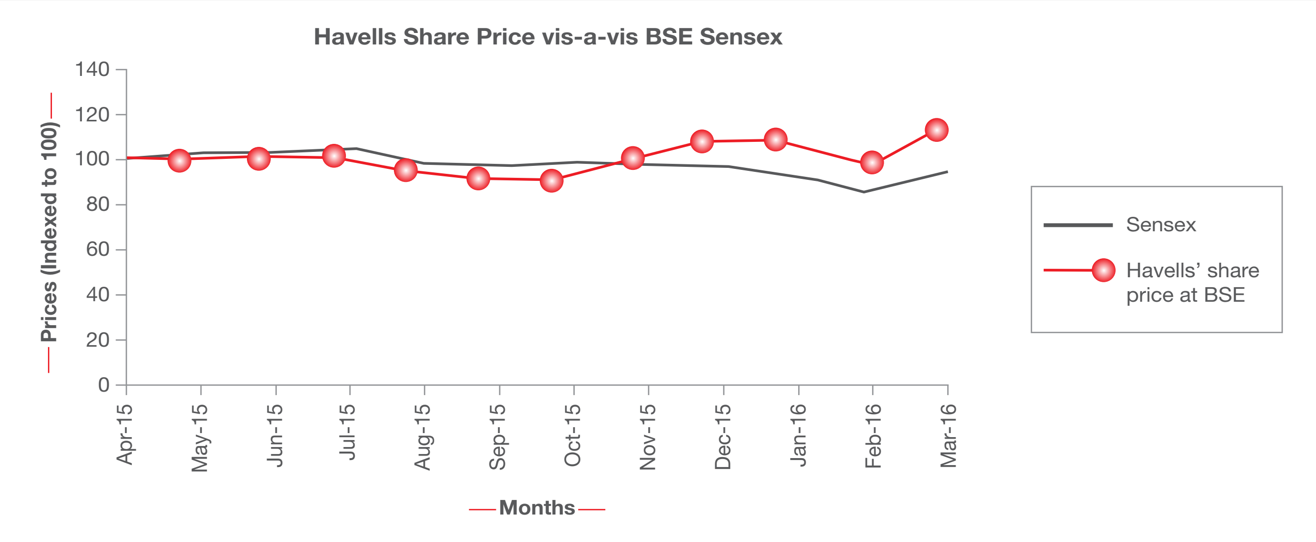
Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Limited (Nifty) and BSE Limited (Sensex) during financial year 2015-16 are as under:

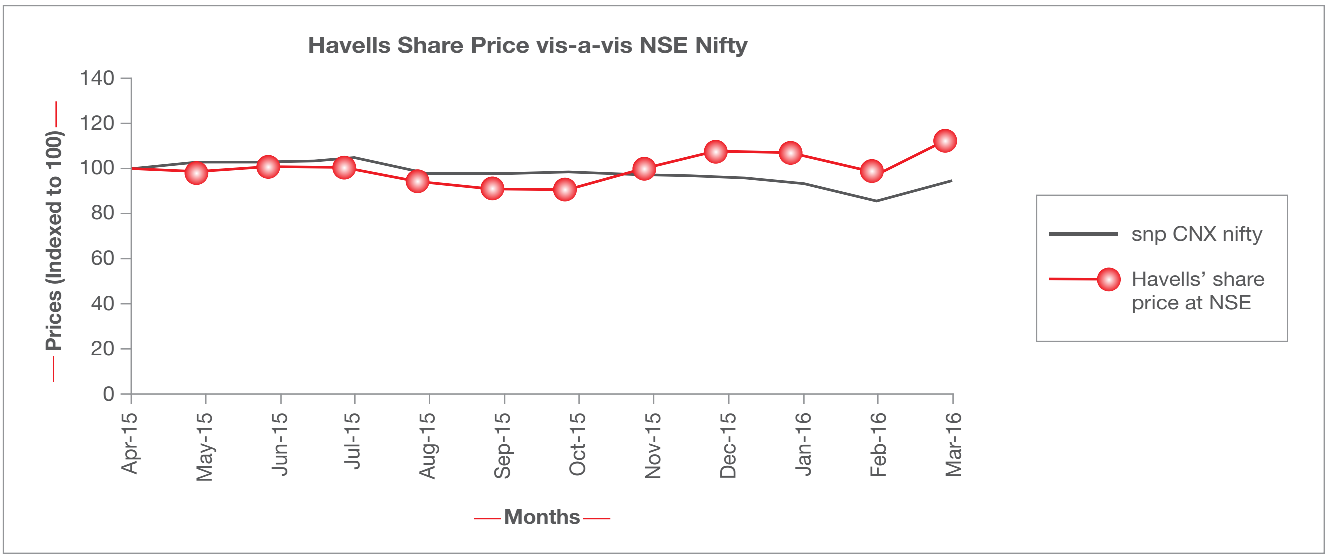
Period	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr 2015	310.40	266.20	2,46,73,264	310.20	267.60	25,04,917
May 2015	294.90	264.95	2,67,41,360	295.00	265.00	25,75,435
Jun 2015	292.00	257.10	1,99,89,970	292.00	257.60	15,16,798
Jul 2015	312.80	272.25	1,93,68,686	312.90	272.00	20,77,393
Aug 2015	281.40	243.90	1,61,53,688	281.00	244.80	22,24,681
Sep 2015	268.70	239.50	1,24,42,981	268.30	239.50	14,38,262
Oct 2015	267.40	250.00	1,31,64,486	266.70	250.00	10,58,465
Nov 2015	300.00	235.30	2,63,28,083	299.25	235.60	22,98,061
Dec 2015	312.00	274.65	7,34,76,284	312.15	275.10	82,61,163
Jan 2016	322.20	268.90	3,58,51,414	321.90	269.00	30,18,038
Feb 2016	311.00	259.10	2,61,85,661	311.50	259.00	19,31,018
Mar 2016	324.60	270.15	2,52,97,165	324.70	269.00	40,82,909

(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 Exchange.

(g) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc.:





(h) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:

Not applicable.

(i) Registrar to an Issue and Share Transfer Agents:

Link Intime India Private Limited
44, 2nd Floor, Naraina Community Centre Phase I
Near PVR Cinema, New Delhi – 110028
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 recognized Stock Exchanges can be done only in dematerialized 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 relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 dematerialization of shares, confirmation of dematerialization 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, 2016:**

Shareholding of Nominal Value of ₹ 1/- each	Shareholders (Numbers)	% of Total Share holders	No. of Shares	Nominal Value (in ₹)	% of Nominal Value
Upto 5,000	72,385	97.51	2,00,78,195	2,00,78,195	3.21
5,001 - 10,000	1,023	1.38	76,74,383	76,74,383	1.23
10,001 - 20,000	355	0.48	53,00,318	53,00,318	0.85
20,001 - 30,000	110	0.15	27,37,115	27,37,115	0.44
30,001 - 40,000	60	0.08	21,85,912	21,85,912	0.35
40,001 - 50,000	40	0.05	18,02,525	18,02,525	0.29
50,001 - 1,00,000	80	0.11	57,41,568	57,41,568	0.92
1,00,001 & Above	182	0.25	5,79,067,764	5,79,067,764	92.71
GRAND TOTAL	**74,235**	**100.00**	**62,45,87,780**	**62,45,87,780**	**100.00**

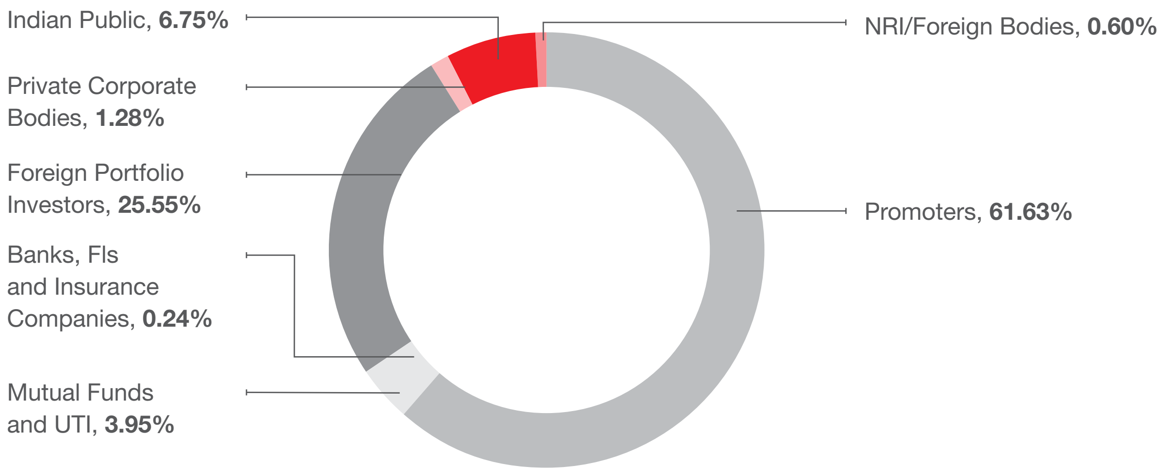
Ownership Pattern as on 31st March, 2016

Category	No. of Shareholders	No. of Shares Held	% of Total Holding
Promoters			
Indian Promoters	10	38,49,57,920	61.63
Institutional Investors			
Mutual Fund and UTI	60	2,46,86,864	3.95
Bank, Financial Institutions and Insurance Companies	8	14,92,166	0.24
Foreign Portfolio Investors	189	15,95,98,459	25.55
Others			
Private Corporate Bodies	978	79,80,427	1.28
Indian Public	71,140	4,21,39,864	6.75
NRI/Foreign Bodies	1,850	37,32,080	0.60
GRAND TOTAL	**74,235**	**62,45,87,780**	**100.00**

List of Shareholders other than Promoters holding more than 1% as on 31st March, 2016

Sr. No.	Name of Shareholder	No. of Shares held	% of Total Holding
1	NALANDA INDIA EQUITY FUND LIMITED	3,30,44,930	5.29
2	GOVERNMENT PENSION FUND GLOBAL	1,96,52,092	3.15
3	SMALLCAP WORLD FUND, INC	1,60,48,000	2.57
4	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED	94,02,291	1.51
5	FRANKLIN TEMPLETON INVESTMENT FUNDS	75,90,901	1.22
	TOTAL	**8,57,38,214**	**13.74**

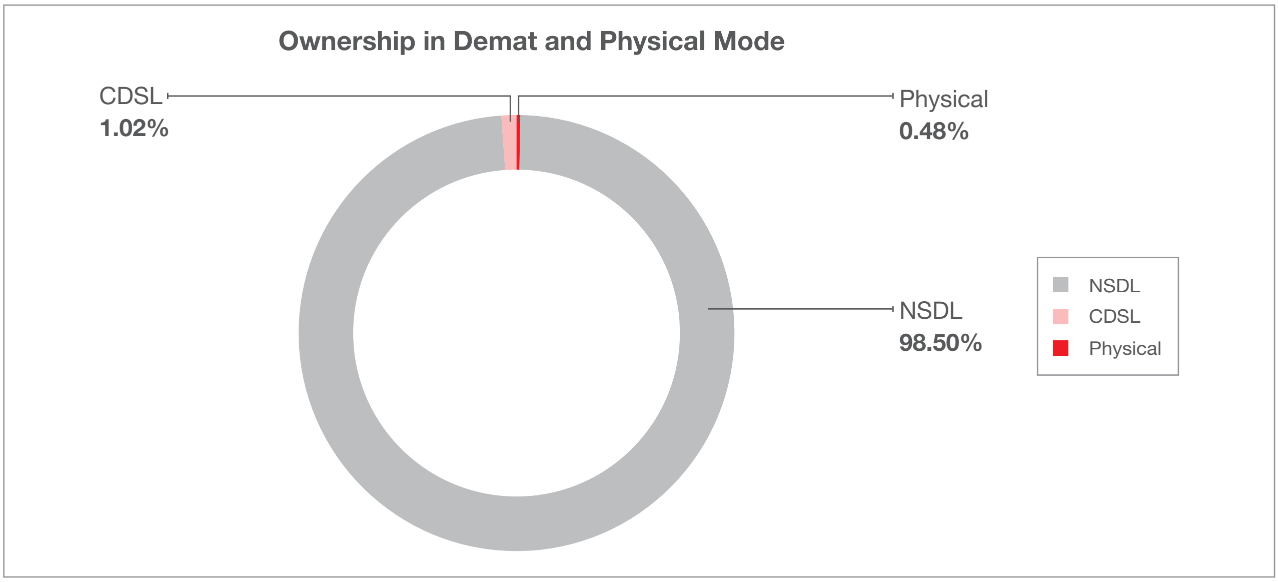
Ownership Pattern as on 31st March, 2016



(l) Dematerialization 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, 2016, 62,16,20,257 Equity shares out of 62,45,87,780 Equity Shares of the Company, forming 99.52% of the Company's paid-up capital is held in the dematerialized 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, 2016		As on 31st March, 2015	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form	62,16,20,257	99.52	62,12,89,335	99.49
NSDL	61,52,36,599	98.50	61,40,53,474	98.33
CDSL	63,83,658	1.02	72,35,861	1.16
Shares in Physical Form	29,67,523	0.48	31,98,700	0.51
Total	**62,45,87,780**	**100.00**	**62,44,88,035**	**100.00**



(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, 2016.

(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 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 minimize the financial statement impact of fluctuating foreign currency exchange rates.

In terms of the Policy, generally forward contracts are used to cover exposures. However, other Hedging techniques may be used like Currency Swaps and Currency Options etc.

(o) Plant locations:

Sr. No.	Unit / Plant	Location Address
1.	Switchgear Division	
	a. Domestic Switchgears	- Distt. Solan, Baddi, Himachal Pradesh - Plot No. 2 and 2A, Sector - 12, SIDCUL Industrial Area, Haridwar, Uttarakhand
	b. Industrial Switchgear	- 14/3, Mathura Road, Faridabad - Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)
2.	Capacitors	Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)
3.	PCB Assembly Line	E-1, Sector-59, Noida – 201 307 (U.P.)
4.	Motor and Pumps	SP-181 – 189 & 191(A) Industrial Area, Phase II, Neemrana, Alwar, Rajasthan
5.	Cable Division	A/461-462, & SP – 215, 204 & 204(A) Matsya Industrial Area, Alwar, Rajasthan
6.	CFL / CMI / Lighting and Fixture / Water Heaters	SP-181 – 189 & 191(A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan
7.	Electrical Consumer Durable – Fan Division	Plot No. 2A, Sector - 10, SIDCUL Industrial Area, Haridwar, Uttarakhand
8.	Centre for Research & Innovation (CRI)	QRG Towers, 2D, Sector 126, Expressway, Noida (U.P.) 201 304

(p) Address for Correspondence with the Company:

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

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: 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 the Company:

During the financial year 2015-16, 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. 31(11) of Other Notes on Accounts of the Annual Report.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company 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 penalized, 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 organization 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 'Code & Policies' in the 'Corporate Governance' section and can be accessed at http://www.havells.com/content/havells/en/about-havells/corporate-governance/policy.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 'Code & Policies' in the 'Corporate Governance' section and can be accessed at http://www.havells.com/content/havells/en/about-havells/corporate-governance/policy.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 minimize the financial statement impact of fluctuating foreign currency exchange rates.

In terms of the Policy, generally forward contracts are used to cover exposures. However other Hedging techniques may be used like Currency Swaps and Currency options etc. The Foreign Currency exposure is given under Note No. 31(6) 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 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) DISCLOSURE OF COMPLIANCE OF REGULATION 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 'Code & Policies' in the 'Corporate Governance' section and can be accessed at http://www.havells.com/content/havells/en/about-havells/corporate-governance/policy.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, 2016.

Noida, May 11, 2016	Anil Rai Gupta Chairman and Managing Director

Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed with the Directors' Report and forms an integral part of the Annual Report.

Disclosures with respect to demat suspense account/ unclaimed suspense account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

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 dematerialized 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 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 seven years to the Investor Education and Protection Fund.

Unpaid Dividend :

In terms of the provisions of the Companies Act, 1956, dividends remaining unpaid/ unclaimed for a period of 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.

During the year, the Company had also made special efforts initiating a drive 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 2008-09 will be due for transfer to Investor Education and Protection Fund on 1st October, 2016 in terms of Section 205A of the Companies Act, 1956. Members who have not encashed their Dividends for the financial year ended 31st March, 2009 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, 2009, it will not be possible to entertain claims which are received by the Company after 30th September, 2016. Members are advised that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Dividend Type	Dividend Per Share (₹)	Date of Declaration	Due date of transfer to IEPF
2008-09	Final	2.50	25.08.2009	01.10.2016
2009-10	Interim	1.25	28.01.2010	06.03.2017
2009-10	Final	2.50	29.09.2010	05.11.2017
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

Dematerialization 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 dematerialization 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.

A separate communication in this regard was also sent during the financial year to all those Shareholders of the Company who have not yet dematerialized their physical share certificates, outlining the procedure for dematerialization 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 Dematerialized form are requested to register their nominations directly with their respective DPs.

Update your Correspondence Address / Bank Mandate / 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 / email Id instantly by written request under the signatures of sole/ first joint holder.

Shareholder(s) holding shares in dematerialized 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 Email IDs, Contact / Fax numbers for prompt reply to their correspondence.

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

Anil Rai Gupta
Noida, May 11, 2016 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, 2016 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**	For **Havells India Limited**
	(Anil Rai Gupta)	**(Rajesh Kumar Gupta)**
Noida, May 11, 2016	Chairman and Managing Director	Director (Finance) and Group CFO

AUDITORS' CERTIFICATE

To

The Members of Havells India Limited

We have examined the compliance of conditions of corporate governance by Havells India Limited, for the year ended on 31st March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. BATLIBOI & CO LLP	**For V.R. Bansal & Associates**
ICAI Firm registration number: 301003E / E300005	**ICAI Firm registration number: 016534N**
Chartered Accountants	Chartered Accountants
per Manoj Kumar Gupta	**per V.P. Bansal**
Partner	Partner
Membership No.: 83906	Membership No.: 8843

Place: Noida
Date : May 11, 2016

Standalone Financial **Statements**

S. R. Batliboi & Co LLP
Chartered Accountants
Golf View Corporate Tower - B,
Sector -42, Sector Road,
Gurgaon -122002, Haryana.

V. R. Bansal & Associates
Chartered Accountants
D-94, 9th Floor, Himalaya House,
23 K.G. Marg, New Delhi-110 001

INDEPENDENT AUDITOR'S REPORT

To the Members of Havells India Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Havells India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 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 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, 2016, its profit, and its cash flows 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 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 financial statements – Refer Note 30(A)(a), (d), (e) and 30(C) to the 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
ICAI Firm registration number: 301003E / E300005
Chartered Accountants

per Manoj Kumar Gupta
Partner
Membership No.: 83906

For V.R. Bansal & Associates
ICAI Firm registration number: 016534N
Chartered Accountants

per V.P. Bansal
Partner
Membership No.: 8843

Place: Noida
Date : May 11, 2016

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 identified on such verification.

(c) According to the information and explanations given by the management the title deeds of immovable properties included in fixed assets are held in the name of the company except for a 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 which is appearing in the Company's fixed assets having net block of ₹ 10,29,86,026. Apart from this, there are 3 more land / building properties having aggregate net block of ₹ 17,30,23,103 for which title deed is not in the name of the Company for which the Company is in process of getting them registered in their name.

(ii) 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, 2016 and no material discrepancies were noticed in respect of such confirmations.

(iii) 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, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(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 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, customs duty, excise duty, value added tax, cess and other material 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, cess and other material 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 outstanding 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 (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Disallowances and additions to taxable income.	10.50	AY 2004-05 to AY 2009-10	Income Tax Appellate Tribunal, New Delhi
Income-Tax Act, 1961	Disallowances and additions to taxable income	24.69	AY 2006-07 to AY 2012-13	Commissioner of Income Tax (Appeals) New Delhi
Central excise Act, 1944	Excise duty demand/ disallowance of Cenvat credit on various items.	1.05	FY 2006-07 to FY 2007-08	Commissioner of Excise (Appeals), New Delhi
Central excise Act, 1944	Excise duty demand/ disallowance of Cenvat credit on various items.	16.68	FY 1998-99 to FY 2013-14	CESTAT (New Delhi, Ahmedabad)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	10.25	FY 2010-11 to FY 2014-15	Joint Commissioner (Appeals)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	0.39	FY 2007-08 to FY 2010-11	Additional Commissioner (Appeals)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	0.03	FY 2007-08	Commissioner (Appeals)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	10.12	FY 2011-12	Special Commissioner (Appeals)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	2.28	FY 2007-08 to FY 2011-12	Tribunal (Commercial Tax)
Sales Tax/ VAT	Sales tax / VAT demand on various matters.	5.14	FY 2007-08 to FY 2014-15	Deputy Commissioner (Appeals)
The Rajasthan tax of entry of goods into local areas Act, 1999	Demand of entry tax in the state of Rajasthan on purchase of few items	1.07	FY 2007-08 to FY 2014-15	Supreme Court of India
West Bengal Entry Tax Act, 2012	Demand of entry tax in the state of West Bengal on purchase of few items	6.15	FY 2013-14 to FY 2015-16	High Court of Calcutta
Odisha Entry Tax Act, 1999	Demand of entry tax in the state of Orissa on purchase of few items	4.46	October, 2009 to March, 2016	High Court of Odisha
The Himachal Pradesh tax of entry of goods into local areas Act, 2010	Demand of entry tax in the state of Himachal Pradesh on purchase of few items.	6.74	FY 2010-11 to FY 2015-16	High Court of Himachal Pradesh

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(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 / material 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
ICAI Firm registration number: 301003E / E300005
Chartered Accountants

per Manoj Kumar Gupta
Partner
Membership No.: 83906

For V.R. Bansal & Associates
ICAI Firm registration number: 016534N
Chartered Accountants

per V.P. Bansal
Partner
Membership No.: 8843

Place: Noida
Date : May 11, 2016

S. R. Batliboi & Co LLP
Chartered Accountants
Golf View Corporate Tower - B,
Sector -42, Sector Road,
Gurgaon -122002, Haryana.

V. R. Bansal & Associates
Chartered Accountants
D-94, 9th Floor, Himalaya House,
23 K.G. Marg, New Delhi-110 001

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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")

To the Members of Havells India Limited

We have audited the internal financial controls over financial reporting of Havells India Limited ("the Company") as of March 31, 2016 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, both 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, 2016, 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
ICAI Firm registration number: 301003E / E300005
Chartered Accountants

per Manoj Kumar Gupta
Partner
Membership No.: 83906

For V.R. Bansal & Associates
ICAI Firm registration number: 016534N
Chartered Accountants

per V.P. Bansal
Partner
Membership No.: 8843

Place: Noida
Date : May 11, 2016

Balance Sheet
as at March 31, 2016

(₹ in Crores)

		Notes	As at March 31, 2016	As at March 31, 2015
I	**EQUITY AND LIABILITIES**			
	1. Shareholders' funds			
	Share capital	2	62.46	62.44
	Reserves and surplus	3	2,581.72	2,313.35
			2,644.18	**2,375.79**
	2. Non-current liabilities			
	Long-term borrowings	4	-	41.73
	Deferred tax liabilities (net)	5	74.91	43.37
	Other long-term liabilities	6	4.13	1.36
	Long-term provisions	7	6.61	4.78
			85.65	**91.24**
	3. Current liabilities			
	Trade payables	8		
	Total outstanding dues of creditors other than micro and small enterprises		403.93	362.96
	Total outstanding dues of micro and small enterprises		32.40	31.56
	Other current liabilities	9	440.81	463.71
	Short-term provisions	10	387.65	323.59
			1,264.79	**1,181.82**
	Total		**3,994.62**	**3,648.85**
II	**ASSETS**			
	1. Non-current assets			
	Fixed assets	11		
	Tangible assets		1,050.74	976.60
	Intangible assets		10.82	8.59
	Capital work in progress		20.49	22.13
	Non-current investments	12	460.27	1,011.76
	Long-term loans and advances	13	73.24	46.77
	Other non-current assets	14	0.38	175.38
			1,615.94	**2,241.23**
	2. Current assets			
	Current Investments	15	0.00	-
	Inventories	16	784.36	689.72
	Trade receivables	17	157.64	132.51
	Cash and bank balances	18	1,344.21	522.34
	Short-term loans and advances	19	56.54	41.11
	Other current assets	20	35.93	21.94
			2,378.68	**1,407.62**
	Total		**3,994.62**	**3,648.85**
	Summary of significant accounting policies	1		
	Contingent liabilities, commitments and litigations	30		
	Other notes on accounts	31		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E /E3000005

For V.R. Bansal & Associates
Chartered Accountants
ICAI Registration No. 016534N

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

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Per V.P. Bansal
Partner
Membership No. 8843

Sanjay Gupta
Company Secretary

Sanjay Johri
Vice President (Finance)

Noida, May 11, 2016

Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in Crores)

		Notes	Year ended March 31, 2016	Year ended March 31, 2015
I	**INCOME**			
	Revenue from operations (gross)	21	5,833.98	5,557.79
	Less: Excise duty		397.10	319.10
	Revenue from operations (net)		**5,436.88**	**5,238.69**
	Other income	22	68.74	52.21
	Total Revenue		**5,505.62**	**5,290.90**
II	**EXPENSES**			
	Cost of materials consumed	23	2,875.42	2,784.51
	Purchase of traded goods	24	392.69	399.20
	Change in inventories of finished goods, work in progress and stock in trade	25	(94.64)	(5.29)
	Employee benefit expenses	26	376.27	312.72
	Finance costs	27	12.60	17.57
	Depreciation and amortisation expenses	28	92.22	87.51
	Other expenses	29	1,139.26	1,048.43
	Total Expense		**4,793.82**	**4,644.65**
III	**Profit before tax and Exceptional Items**		**711.80**	**646.25**
	Add : Exceptional Items {refer note no 31(1)}		202.39	-
IV	**Profit before tax**		**914.19**	**646.25**
V	**Tax expenses**			
	Current tax		195.73	188.29
	MAT credit entitlement {refer note no. 31(21)}		(22.61)	-
	Income tax for earlier years		(5.82)	(0.37)
	Deferred tax		31.54	(6.61)
	Total tax expense		**198.84**	**181.31**
VI	**Profit for the year**		**715.35**	**464.94**
VII	**Earnings per equity share (nominal value of share ₹ 1/-)**	31(13)		
	Basic (₹)		**11.45**	**7.45**
	Diluted (₹)		**11.45**	**7.45**
	Summary of significant accounting policies	1		
	Contingent liabilities, commitments and litigations	30		
	Other notes on accounts	31		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of Board of Directors

For S.R. Batliboi & Co. LLP Chartered Accountants ICAI Registration No. 301003E /E3000005	**For V.R. Bansal & Associates** Chartered Accountants ICAI Registration No. 016534N	**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
Per Manoj Kumar Gupta Partner Membership No. 83906	**Per V.P. Bansal** Partner Membership No. 8843	**Sanjay Gupta** Company Secretary	**Sanjay Johri** Vice President (Finance)	

Noida, May 11, 2016

Cash Flow Statement

for the year ended March 31, 2016

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	914.19	646.25
	Adjustments to reconcile profit before tax to net cash flows		
	Exceptional Items	(202.39)	-
	Depreciation and amortisation expense	92.22	87.51
	Loss/ (profit) on sale of fixed assets (net)	3.32	1.56
	Unrealised foreign exchange (gain) / loss (net)	3.27	1.93
	Provision for doubtful trade receivables	3.22	0.93
	Interest income	(50.99)	(34.59)
	Interest expense	6.01	11.72
	Excess provisions no longer required written back	(8.22)	(2.98)
	Provision for doubtful receivables written back	(0.61)	(1.30)
	Operating Profit before working capital changes	**760.02**	**711.03**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables	(28.32)	4.88
	(Increase)/ Decrease in loans and advances	(14.99)	(17.35)
	(Increase)/ Decrease in other assets	(1.53)	2.05
	(Increase)/ Decrease in inventories	(94.64)	(7.01)
	Increase/ (Decrease) in trade payables	42.54	(55.15)
	Increase/ (Decrease) in other liabilities and provisions	5.81	112.46
	Cash generated from/(used) in operations	**668.89**	**750.91**
	Direct taxes paid (net of refunds)	(144.60)	(150.47)
	Net Cash flow from/(used) in Operating Activities (A)	**524.29**	**600.44**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets including capital work in progress	(172.75)	(168.88)
	Capital advances (net of capital creditors)	(3.83)	4.72
	Fixed Deposits matured/ (made) during the year (having original maturity of more than three months)	(692.43)	(347.57)
	Proceeds from redemption/ sale of equity shares invested in subsidiary companies	933.66	-
	Investment in equity shares of Subsidiary Company	(29.12)	(129.33)
	Investment in shares of Joint Venture	-	0.09
	Investment in Bonds	(150.66)	-
	Proceeds from sale of fixed assets	2.48	1.41
	Interest income received	37.08	30.78
	Net Cash flow from/(used) in Investing Activities (B)	**(75.57)**	**(608.78)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceed from share capital issued	0.02	0.05
	Proceed from security premium received	4.11	9.86
	Repayment of long term borrowings	(43.43)	(103.01)
	Repayment of short term borrowings	-	(12.37)
	Interest paid	(6.15)	(17.09)
	Dividends paid on equity shares (including Corporate Dividend Tax)	(451.05)	(146.03)
	Net Cash Flow from/(used) in Financing Activities (C)	**(496.50)**	**(268.59)**
	Net increase / decrease in cash and cash equivalents (A+B+C)	**(47.78)**	**(276.93)**
	Cash and cash equivalents at the beginning of the year	123.78	399.70
	Effect of exchange differences on cash and cash equivalents held in foreign currency	0.77	1.01
	Cash and Cash Equivalents at the end of the year	**76.77**	**123.78**

Notes :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3, "Cash Flow Statements".

2 Components of cash and cash equivalents :

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
a)	**Cash and cash equivalents**		
	Balances with banks:		
	Current accounts	4.89	12.30
	Cash credit accounts	46.85	55.79
	Fixed deposits account having a original maturity period of less than three months	25.00	55.65
	Cash on hand	0.03	0.04
		76.77	**123.78**
b)	**Other bank balances**		
	Unpaid dividend account	2.44	0.99
	Fixed deposits account having a remaining maturity period of more than three months but less than twelve months	1,265.00	397.57
		1,267.44	**398.56**
	Total	**1,344.21**	**522.34**

As per our report of even date

For and on behalf of Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E /E3000005

For V.R. Bansal & Associates
Chartered Accountants
ICAI Registration No. 016534N

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

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Per V.P. Bansal
Partner
Membership No. 8843

Sanjay Gupta
Company Secretary

Sanjay Johri
Vice President (Finance)

Noida, May 11, 2016

CORPORATE INFORMATION

Havells India Limited ('the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company is 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 and Domestic Appliances 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 and Noida in Uttar Pradesh and Baddi in Himachal Pradesh. 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 & Industrial Research, Ministry of Science & Technology, Government of India, New Delhi. During the year, the Company has divested its stake in worlwide business brands like Sylvania, Concord, Luminance and Linotile effective from January 1, 2016.

1 SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of Preparation

a) Basis of Accounting

The financial statements of the Company have been prepared and presented in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply with all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Current/Non Current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

c) Use of Estimates

The preparation of financial statements are in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of Assets, Liabilities and Disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amount of revenue and expenses during the reported period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets, liabilities, revenue and expenses in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

1.02 Tangible Assets

a) Tangible assets are stated at cost, net of 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 CENVAT credit, VAT credit availed and subsidy directly attributable to the cost of fixed asset, wherever applicable. Interest and other borrowing costs during construction period to finance qualifying fixed assets is capitalised, if capitalisation criteria are met.

b) The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Similarly, when significant parts of plant and equipment are required to be replaced at intervals or when a major inspection/overhauling is required to be performed, such cost of replacement or inspection is capitalised (if the recognition criteria is satisfied) in the carrying amount of plant and equipement as a replacement cost or cost of major inspection/overhauling, as the case may be and depreciated seperately based on thier specific useful life.

c) Subsequent expenditure related to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

d) Capital work in progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses, other directly attributable costs and borrowing costs. The allocation of preoperative expenditure is done on the basis of prime cost of fixed assets in the year of commencement of commercial production.

e) Assets retired from active use and held for disposal are stated at the lower of their net book value or net realisable value, and are shown separately. Any expected loss is recognised immediately in the statement of profit and loss.

f) Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the assets are disposed off.

1.03 Intangible Assets

a) Acquired intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

b) 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life.

c) 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 derecognised.

1.04 Depreciation and Amortisation

a) Depreciation of tangible Assets :

i) Depreciation on Fixed Assets is provided on prorata basis on straight line method using the useful lives of assets estimated by the management and in the manner prescribed in Schedule II of The Companies Act, 2013.

ii) 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 assessement, management believes that the useful lives as given above best represent the period over which the assets are expected to be used.

iii) Lease hold improvements are depreciated on straight line basis over their initial agreement period.

iv) Leasehold land is amortised on a straight line basis over the unexpired period of their respective lease ranging from 90-99 years.

b) **Amortisation of intangible Assets :**

Intangible assets are amortised on a straight line basis over their estimated useful life of six years.

1.05 Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than one year from the date of acquisition are classified as current investments. All other investments are long-term investments and classified as Non Current Investments. However, that part of long term investments which are expected to be realized within twelve months from Balance Sheet date is also presented under "Current Investments" under "Current portion of long term investments" in consonance with the current / non-current classification of Schedule III of the Act.

"Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Reversal of such provision for diminution is made when there is a rise in the value of long term investments, or if the reasons for the decline no longer exist."

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.06 Inventories

a) **Basis of valuation:**

i) Inventories other than scrap materials are carried at lower of cost and net realisable 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 realisable 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 Inventories 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 further 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.

iii) Net realisable 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.

1.07 Foreign Currency Transactions

a) **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate prevailing at the date of transaction.

b) **Measurement of Foreign Currency items at the Balance Sheet date-**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

c) **Exchange differences**

Exchange differences arising on conversion/ settlement of foreign currency monetary items are recognised as income or expense in the year in which they arise.

d) **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.

1.08 Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that

(a) the Company will comply with all the necessary conditions attached to them; and

(b) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to a specific Fixed Asset, the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

1.09 Employee Benefits

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 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 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 Company Limited is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and are not deferred.

b) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to provident fund are made in accordance with the relevant scheme and are charged to the statement of profit and loss for the year when contribution are due. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related services.

c) Compensated Absences

Accumulated leaves which is expected to be utilised whithin next 12 months is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amuont that it expects to pay as a result of the unused entitlement and discharge at the year end.

1.10 Employee Stock Option Schemes

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefit expenses.

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

The Employee stock option scheme is administered through Havells Employee Welfare Trust.

1.11 Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognised:

a) Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Sales are recorded net of returns and trade discount. The Company collects sales tax and value added tax (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company and hence are excluded from revenue. Excise duty is deducted from revenue (gross) to arrive at revenue from operations (net). Sales do not include inter-divisional transfers.

b) Services

Revenue from service related activities is recognised using the proportionate completion method.

c) Export incentives

Export incentives under various schemes notified by the Government have been recognised on the basis of their entitlement rates in accordance with the Foreign Trade Policy 2015-20 (FTP 2015-20). Benefits in respect of advance licences are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and incentive will be received.

d) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates.

e) Claims

Claims are recognised when there exists reasonable certainty with regard to the amounts to be realised and the ultimate collection thereof.

1.12 Segment Reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

1.13 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.

1.14 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

i) Current income tax is measured at the amount expected to be paid to 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 Special Category of States.

ii) Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company 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. In the year in which the Company recognises MAT credit as an asset in accordance with the 'Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961', the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under loans and advances. 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.

b) Deferred Tax

Deferred income tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws those are enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Deferred tax assets and deferred tax liabilities are off-set , if a legally enforceable right exists to set-off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

In the situations, where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax asset/ (liability) is recognised in respect of timing differences which are reversible during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period as per taxation laws. Deferred tax, in respect of timing differences which are reversible after the tax holiday period, is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain supported by convincing evidence, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer virtually certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes virtually certain that sufficient future taxable income will be available.

1.15 Impairment of 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) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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 net selling price, recent market transactions are taken into account, if available. 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.

1.16 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

1.17 Borrowing Costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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.

1.18 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions for warranty

Product warranty costs are accrued in the year of sale of products, based on past 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 two 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 settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liabilty 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.

1.19 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.20 Exceptional Items

Exceptional items are transactions which due to their size or incidence are seperately disclosed to enable a full understanding of the Company'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.

Notes to financial statement

for the year ended March 31, 2016

2 SHARE CAPITAL

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
a)	**Authorised**		
	100,05,00,000 equity shares of ₹ 1/- each (Previous Year 100,05,00,000 equity shares of ₹ 1/- each)	**100.05**	**100.05**
	Issued, subscribed and fully paid-up		
	62,45,87,780 equity shares of ₹ 1/- each (Previous Year 62,44,88,035 equity shares of ₹ 1/- each)	62.46	62.45
	Less: Investment held by ESOP Trust 41,960 equity shares of ₹ 1/- each (Previous Year 1,30,225 equity shares of ₹ 1/- each))	0.00	0.01
	62,45,45,820 equity shares of ₹ 1/- each (Previous Year 62,43,57,810 equity shares of ₹ 1/- each)	**62.46**	**62.44**

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

	March 31, 2016		March 31, 2015	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	62,44,88,035	62.45	62,41,03,755	62.41
Add: Equity shares issued under ESOP / ESPP	99,745	0.01	3,84,280	0.04
Outstanding at the end of the year	**62,45,87,780**	**62.46**	**62,44,88,035**	**62.45**
Less : Investment held by ESOP Trust	41,960	0.00	1,30,225	0.01
	62,45,45,820	**62.46**	**62,43,57,810**	**62.44**

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- per share (previous year ₹ 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 Board of Directors at its meeting held on February 3, 2016 declared an Interim (Special) Dividend of ₹ 3/- per equity share of ₹ 1/- each. A final dividend of ₹ 3/- per share of ₹ 1/- each (previous year ₹ 3/- per share of ₹ 1/- each) has been recommended by the Board subject to approval of 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):

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares	% holding	No. of shares	% holding
Smt. Vinod Gupta*	6,63,54,240	10.63	6,63,54,240	10.63
Shri Surjit Kumar Gupta	3,26,50,800	5.23	3,26,50,800	5.23
QRG Enterprises Limited	18,98,58,880	30.40	18,98,58,880	30.40
Ajanta Mercantile Limited	6,87,41,660	11.01	6,87,41,660	11.01
Nalanda India Equity Fund Limited	3,30,44,930	5.29	3,30,44,930	5.29

* Shareholding of Smt. Vinod Gupta includes 1,33,20,000 Equity shares of ₹ 1/- each (Previous Year 1,33,20,000 equity shares of ₹ 1/- each) for and behalf of M/s Guptajee & Company, a firm in which she is a partner and 1,35,84,000 equity shares as a legal heir which are under process of transmission.

e) Shares reserved for issue under Stock Option

Nil equity shares (Previous year 90,550 equity shares of ₹ 1/- each) are reserved for the issue under Employees Stock Option Plan (ESOP) of the Company.

f) **Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:**

	March 31, 2016 No. of shares Face value of ₹ 1/-	March 31, 2015 No. of shares Face value of ₹ 1/-
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash.	1,10,95,000	1,10,95,000
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium reserve and general reserve.	31,19,37,030	31,19,37,030
Equity shares issued under the Employee Stock Option Plan as part consideration for services rendered by employees	3,32,969	2,33,130

3 RESERVES AND SURPLUS

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
a)	**Capital Reserve**	**7.61**	**7.61**
b)	**Securities Premium Account**		
	As per the last balance sheet	11.63	3.09
	Add: Addition on equity shares issued under ESOP /ESPP	2.92	8.54
		14.55	11.63
	Less: Investment held by ESOP Trust	(0.56)	(1.75)
		13.99	**9.88**
c)	**General Reserve**		
	As per last balance sheet	677.29	630.79
	Add: Transfer from surplus as per the statement of profit and loss	71.55	46.50
		748.84	**677.29**
d)	**Surplus as per the statement of profit and loss**		
	As per last balance sheet	1,618.57	1,429.04
	Less : Adjustment related to transitional provision as per Schedule II of the Companies Act, 2013	-	(3.42)
	Add : Profit for the year	715.35	464.94
		2,333.92	**1,890.56**
	Less Appropriations :		
	Interim (Special) dividend of ₹ 3/- per share of ₹ 1/- each (Previous year ₹ Nil per share of ₹ 1/- each)	(187.38)	-
	Proposed final equity dividend of ₹ 3/- per share of ₹ 1/- each (Previous year ₹ 3/- per share of ₹ 1/- each)	(187.38)	(187.35)
	Dividend for previous years	(0.03)	-
	Corporate dividend tax	(76.30)	(38.14)
	Transferred to general reserve	(71.55)	(46.50)
	Net surplus in the statement of profit and loss	**1,811.28**	**1,618.57**
	Total Reserves and Surplus	**2,581.72**	**2,313.35**

4 LONG TERM BORROWINGS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Term loans from banks (secured)		
External commercial borrowings {refer point (a)}	-	41.73
	-	**41.73**

a) External commercial borrowing is from HSBC Bank (Mauritius) Limited. The said loan is repayable in 12 equal quarterly instalments of ₹ 11.06 crores (USD 16,66,667) starting from 26th April, 2014 carrying an interest rate of LIBOR + 195 bps per annum, and is secured by way of:

   i) first charge on movable fixed assets acquired out of the said loan and

   ii) equitable mortgage over land and building situated at Plot no. 2A, sector 10, BHEL Industrial Estate, Haridwar, Uttarakhand.

b) Current maturities of long term borrowings are ₹ 44.22 crores (Previous Year ₹ 41.73 crores).

5 DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Deferred tax liability		
On account of difference in rates and method of depreciation of fixed assets	91.68	83.08
Others	1.99	2.48
Gross deferred tax liability	**93.67**	**85.56**
Deferred tax asset		
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	7.76	9.39
On account of provision for doubtful trade receivables and other provisions	3.08	26.29
Others	7.92	6.51
Gross deferred tax asset	**18.76**	**42.19**
Deferred tax liability (Net)		
At the end of year	**74.91**	**43.37**
Adjustment related to transitional provision of Schedule II as per the Companies Act, 2013	-	(1.76)
For the year	**31.54**	**(6.61)**

The company has not recognised Deferred tax assets in respect of long term capital losses amounting to ₹ 265.54 crores, due to absence of virtual certainty supported by convincing evidences that sufficient future taxable income will be available against which such deferred tax assets can be realised.

6 OTHER LONG TERM LIABILITIES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Retention money and security deposits	3.82	0.72
ESOP / ESPP compensation payable	0.31	0.64
	4.13	**1.36**

7 LONG TERM PROVISIONS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Product warranties {refer note no. 10(a)}	6.61	4.78
	6.61	**4.78**

8 TRADE PAYABLES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Trade payables		
Total outstanding dues of creditors other than micro and small enterprises	403.93	362.96
Total outstanding dues of micro and small enterprises	32.40	31.56
	436.33	**394.52**

a) Trade payables include acceptances of ₹ Nil (previous year ₹ 25.83 crores).

b) 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, 2016 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, 2016	As at March 31, 2015
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	32.40	31.56
	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.	-	-

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
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 (Previous year ₹ Nil) as on balance sheet date.

9 OTHER CURRENT LIABILITIES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings {refer note no. 4(b)}	44.22	41.73
Interest accrued but not due on borrowings	0.18	0.32
Unpaid dividend {refer point (a)}	2.44	0.99
Creditors for capital goods	13.97	13.49
ESOP / ESPP Compensation payable	1.80	1.90
Other payables		
Sales incentives payable	140.30	120.57
Trade deposits	28.83	25.25
Advances and progress payments from customers	9.49	9.53
Excise duty payable {refer point (b)}	15.65	12.12
Other statutory dues payable	61.07	47.40
Claims payable	-	69.69
Other liabilities		
Payable for services	27.31	40.42
Payable to banks against receivable buyout facilities	91.74	74.72
Retention money	3.81	5.58
	440.81	**463.71**

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 ₹ 0.04 crore (previous year ₹ 0.03 crore) out of unclaimed dividend pertaining to the financial year 2007-08 to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 205C of the Companies Act,1956.

b) The Company has made a provision of excise duty payable amounting to ₹ 15.65 crores (previous year ₹ 12.12 crores) on stocks of finished goods and scrap material at the end of the year except units which are exempt from excise duty. Excise duty is considered as an element of cost at the time of manufacture of goods.

10 SHORT TERM PROVISIONS

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
i)	**Provision for employee benefits**		
	Gratuity {refer note no 31 (7)}	11.72	10.78
		11.72	**10.78**
ii)	**Other provisions**		
	Product warranties {refer point (a)}	59.40	48.16
	Litigations {refer point (b)}	20.29	13.69
	Proposed equity dividend {refer point (c)}	187.38	187.35
	Corporate Dividend tax	38.15	38.14
	Income Tax (net of advance tax and TDS)	70.71	25.41
	Wealth Tax	-	0.06
		375.93	**312.81**
		387.65	**323.59**

a) **Provision for warranties**

A provision is recognised for expected warranty claims and after sales services on products sold during the last one to two 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 two 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 two years warranty period for all products sold. The table below gives information about movement in warranty provisions.

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	52.94	41.45
Arising during the year	95.34	80.81
Utilized during the year	(82.27)	(69.32)
At the end of the year	**66.01**	**52.94**
Current portion	59.40	48.16
Non-current portion (refer note no. 7)	6.61	4.78

b) **Provision for litigations {Refer Note No. 30(C)}**

i) During the financial year 2010-11, the Central Excise Department, Jalandhar raised a penalty demand for ₹ 0.10 crore (previous year ₹ 0.10 crore) towards differential excise duty on finished goods sold by the branches at higher selling price. The Company is contesting the same before the Central Excise and Service Tax Appellate Tribunal (CESTAT). A provision of ₹ 0.10 crore (previous year ₹ 0.10 crore) has been made towards the liability on this account.

ii) The Company has challenged the constitutional validity of Entry Tax in Rajasthan, Himachal Pradesh, Orissa and West Bengal. The cases are pending before the Hon'ble High Courts in the state of Himachal Pradesh, Orissa and West Bengal and Hon'ble Supreme Court in respect of state of Rajasthan. During the year 2015-16, a provision of ₹ 6.66 crores (previous year ₹ 6.32 crores) has been made on this account and the liability as on March 31, 2016 is ₹ 20.17 crores (previous year ₹ 13.51 crores).

iii) A demand of ₹ 0.03 crore (previous year ₹ 0.03 crore) was raised by the Income Tax Department for the financial year 2003-04. The same is being contested before the Hon'ble Income Tax Appellate Tribunal. However, the Company expects the liability of ₹ 0.02 crore (previous year ₹ 0.02 crore) and the provision has been made accordingly.

The table below gives information about movement in litigation provisions:

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	13.69	7.39
Arising during the year	6.66	6.32
Utilized during the year	-	(0.02)
Unused amount reversed during the year	(0.06)	-
At the end of the year	**20.29**	**13.69**
Current portion	20.29	13.69
Non-current portion	-	-

c) **Provision for dividend**

The Board of Directors has recommended a final dividend of ₹ 3 per share of ₹ 1/- each (previous year of ₹ 3/- per share of ₹ 1/- each). The payment of final dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

11 FIXED ASSETS

(₹ in Crores)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
		As at April 1, 2015	Additions during the year	Sales during the year	As at March 31, 2016	Upto last year	For the year	Set-off from Retained Earnings	Sales during the year	To date	As at March 31,2016	As at March 31, 2015
a)	**Tangible**											
	1 Industrial land											
	Freehold	27.42	-	-	27.42	-	-	-	-	-	27.42	27.42
	Leasehold	76.80	-	-	76.80	3.00	1.00	-	-	4.00	72.80	73.80
	2 Buildings	437.47	40.25	0.22	477.50	66.15	13.59	-	0.12	79.62	397.88	371.32
	3 Leasehold Improvements	2.19	3.50	-	5.69	0.19	0.35	-	-	0.54	5.15	2.00
	4 Plant and machinery	511.78	79.29	6.02	585.05	160.71	40.19	-	2.59	198.31	386.74	351.07
	5 Dies and tools	78.17	23.39	3.97	97.59	25.84	13.27	-	3.02	36.09	61.50	52.33
	6 Furniture and fixtures	41.55	5.45	0.74	46.26	15.18	4.38	-	0.50	19.06	27.20	26.37
	7 Vehicles	12.16	0.48	0.49	12.15	4.05	1.45	-	0.43	5.07	7.08	8.11
	8 R & D Equipments	17.86	1.57	0.06	19.37	6.09	1.27	-	0.05	7.31	12.06	11.77
	9 Office Equipments	52.07	9.01	7.46	53.62	30.94	7.91	-	6.77	32.08	21.54	21.13
	10 Electric fans and installations	48.44	6.15	0.09	54.50	17.55	5.75	-	0.07	23.23	31.27	30.89
	Total tangible assets	**1,305.91**	**169.09**	**19.05**	**1,455.95**	**329.70**	**89.16**	**-**	**13.55**	**405.31**	**1,050.64**	**976.21**
	Previous year	**1,141.90**	**172.09**	**8.08**	**1,305.91**	**244.89**	**84.46**	**5.18**	**4.83**	**329.70**	**976.21**	**897.01**
b)	**Intangible Assets**											
	1 Computer Software	18.74	4.52	0.01	23.25	11.38	2.73	-	-	14.11	9.14	7.36
	2 Technical know-how	0.51	-	-	0.51	0.50	-	-	-	0.50	0.01	0.01
	3 R & D Software	1.74	0.78	-	2.52	0.52	0.33	-	-	0.85	1.67	1.22
	Total intangible assets	**20.99**	**5.30**	**0.01**	**26.28**	**12.40**	**3.06**	**-**	**-**	**15.46**	**10.82**	**8.59**
	Previous year	**18.55**	**2.44**	**-**	**20.99**	**9.35**	**3.05**	**-**	**-**	**12.40**	**8.59**	**9.20**
c)	**Capital Work in Progress**	**22.13**	**19.79**	**21.43**	**20.49**	**-**	**-**		**-**	**-**	**20.49**	**22.13**
	Previous year	**27.78**	**22.01**	**27.66**	**22.13**	**-**	**-**		**-**	**-**	**22.13**	**27.78**
d)	**Assets held for sale - tangible**	-			-						0.10	0.39
e)	**Total Tangible Assets (a+d)**	**1,305.91**	**169.09**	**19.05**	**1,455.95**	**329.70**	**89.16**	**-**	**13.55**	**405.31**	**1,050.74**	**976.60**
	Previous year	**1,141.90**	**172.09**	**8.08**	**1,305.91**	**244.89**	**84.46**	**5.18**	**4.83**	**329.70**	**976.60**	**897.08**
	Total-Current Year	**1,349.03**	**194.18**	**40.49**	**1,502.72**	**342.10**	**92.22**	**-**	**13.55**	**420.77**	**1,082.05**	**1,007.32**
	Previous year	**1,188.23**	**196.54**	**35.74**	**1,349.03**	**254.24**	**87.51**	**5.18**	**4.83**	**342.10**	**1,007.32**	**934.06**

Notes:
1. Freehold land includes land amounting to ₹ 0.10 crore located at Narela Industrial Area in respect of which possession has not been given by authority.
2. The title deed in respect of freehold land & building amounting to ₹ 17.17 crores at Badli is yet to be executed.
3. Buildings include ₹ 0.03 crore being the cost of premises purchased at Leonard Road, Bangalore, title deed in respect of which has not been executed as yet.
4. The machineries retired from active use and held for disposal are classified as assets held for sale.

   Details are as under :

   Current year : Gross Block ₹ 0.94 crore, Accumulated depreciation ₹ 0.41 crore, Loss ₹ 0.43 crore and Net Block ₹ 0.10 crore

   Previous year: Gross Block ₹ 2.19 crores, Accumulated depreciation ₹ 1.31 crores, Loss ₹ 0.49 crore and Net Block ₹ 0.39 crore.

12 NON-CURRENT INVESTMENTS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Trade investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
(a) Investments in Subsidiaries		
Havells Holdings Limited {refer note no. 31(1)(a)(i) & (b)}	249.62	980.89
3,17,61,072 (Previous year 12,48,11,912) Ordinary Shares of 1 GBP each fully paid up		
Promptec Renewable Energy Solutions Private Limited {refer note no. 31(2)(a)}	29.12	-
13,49,206 (Previous year Nil) Equity Shares of ₹ 10/- each fully paid up		
Havells Exim Limited {refer note no. 31(1)(a)(ii)}	-	0.00
Nil (Previous year 1,000) Equity Shares of 1 Hong Kong Dollars each fully paid up		
(b) Investments in Joint Venture		
Jiangsu Havells Sylvania Lighting Co., Limited {refer note no. 31(2)(b)}	30.87	30.87
(50% contribution in paid in capital)		
Aggregate amount of unquoted investments	**309.61**	**1,011.76**
Non Trade investments (valued at cost unless stated otherwise)		
Quoted Investment in Bonds		
15,00,000, 7.35% 15 year Tax Free, Secured Redeemable Non Convertible Bonds of face value ₹ 1000/- each of National Highway Authority of India	150.66	-
(Aggregate market value of quoted Investment is ₹ 156.00 crores) (Previous year ₹ Nil)		
Aggregate amount of Quoted Investments	**150.66**	**-**
	460.27	**1,011.76**

13 LONG TERM LOANS AND ADVANCES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Unsecured- considered good		
Capital advances	10.15	5.84
Security deposits	11.32	9.47
Minimum Alternate Tax credit entitlement	32.69	10.09
Prepaid expenses	0.33	0.50
Other deposits with Statutory/ Government authorities	18.75	20.87
	73.24	**46.77**

14 OTHER NON-CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Unsecured- considered good		
Earnest money	0.36	0.36
Fixed deposits with banks having remaining maturity period of more than twelve months	-	175.00
Deposits held as margin money against bank guarantees	0.02	0.02
	0.38	**175.38**

15 CURRENT INVESTMENTS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Current portion of long term Investments (valued at lower of cost and fair value)		
Unquoted Equity instruments in Associate Company		
Havells Exim Limited {refer note no. 31(1)(a)(ii)}	0.00*	-
200 (Previous year Nil) Equity Shares of 1 Hong Kong Dollars each fully paid up		
Aggregate amount of unquoted Investments	**0.00**	**-**

*Carrying value of investment is ₹ 1,160

16 INVENTORIES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Raw materials and components	180.30	182.50
Work in progress	64.89	44.39
Finished goods	403.94	319.50
Stock in trade (traded goods)	107.41	117.03
Stores and spares	11.08	8.97
Loose tools	0.81	1.02
Packing materials	12.00	11.64
Fuel and Gases	0.52	0.58
Scrap materials	3.41	4.09
	784.36	**689.72**
The above includes goods in transit as under:		
Raw material	22.65	12.06
Finished goods	49.19	14.35
Stock in trade (traded goods)	2.05	3.73

a) Inventories other than scrap materials have been taken at lower of cost and net realisable value. (refer note no. 1.06)

b) The stocks of scrap materials have been taken at net realisable value.

17 TRADE RECEIVABLES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Outstanding due for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	9.06	3.26
Unsecured, considered doubtful	8.84	6.19
	17.90	9.45
Less: Provision for doubtful receivables	8.84	6.19
	9.06	**3.26**
Other receivables		
Unsecured, considered good*	148.58	129.25
Unsecured, considered doubtful	-	-
	148.58	129.25
Less: Provision for doubtful receivables	-	-
	148.58	**129.25**
	157.64	**132.51**

** Trade receivables include ₹ 1.24 crores (previous year ₹ 17.71 crores) due from subsidiaries/stepdown subsidiary companies. {refer note no. 31(11)(c)}*

18 CASH AND BANK BALANCES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
a) Cash and cash equivalents		
Balances with banks:		
Current accounts	4.89	12.30
Cash credit accounts {refer note no. 31(4)}	46.85	55.79
Fixed Deposits having a original maturity period of less than three months	25.00	55.65
Cash on hand	0.03	0.04
	76.77	**123.78**
b) Other bank balances		
Unpaid dividend account*	2.44	0.99
Fixed Deposits accounts having a remaining maturity period more than three months but less than twelve months	1265.00	397.57
	1,267.44	**398.56**
	1,344.21	**522.34**

* The Company can utilise the balance only towards settlement of unclaimed dividend.

19. SHORT TERM LOANS AND ADVANCES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Other loans and advances (unsecured, considered good)		
Advances against material and services	10.09	7.96
Prepaid expenses	9.81	8.99
Security deposits	1.88	2.55
Other advances	0.23	0.30
Balance with Statutory/ Government authorities:		
Excise duty	2.65	0.86
Service tax	1.79	4.60
VAT	1.33	0.00
Other deposits with Statutory/ Government authorities	28.76	15.85
	56.54	**41.11**

20 OTHER CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Earnest money	1.04	1.09
Retention money	1.94	2.27
DEPB licences in hand	2.53	3.32
Claims and other receivables	6.54	5.29
Interest accrued on deposits	23.88	9.97
	35.93	**21.94**

21 REVENUE FROM OPERATIONS

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Sale of products		
Finished goods	5,395.84	5,148.38
Traded goods	710.71	679.82
	6,106.55	5,828.20
Less: Turnover discount, incentives and rebates	314.43	313.02
	5,792.12	5,515.18
Sale of Services	0.12	-
Other operating revenues		
Scrap sales	34.12	36.24
Export incentives	7.62	6.37
Revenue from operations (gross)	**5,833.98**	**5,557.79**
Less: Excise duty	397.10	319.10
Revenue from operations (net)	**5,436.88**	**5,238.69**
Details of products sold (gross)		
Finished goods		
Switchgears	1,316.45	1,304.38
Cables	2,553.65	2,485.33
Lighting and fixtures	586.45	595.83
Electrical consumer durables	939.29	762.84
	5,395.84	**5,148.38**
Traded goods		
Switchgears	97.42	102.55
Lighting and fixtures	297.66	234.55
Electrical consumer durables	315.63	342.72
	710.71	**679.82**
	6,106.55	**5,828.20**

22 OTHER INCOME

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest income		
Bank deposits	48.61	34.59
Bonds	2.38	-
Others	1.36	0.53
Miscellaneous income	7.56	4.86
Exchange fluctuation (net)	-	7.95
Excess provisions no longer required written back	8.22	2.98
Provision for doubtful receivables written back	0.61	1.30
	68.74	**52.21**

23 COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Copper	900.73	919.12
Aluminium	431.32	418.73
General plastic	171.50	175.64
Paints and chemicals	204.87	172.76
Steel	113.84	105.51
Engineering plastic	54.79	53.14
Packing materials	149.60	133.15
Others	848.77	806.46
	2,875.42	**2,784.51**

24 PURCHASE OF TRADED GOODS

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Switchgears	39.52	47.20
Lighting and fixtures	181.33	123.56
Electrical consumer durables	171.84	228.44
	392.69	**399.20**

25 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015	(Increase)/ decrease
Inventories at the end of the year			
Finished goods	403.94	319.50	(84.44)
Stock in trade (traded goods)	107.41	117.03	9.62
Work in progress	64.89	44.39	(20.50)
Scrap Material	3.41	4.09	0.68
	579.65	**485.01**	**(94.64)**
Inventories at the beginning of the year			
Finished goods	319.50	319.15	(0.35)
Stock in trade (traded goods)	117.03	99.28	(17.75)
Work in progress	44.39	57.56	13.17
Scrap materials	4.09	3.73	(0.36)
	485.01	**479.72**	**(5.29)**

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Details of inventory at the end of the year		
Finished Goods		
Switchgears	107.13	84.69
Cables	139.55	113.57
Lighting and fixtures	56.15	42.92
Electrical consumer durables	101.11	78.32
	403.94	**319.50**

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Stock in trade (traded goods)		
Switchgears	8.11	9.21
Lighting and fixtures	43.99	36.25
Electrical consumer durables	55.31	71.57
	107.41	**117.03**
Work in progress		
Switchgears	11.90	11.29
Cable	31.49	18.06
Lighting and fixtures	8.10	6.02
Electrical consumer durables	13.40	9.02
	64.89	**44.39**
Details of inventory at the beginning of the year		
Finished Goods		
Switchgears	84.69	86.66
Cables	113.57	152.55
Lighting and fixtures	42.92	28.87
Electrical consumer durables	78.32	51.07
	319.50	**319.15**
Stock in trade (traded goods)		
Switchgears	9.21	8.60
Lighting and fixtures	36.25	48.69
Electrical consumer durables	71.57	41.99
	117.03	**99.28**
Work in progress		
Switchgears	11.29	12.45
Cables	18.06	27.99
Lighting and fixtures	6.02	9.89
Electrical consumer durables	9.02	7.23
	44.39	**57.56**

26 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages, bonus, commission and other benefits	333.50	273.45
Contribution towards PF, Family Pension and ESI	17.59	13.91
Employee stock option expense {refer note no. 31(8)(c)}	1.70	3.73
Gratuity expense {refer note no. 31(7)}	11.72	11.02
Staff welfare expenses	11.76	10.61
	376.27	**312.72**

27 FINANCE COSTS

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	6.01	11.72
Bank charges	2.35	1.92
Miscellaneous financial expenses	0.05	0.10
Exchange difference to the extent considered as an adjustment to borrowing cost	4.19	3.83
	12.60	**17.57**

28 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation of tangible assets	89.16	84.46
Amortisation of intangible assets	3.06	3.05
	92.22	**87.51**

29 OTHER EXPENSES

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Consumption of stores and spares	36.67	33.35
Power and fuel	68.26	66.50
Job work charges	154.97	139.81
Increase/(decrease) in excise duty in inventory of finished goods and scrap	6.67	4.76
Rent	41.97	39.19
Repairs and maintenance		
Plant and machinery	14.77	12.42
Buildings	2.94	2.96
Others	17.06	10.34
Rates and taxes	1.71	1.17
Insurance	9.57	7.92
Trade mark fee and royalty	40.34	40.30
Travelling and conveyance	65.86	43.92
Communication expenses	9.91	8.00
Legal and professional charges	6.94	25.57
Payment to Auditors		
As auditor:		
Audit fee	1.20	1.20
Tax Audit Fee	0.05	0.05
Reimbursement of expenses	0.07	0.06
In other capacity	0.13	0.16
Contribution towards Corporate Social Responsibility {refer note no. 31(9)}	11.48	9.79
Directors sitting fees	0.32	0.22
Exchange fluctuations (net)	1.38	-
Freight and forwarding expenses	191.67	183.65
Service tax and custom duty paid	18.85	14.59
Advertisement and sales promotion	178.83	154.99
Cash discount	58.56	52.69
Commission on sales	47.46	40.27
Product warranties and after sales services	95.34	80.81
Claims and damages	-	27.69
Trade receivables factoring charges	29.42	25.60
Loss on sale/ discard of fixed assets (net)	3.32	1.56
Bad debts written off	0.58	0.61
Provision for doubtful trade receivables	3.22	0.93
Miscellaneous expenses	19.74	17.35
	1,139.26	**1,048.43**

30 CONTINGENT LIABILITIES, COMMITMENTS AND LITIGATIONS

(₹ in Crores)

A	Contingent liabilities (to the extent not provided for)	2015-16	2014-15
a	Claims / Suits filed against the Company not acknowledged as debts	5.61	5.21
b	Liability towards banks against receivable buyout facilities {refer point (i)}	132.50	106.30
c	Bonds to excise department against export of excisable goods / purchase of goods without payment of duty (to the extent utilised)	0.53	3.30
d	Disputed tax liabilities in respect of pending cases before appellate authorities {Amount deposited under protest ₹ 19.05 crores (previous year ₹ 20.65 crores)} {refer point (ii)}	100.42	100.80
e	Demand raised by Uttarakhand Power Corporation Limited contested before Hon'ble High Court of Uttarakhand, Nainital {Amount deposited under protest ₹ 1.00 crore (previous year ₹ 1.00 crore)}	1.00	1.00
f	Custom duty payable against export obligation {refer point (iii)}	8.88	12.14

Notes:

i) a) The Company has availed Receivable Buyout facility from banks against which a sum of ₹ 438.35 crores (Previous year ₹ 418.77 crores) has been utilized as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount. The Company has given maximum First Loss Default Guarantee of ₹ 84.50 crores (Previous Year ₹ 58.30 crores) against the said facility and accordingly disclosed as contingent liability. A sum of ₹ 29.42 crores (previous year ₹ 25.60 crores) on account of charges paid for this facility has been debited to the trade receivables factoring charges account.

b) The Company has arranged Channel Finance facility for its customers from banks against which a sum of ₹ 370.64 crores (Previous year ₹ 371.94 crores) has been utilized as on the date of Balance Sheet. The Company has given maximum First Loss Default Guarantee of ₹ 48 crores (Previous Year ₹ 48 crores) against the said facility and accordingly disclosed as contingent liability.

ii) The various disputed tax litigations are as under:

(₹ in Crores)

Sl.	Description	Period to which relates	Disputed amount 2015-16	Disputed amount 2014-15
a)	**Excise / Customs/ Service Tax**			
	Show cause notices / demands raised by Excise and Custom department pending before various appellate authorities.	1994-96 to 2012-13	19.41	30.21
b)	**Income Tax**			
	Disallowances / additions made by the income tax department pending before various appellate authorities.	2003-04 to 2011-12	40.26	42.33
c)	**Sales Tax/ VAT**			
	Show cause notices / demands raised by Sales tax / VAT department pending before various appellate authorities	2003-04 to 2014-15	40.48	28.11
d)	**Others**			
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	0.12
	Demand of octroi alongwith penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	0.03
	Demand of Advertisement Tax by Municipal Corporation of Indore, M.P.	2014-15	0.12	-
			100.42	**100.80**

The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense 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.

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.

iii) a) The Company is under obligation to export goods worth ₹ 64.05 crores (Previous Year ₹ 68.39 crores) within a period of eight years from the date of issue of EPCG licenses issued in terms of para 5.2 of Foreign Trade Policy 2009-2014. As on the date of balance sheet, the Company has fulfilled the export obligation in respect of which application for Export Obligation Discharge Certificates (EODC) will be filed with the Director General Foreign Trade (DGFT) within the stipulated time. Custom duty payable against said obligation is ₹ 8.00 crores (previous year ₹ 8.55 crores).

b) The Company is under obligation to export goods worth ₹ 13.23 crores (previous year ₹ 55.48 crores) in respect of duty free imports made by the Company against Advance Licenses. As on the date of balance sheet, the Company has fulfilled the export obligation in respect of which application for Export Obligation Discharge Certificates (EODC) will be filed with the Director General Foreign Trade (DGFT) within the stipulated time. Custom duty payable against said obligation is ₹ 0.88 crore (previous year ₹ 3.59 crores).

(₹ in Crores)

B	Commitments	2015-16	2014-15
a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	20.67	62.65
b)	Corporate Social Responsibility commitment to Ashoka University, Haryana.	3.00	6.00
		23.67	**68.65**

C Other Litigations

The Company has some entry tax and other tax related litigations of ₹ 20.29 crores (previous year ₹ 13.69 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same. {refer note no. 10(b)}

31 OTHER NOTES ON ACCOUNTS

1 a) The Board of Directors of the Company in their meeting held on December 10, 2015 has approved divestment plan upto 100% in its subsidiaries/ step down subsidiaries, which is approved by the shareholders of the Company through postal ballot on January 18, 2016, consequently following events happened:

i). During the year, Havells Holdings Limited, Isle of Man, a wholly owned subsidiary of the company, had entered into a Share Purchase Agreement dated December 10, 2015 with INESA UK Limited a subsidiary of Shanghai Feilo Acoustics Co. Ltd. (FEILO), a Company listed on Shanghai Stock Exchange for sale of 80% stake in its wholly owned subsidiary Havells Malta Limited, Malta for a purchase consideration of Euro 138.40 million (equivalent to ₹ 1,011.05 crores). Under the same agreement Havells Holdings Limited will continue to hold 100% stake in subsidiaries based in USA, Brazil, Chile and Thailand. Accordingly, Havells Malta Limited has become an associate company and ceased to be a subsidiary company of Havells Holdings limited (wholly owned subsidiary of the Company).

(ii). The Company has entered into a Share Purchase Agreement dated December 10, 2015 with Shanghai Feilo Investment Limited (A subsidiary of Shanghai Feilo Acoustics Co. Ltd.) for the sale of 80% stake in its wholly owned subsidiary Havells Exim Limited, Hong Kong for a purchase consideration of ₹ 75.89 crores (Euro 10.40 million). Pursuant to aforesaid sale of Shares, the Company has received a sum of ₹ 75.89 crores (Euro 10.40 million) against sale on 800 Equity shares of Havells Exim limited.

The profit on sale of Long term Investment as aforesaid, amounting to ₹ 75.81 crores being the difference between consideration received(net of expenses) and historical cost of investments has been disclosed as an Exceptional item in accordance with the requirements of Accounting Standard -5 – "Net Profit or Loss for the period, Prior Period items and Change in Accounting Policies" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014).

Subsequent to the above transaction, the Company holds 20% stake in Havells Exim Limited and therefore Havells Exim Limited ceases to be the subsidiary of the Company and has become an Associate Company.

Further, pursuant to Share Purchase agreement with Shanghai Feilo Investment Limited (A subsidiary of Shanghai Feilo Acoustics Co. Ltd), the Company is committed for the remaining 20% stake sale in Havells Exim Limited i.e. 200 Equity Shares of HKD 1 each as the end of nine months from the date of transfer of the 80% stake for a consideration of Euro 2.60 million subject to fulfillment of certain terms and conditions mentioned in the Share Purchase Agreement. The Investment in Havells Exim Limited has been treated as Current Investments, held for sale and disclosed accordingly.

b) Havells Holdings Limited, the wholly owned subsidiary of the Company, has in its meeting of Board of Directors held on January 15, 2016 and March 26, 2016, approved redemption of 90,293,332 ordinary shares of GBP 1 each and 2,772,167 ordinary shares of GBP 1 each respectively at a price of EURO 1.2626 per equity share based on the fair value of the Company.

Pursuant to the aforesaid redemption, the Company has received a sum of ₹ 858.37 crores (Euro 117.50 million) against redemption of 9,30,65,499 shares of Havells Holdings Limited. The profit on redemption of long term Investments amounting to ₹ 126.58 crores has been disclosed as an Exceptional item in accordance with the requirement of Accounting Standard -5 – "Net Profit or Loss for the period, Prior Period items and Change in Accounting Policies" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014).

c) Therefore, the total exceptional items disclosed in the statement of Profit and Loss is as under:

(₹ in Crores)

		2015-16	2014-15
i)	On account of profit on redemption of Equity Shares of Havells Holdings Limited	126.58	-
ii)	On account of profit on disposal of stake in Havells Exim Limited	75.81	-
		202.39	**-**

2 a) The Company has acquired 51.18% stake in Promptec Renewable Energy Solutions Private Limited, having its registered office at Bengaluru, Karnataka for a consideration of ₹ 29.12 crores (including Stamp Duty of ₹ 0.04 crore) as per the share subscription cum purchase agreement dated April 21, 2015 . The said Company is engaged in marketing and manufacturing of LED products including street lighting, office lighting and solar lighting. By virtue of this, Promptec Renewable Energy Solutions Private Limited has become a subsidiary of the Company with effect from April 21, 2015.

b) The Company has entered into a Joint Venture agreement with 'Shanghai Yaming Lighting Co., Ltd., Shanghai, China' on 26th December, 2011 for forming a Joint Venture Company for production of lighting lamps and lighting accessories and sales / services of related products. Accordingly, a Company 'Jiangsu Havells Sylvania Lighting Co., Ltd.' a Jointly Controlled Entity has been formed vide certificate of approval dated 13th February, 2012 issued by the People's Government of Jiangsu Province, China. The Company has an investment of ₹ 30.87 crores (RMB 33.00 millions) {previous year ₹ 30.87 crores (RMB 33.00 millions)} towards 50% of capital contribution in the said Joint Venture Company as on the date of balance sheet.

The Company's interest in Joint Venture is reported as a Non-Current Investment (refer note no. 12) and is stated at cost. The disclosure in respect of Company's Joint Venture's assets and liabilities are given on the basis of audited financial statements of the joint venture Company as at December 31, 2015.

Pursuant to Accounting Standard-27 "Financial Reporting of Interests in Joint Ventures" specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, disclosures in respect of the said joint venture are given below:

Name of Joint Venture	Description of Interest	Country of Incorporation	Proportion of Ownership interest as at	
			December 31, 2015	December 31, 2014
Jiangsu Havells Sylvania Lighting Co., Ltd.	Jointly Controlled Entity	Jiangsu Province, China	50%	50%

The Company's share in each of the assets, liabilities, incomes and expenses (without elimination of the effect of transaction between the Company and the Joint Venture) related to its interest in Joint Venture, based on the Audited Financial Statements as at December 31, 2015 are as under:

(₹ in Crores)

		December 31, 2015	December 31, 2014
i)	**Liabilities**		-
	Current Liabilities		
	Trade Payables	19.60	14.75
	Other Current Liabilities	0.29	0.00
	Short Term Provisions	0.31	0.02
		20.20	**14.77**
ii)	**Assets**		
	Non-Current Assets		
	Fixed Assets		
	Tangible Assets	7.77	7.20
	Capital Work in Progress	0.87	1.55
	Deferred Tax Assets	0.05	-
	Long Term Loans and Advances	-	1.73
		8.69	**10.48**
	Current Assets		
	Inventories	2.81	2.50
	Trade Receivables	23.73	21.93
	Cash and Bank Balances	18.25	10.80
	Short Term Loans and Advances	2.35	3.11
		47.14	**38.34**
		55.83	**48.82**
iii)	**Income**		
	Revenue from Operations (net of Excise duty)	61.52	61.49
	Other Income	0.20	0.11
		61.72	**61.60**
vi)	**Expenses**		
	Cost of Materials Consumed	13.19	16.01
	Purchase of Traded Goods	39.68	36.84
	(Increase)/ Decrease in inventories	(0.03)	0.14
	Employee Benefit Expenses	2.43	1.40
	Finance Cost	0.01	0.02
	Depreciation and Amortisation	1.27	2.06
	Other Expenses	2.83	2.96
		59.38	**59.43**
v)	**Other Matters**		
	Contingent Liabilities	NIL	NIL
	Capital Commitments	NIL	NIL

3 During the year, the Company has capitalized 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 capitalized by the Company.

(₹ in Crores)

	2015-16	2014-15
Cost of Material Consumed	5.79	3.65
Employee Benefit Expenses	2.14	1.98
Other Expenses	1.34	1.93
	9.27	**7.56**

4 (a) The Company has availed working capital limits 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 Hongkong and Shanghai Banking Corporation Limited.

(b) Working capital limits from consortium banks are secured by way of:

i) pari-passu first charge 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 by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) pari-passu second charge by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations.

(c) The Company has a debit balance in cash credit accounts as on the date of Balance Sheet (refer note no. 18).

5 The Company has incurred following expenditure on Research and Development during the year:

(₹ in Crores)

		2015-16	2014-15
a)	**Revenue Expenditure**		
	Cost of materials consumed	3.41	2.73
	Employee benefit expenses	22.06	18.00
	Rent	2.16	2.16
	Travelling and conveyance	2.82	1.33
	Legal and professional	0.04	0.24
	Other expenses	2.93	1.74
		33.42	**26.20**
b)	**Capital Expenditure**		
	Tangible assets	1.52	1.77
	Intangible assets	0.78	0.66
		2.30	**2.43**

The Research and Development facilities are located at the Head office, Noida and some other units of the company and are approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Govt. of India. The Company is entitled to a weighted deduction of 200% of the expenditure incurred at these units under section 35 (2AB) of the Income Tax Act, 1961

6 Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Currency	Nature of Transaction	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
GBP	Import Trade Payables	£ 0.00	0.05	£ -	-
USD	Export Trade Receivables	$ 0.72	47.91	$ 0.63	39.58
	Import Trade Payables	$ 0.64	42.34	$ 0.52	32.54
	Foreign currency loan from banks	$ 0.67	44.22	$ 1.33	83.46
EURO	Export Trade Receivables	€ 0.00	0.01	€ -	-
	Import Trade Payables	€ 0.06	4.31	€ 0.01	0.60
JPY	Import Trade Payables	¥ 0.42	0.25	¥ 0.27	0.14

7 Disclosures pursuant to Accounting Standard - 15 “Employee Benefits” (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014) are given below :

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

(₹ in Crores)

	2015-16	2014-15
Employer's Contribution towards Provident Fund (PF)	17.18	13.46
Employer's Contribution towards Employee State Insurance (ESI)	0.41	0.45
	17.59	**13.91**

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 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)

		2015-16	2014-15
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Defined Benefit obligation at beginning of the year	31.93	21.08
	Interest Cost	2.51	1.58
	Current Service Cost	5.80	4.00
	Benefit paid	(1.23)	(1.85)
	Actuarial (gain) / loss on obligation	5.59	7.12
	Defined Benefit obligation at year end	**44.60**	**31.93**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	21.16	16.32
	Expected return on plan assets	1.94	1.57
	Employer contribution	10.77	5.00
	Actuarial gain / (loss)	0.24	0.11
	Benefits paid	(1.23)	(1.85)
	Fair value of plan assets at year end	**32.88**	**21.15**
c)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets	32.88	21.15
	Present value of obligation	(44.60)	(31.93)
	Amount recognised in Balance Sheet- Asset / (Liability)	**(11.72)**	**(10.78)**
d)	**Expenses recognised during the year**		
	Current Service Cost	5.80	4.00
	Interest Cost on benefit obligation	2.51	1.58
	Expected return on plan assets	(1.94)	(1.57)
	Net Actuarial (gain) / loss recognised in the year	5.35	7.01
	Net Cost debited to statement of profit and loss	**11.72**	**11.02**
e)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds	**100%**	**100%**
f)	**Actuarial assumptions**		
	Mortality Table (LIC)	**2006-08** (Ultimate)	**2006-08** (Ultimate)
	Discount rate (per annum)	8.00%	7.85%
	Expected rate of return on plan assets (per annum)	7.50%	8.75%
	Attrition Rate	5.00%	5.00%
g)	**Actual return on plan assets**	2.18	1.67

h) **Amounts for current and previous four periods:**

	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligation	44.60	31.93	21.08	16.15	12.25
Fair value of plan assets	32.88	21.15	16.32	12.86	9.03
Surplus / (Deficit)	(11.72)	(10.78)	(4.76)	(3.29)	(3.22)
Experience Adjustments of Plan Assets [Gain / (loss)]	5.59	7.13	1.97	1.62	1.02
Experience Adjustments of Obligation [Gain / (loss)]	1.03	3.96	2.06	0.80	1.26

i) The plan assets are maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianze Life Insurance Company Limited.

j) The Company expects to contribute ₹ 12.00 crores (previous year ₹ 11.00 crores) to the plan during the next financial year.

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.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for the plan assets management.

8 **Employee Stock Option Scheme**

(a) The Company, vide special resolution passed by way of postal ballot on January 23, 2013, had approved "Havells Employees Stock Option Plan 2013" (ESOP 2013 or Plan) for granting Employees Stock Options in the form of Equity Shares to eligible employees. The plan is administered by Havells Employees Welfare Trust ("EW Trust") under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee") in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. The first grant date of the options under the approved ESOP 2013 Plan was April 8, 2013. The options are vested equally over a period of 2 years after the date of grant, and the said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid plan. Under the said scheme, the company had granted 45,939 options at ₹ 677/- per share and exercise price was ₹ 338.50 per share of ₹ 5 each (₹ 67.70 per share of ₹ 1/- each) which was sub-divided into equity shares from ₹ 5/- to ₹ 1/- per share. As of March 31, 2016, there are no outstanding options in respect of this scheme.

Summary of Stock Options	2015-16		2014-15	
	Total No. of Stock Options	Weighted average exercise price	Total No. of Stock Options	Weighted average exercise price
Options outstanding as on April 1, 2015	90,550	67.70	39,345	338.50
Sub-Division of Equity Shares from ₹ 5/- to ₹ 1/- Per share (refer note no. 2)	-	-	1,96,725	67.70
Options granted during the year	-	-	-	67.70
Options forfeited/lapsed during the year	2,285	67.70	8,135	67.70
Options exercised during the year	88,265	67.70	98,040	67.70
Options outstanding as on March 31, 2016	-	-	90,550	67.70
Options vested but not exercised as on March 31, 2016	Nil	-	Nil	-

The weighted average remaining contractual life for the stock option outstanding as at March 31, 2016 is Nil (previous year 0.05 year).

The weighted average fair value of stock option granted during the year is ₹ Nil (previous year ₹ 237.48 per share). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	2015-16	2014-15
Average risk free interest rate	-	7.89%
Expected Life of options as on grant date	-	2 years
Expected and Historical Volatility	-	37.14%
Expected Dividend rate	-	2.17%

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine the compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	2015-16	2014-15
Profit after tax as reported	715.35	464.94
Add: ESOP cost using the intrinsic value method	-	0.30
Less: ESOP cost using the fair value method	-	1.05
Proforma profit after tax	**715.35**	**464.19**
Earnings Per Share		
Basic		
- As reported	11.45	7.45
- Proforma	11.45	7.44
Diluted		
- As reported	11.45	7.45
- Proforma	11.45	7.44

(b) The Company had, vide special resolution passed by way of postal ballot on 9th June, 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 April 15, 2015 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were vested as on April 23, 2015 after the grant date and 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. Accordingly during the year, 99,745 Equity Shares of ₹ 1/- each were allotted to eligible employees at ₹ 293.90 per share. As per the scheme, 50% of shares are under lock-in-period of one year 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 to eligible employees as exgratia / bonus for the said amount.

In respect of stock options granted pursuant to the Company's stock options scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as expense and accounted as employee compensation over the vesting period and will be paid in two equal instalments annually.

(c) The Company has debited an expense of ₹ 1.70 crores (previous year 3.73 crores) to the Statement of Profit and Loss under Employee Stock Option Scheme during the financial year.

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 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 ₹ 11.48 crores (previous year ₹ 9.79 crores) towards this cause and debited 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, Ashoka University, sponsored by International Foundation for Research and Education (IFRE) which is a "Not for Profit" Company incorporated under the provisions of section 25 of the erstwhile Companies Act, 1956 for the promotion of education and to Vivekanand Ashram for providing free education to underprivileged students.

10 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17, "Segment Reporting" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014).

Segment Reporting Policies

a) **Identification of Segments:**

Primary- Business Segment

The Company has identified four reportable segments viz. Switchgears, Lighting and fixtures, Cables and Electrical Consumer Durables on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems. The products included in each of the reported business segments are as follows:

(i) The switchgear segment comprises of domestic and the industrial switchgears, electrical wiring accessories, industrial motors, pumps and capacitors.

(ii) The cable segment comprises of domestic cables and industrial underground cables.

(iii) The lighting and fixture segment comprises of energy saving lamps (CFL) and luminaries.

(iv) The electrical consumer durable segment comprises of fans, water heaters and domestic appliances.

Secondary- Geographical Segment

The analysis of geographical segment is based on geographical location of the customers.

b) 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 "Unallocated".

c) 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 "Unallocated".

(₹ in Crores)

	2015-16	2014-15
(i) Primary- Business Segment		
A. Revenue		
Segment Revenue		
Switchgears	1,286.09	1,279.02
Cables	2,208.07	2,190.42
Lighting and fixtures	801.61	740.95
Electrical consumer durables	1,141.11	1,028.30
Inter Segment Sale	-	-
Sales to External Customers	**5,436.88**	**5,238.69**
B. Results		
Segment Results		
Switchgears	504.79	439.02
Cables	314.59	265.69
Lighting and fixtures	192.98	196.86
Electrical consumer durables	287.15	257.95
	1,299.51	**1,159.52**
Unallocated expenses net of income	575.11	495.70
Operating Profit	**724.40**	**663.82**
Finance Costs	12.60	17.57
Profit before tax and Exceptional Item	**711.80**	**646.25**
Exceptional Expenses	202.39	-
Profit before tax after Exceptional Item	**914.19**	**646.25**
Income tax expense	198.84	181.31
Profit after tax	**715.35**	**464.94**

(₹ in Crores)

	2015-16	2014-15
C. Other Information		
Segment Assets		
Switchgears	564.04	534.21
Cables	579.06	458.27
Lighting and fixtures	364.37	357.08
Electrical consumer durables	411.62	380.49
	1,919.09	**1,730.05**
Unallocated	2,075.53	1,918.80
	3,994.62	**3,648.85**
Segment Liabilities		
Switchgears	177.14	257.93
Cables	196.66	166.52
Lighting and fixtures	145.52	129.72
Electrical consumer durables	177.32	143.50
	696.64	697.67
Unallocated	653.80	575.39
	1,350.44	**1,273.06**
Capital Expenditure		
Switchgears	31.01	68.27
Cables	93.15	16.70
Lighting and fixtures	10.19	10.57
Electrical consumer durables	17.55	58.54
	151.90	154.08
Unallocated	20.85	14.80
	172.75	**168.88**
Depreciation and Amortisation Expenses		
Switchgears	34.11	32.06
Cables	25.92	27.04
Lighting and fixtures	16.74	16.32
Electrical consumer durables	15.45	12.09
	92.22	**87.51**
Non-cash expenses other than depreciation		
Switchgears	0.72	0.12
Cables	1.42	0.75
Lighting and fixtures	0.45	0.02
Electrical consumer durables	0.63	0.04
	3.22	0.93
Unallocated	-	-
	3.22	**0.93**
(ii) Secondary- Geographical Segments		
Segment Revenue		
The following is the distribution of Company's consolidated revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	5,162.73	4,905.17
Revenue-Overseas Market	274.15	333.52
	5,436.88	**5,238.69**
Segment Assets		
Within India	3,666.21	2,597.51
Outside India	328.41	1,051.34
	3,994.62	**3,648.85**
Capital Expenditure		
Within India	172.75	168.88
Outside India	-	-
	172.75	**168.88**

11 Related party transactions

As per Accounting Standard-18, “Related Party Disclosures” specified under section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules 2014, related parties in terms of the said standard 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	WOS
	2	Promptec Renewable Energy Private Limited (w.e.f 15.05.2015)	Subsidiary
	Step Down Subsidiary Companies		
	1	Havells International Limited	WOS of Havells Holdings Limited
	2	Havells Sylvania (Thailand) Limited	49% held by Havells International Limited and 51% held by Thai Lighting Asset Co. Ltd.
	3	Havells Sylvania Brasil Illuminacao Ltd.	WOS of Havells International Limited
	4	Havells Sylvania Iluminacion (Chile) Ltd.	WOS of Havells Holdings Limited
	5	Havells USA Inc.	WOS of Havells Holdings Limited
	6	Thai Lighting Asset Co. Ltd.#	49% held by Havells International Limited #
(ii)	**Related party where control exists upto December 31, 2015 (ceased to be Subsidiary Company w.e.f. January 1, 2016)(Refer Note 31(1))**		
	1	Havells Exim Limited	WOS
	2	Havells Malta Limited	WOS of Havells Holdings Limited
	3	Havell's Netherlands Holding B.V.	WOS of Havells Malta Limited
	4	Havell's Netherlands B.V.	WOS of Havell's Netherlands Holding B.V.
	5	SLI Europe B.V.	WOS of Havell's Netherlands B.V.
	6	Havells Sylvania Holdings (BVI-1) Ltd	WOS of Havell's Netherlands B.V.
	7	Flowil International Lighting (Holding) B.V.	WOS of SLI Europe BV
	8	Sylvania Lighting International B.V.	WOS of SLI Europe BV
	9	Guangzhou Havells Sylvania Enterprise Limited	WOS of Flowil International Lighting (Holding) B.V.
	10	Havells Sylvania Asia Pacific Limited	WOS of Flowil International Lighting (Holding) B.V.
	11	Havells Sylvania Sweden A.B.	WOS of Flowil International Lighting (Holding) B.V.
	12	Havells Sylvania Finland OY	WOS of Flowil International Lighting (Holding) B.V.
	13	Havells Sylvania Norway A.S.	WOS of Flowil International Lighting (Holding) B.V.
	14	Havells Sylvania Fixtures Netherlands B.V.	WOS of Flowil International Lighting (Holding) B.V.
	15	Havells Sylvania Lighting Belgium N.V.	WOS of Flowil International Lighting (Holding) B.V.
	16	Havells Sylvania Belgium B.V.B.A.	WOS of Flowil International Lighting (Holding) B.V.
	17	Havells Sylvania Lighting France S.A.S	WOS of Flowil International Lighting (Holding) B.V.
	18	Havells Sylvania France S.A.S.	WOS of Havells Sylvania Lighting France SA
	19	Havells Sylvania Italy S.P.A.	WOS of Flowil International Lighting (Holding) B.V.
	20	Havells Sylvania Portugal Lda	WOS of Flowil International Lighting (Holding) B.V.
	21	Havells Sylvania Greece A.E.E.E.	WOS of Flowil International Lighting (Holding) B.V.
	22	Havells Sylvania Spain S.A.	WOS of Flowil International Lighting (Holding) B.V.
	23	Havells Sylvania Germany Gmbh	WOS of Flowil International Lighting (Holding) B.V.
	24	Havells Sylvania Switzerland A.G	WOS of Flowil International Lighting (Holding) B.V.
	25	Havells Sylvania Argentina S.A.	WOS of Sylvania Lighting International B.V.
	26	Havells Sylvania N.V.	WOS of Sylvania Lighting International B.V.
	27	Havells Sylvania Colombia S.A.	71% held by Havells Sylvania Holdings BVI-1 Limited and 29% held by Havells Sylvania Holdings BVI-2 Limited
	28	Havells Mexico S.A. de C.V.	WOS of Sylvania Lighting International B.V.
	29	Havells Mexico Servicios Generales S.A.de CV	WOS of Havells Mexico SA de CV
	30	Havells Sylvania El Salvador S.A. de C.V.	WOS of Havells Sylvania Export N.V.
	31	Havells Sylvania Guatemala S.A.	WOS of Havells Sylvania Export N.V.
	32	Havells Sylvania Costa Rica S.A.	WOS of Havells Sylvania Export N.V.

33	Havells Sylvania Panama S.A.	WOS of Havells Sylvania Export N.V.
34	Havells Sylvania Venezuela C.A.	WOS of Havells Sylvania Colombia S.A.
35	Havells Sylvania Europe Limited	WOS of Flowil International Lighting (Holding) B.V.
36	Havells Sylvania UK Limited	WOS of Havells Sylvania Europe Limited
37	Havells Sylvania Fixtures UK Limited	WOS of Havells Sylvania Europe Limited
38	Havells Sylvania Tunisia S.A.R.L.	WOS of Flowil International Lighting (Holding) B.V.
39	Havells Sylvania Export N.V	WOS of Sylvania Lighting International B.V.
40	Havells Sylvania Holdings (BVI-2) Ltd	WOS of Havells Sylvania Holdings BVI-1 Limited
41	Havells Sylvania Dubai FZCO	83.33% held by Havells Sylvania Europe Limited and 16.67% held by Flowil International Lighting (Holding) B.V.
42	Havells Sylvania (Shanghai) Ltd	WOS of Havells Sylvania Asia Pacific Limited
43	Havells Sylvania Peru S. A. C.	WOS of Havells Sylvania Colombia S.A.
44	Havells Sylvania (Malaysia) Sdn. Bhd	WOS of Havells Sylvania Asia Pacific Limited
45	Panama Americas Trading Hub SA	WOS of Sylvania Lighting International B.V.
46	Havells Sylvania Poland S.P.Z.O.O	99% held by Flowil International Lighting (Holding) B.V. & 1% held by Havells Sylvania Europe Limited
47	Havells Sylvania TR Elektrik Ürünleri Ticaret Limited Şirketi	99.95% held by of Havells Sylvania Europe Ltd and 0.05 % held Havells Sylvania UK Ltd
48	PT Havells Sylvania Indonesia	74% held by Flowil Lighting International (Holding) B.V. and 26% held by Havells Sylvania Thailand Ltd
49	Havells Sylvania South Africa Proprietary Limited	WOS of Flowil International Lighting (Holding) B.V.

WOS refers to 'Wholly Owned Subsidiary'

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 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) Joint Venture

Jiangsu Havells Sylvania Lighting Co., Ltd — 50% ownership interest held by Company.

(iv) Enterprises in which directors exercise significant influence	**(vi) Key Management Personnel**
QRG Enterprises Limited	Shri Anil Rai Gupta, Chairman and Managing Director
QRG Foundation	Shri Surjit Kumar Gupta, Director
QRG Medicare Limited	Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
QRG Central Hospital and Research Centre Limited	Shri Ameet Kumar Gupta, Director
QRG Corporate Services Limited	Shri Sanjay Gupta, Company Secretary
QRG Wellness LLP	
Guptajee & Company	
Ajanta Mercantile Limited (QRG Investments and Holdings Limited w.e.f. May 4, 2016)	
The Vivekananda Ashrama	
Sylvania India Limited (Reo Electricals Limited w.e.f. April 21, 2016)	
(v) Associates (w.e.f. 01-01-2016)	
Havells Exim Limited	
Havells Malta Limited	

(B) Transactions during the year

(₹ in Crores)

		2015-16	2014-15
(i)	**Purchase of traded goods and stores and spares**		
	Subsidiaries / Step down Subsidiaries		
	Havells Exim Limited	133.97	129.35
	Promptec Renewable Energy Solutions Private Limited	22.90	-
	Others	0.31	0.65
	Joint Venture		
	Jiangsu Havells Sylvania Lightning Co.,Ltd	2.12	10.62
	Associates		
	Havells Exim limited	25.10	-
		184.40	**140.62**
(ii)	**Sale of products**		
	Subsidiaries / Step down Subsidiaries		
	Havells Exim Limited	58.57	94.46
	Promptec Renewable Energy Solutions Private Limited	0.22	-
	Others	3.13	4.55
	Associates		
	Havells Exim limited	1.63	-
		63.55	**99.01**
(iii)	**Commission on sales**		
	Enterprises in which directors exercise significant influence		
	Guptajee & Company	**7.50**	**7.64**
(iv)	**Purchase of tangible fixed assets**		
	Enterprises in which directors exercise significant influence		
	Havells Sylvania Lighting Belgium N.V.	**-**	**0.11**
(v)	**Rent/Usage Charges Paid**		
	Enterprises in which directors exercise significant influence		
	QRG Enterprises Limited	**19.34**	**19.34**
(vi)	**Miscellaneous Income (Service charges received)**		
	Subsidiaries / Step down Subsidiaries		
	Havells Exim Limited	0.28	0.34
	Associates		
	Havells Exim limited	0.10	-
		0.38	**0.34**
(vii)	**Trade mark fees and Royalty**		
	Enterprises in which directors exercise significant influence		
	QRG Enterprises Limited	**40.00**	**40.00**
(viii)	**CSR Contribution**		
	Enterprises in which directors exercise significant influence		
	QRG Foundation	8.05	5.50
	The Vivekananda Ashrama	0.33	0.25
		8.38	**5.75**
(ix)	**Warranty Expenses**		
	Subsidiaries / Step down Subsidiaries		
	Havells Exim Limited	**0.97**	**0.85**
(x)	**Reimbursement of Expenses received**		
	Enterprises in which directors exercise significant influence		
	Guptajee & Company	0.64	0.67
	QRG Enterprises Limited	-	0.01
	Promptec Renewable Energy Solutions Private Limited	0.84	-
		1.48	**0.68**

(₹ in Crores)

		2015-16	2014-15
(xi)	**Rent received**		
	Enterprises in which directors exercise significant influence		
	QRG Enterprises Limited	**0.03**	**0.03**
(xii)	**Dividend paid**		
	Enterprises in which directors exercise significant influence		
	QRG Enterprises Limited	113.92	37.97
	Guptajee & Company	11.32	3.77
	Ajanta Mercantile Limited	41.24	13.75
	Key Management Personnel		
	Shri Qimat Rai Gupta	-	6.87
	Shri Anil Rai Gupta	7.08	2.36
	Shri Surjit Kumar Gupta	19.59	6.53
	Shri Ameet Gupta	0.94	-
	Shri Rajesh Kumar Gupta	0.74	0.24
	Shri Sanjay Gupta	0.00	-
		194.83	**71.49**
(xiii)	**Investments in equity shares**		
	Subsidiaries / Step down Subsidiaries		
	Havells Holdings Limited	0.15	129.33
	Promptec Renewable Energy Solutions Private Limited	29.12	-
		29.27	**129.33**
(xiv)	**Sale/Redemption of Investment**		
	Subsidiaries / Step down Subsidiaries		
	Havells Holdings Limited	858.37	-
	Havells Exim Limited	75.89	-
		934.26	**-**
(xv)	**Managerial remuneration**		
	Key Management Personnel		
	Shri Qimat Rai Gupta	-	9.64
	Shri Anil Rai Gupta	12.48	8.26
	Shri Rajesh Kumar Gupta	5.75	5.24
	Shri Ameet Kumar Gupta	4.99	1.22
	Shri Sanjay Gupta	0.51	0.42
		23.73	**24.78**
C	**Balances at the year end**		
(i)	**Amount Receivables**		
	Subsidiaries / Step down Subsidiaries		
	Havells Sylvania Europe Limited	-	0.30
	Havells Exim Limited	-	17.17
	Others	1.24	0.24
		1.24	**17.71**
(ii)	**Amount Payables**		
	Enterprises in which directors exercise significant influence		
	Guptajee & Company	0.38	-
	Subsidiaries / Step down Subsidiaries		
	Havells Exim Limited	-	18.39
	Promptec Renewable Energy Solutions Pvt Ltd.	8.12	-
	Others	-	0.12
	Joint Venture		
	Jiangsu Havells Sylvania Lightning Co.,Ltd	0.17	0.95
		8.67	**19.46**

12 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

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 escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

(₹ in Crores)

	2015-16	2014-15
(a) not later than one year	6.64	2.34
(b) later than one year and not later than five year	8.21	2.27
(c) later than five years	-	-
	14.85	**4.61**
Lease payments recognised in the statement of profit and loss as rent expense for the year	41.97	39.19

c) During the year, the Company has entered into a Memorandum of Understanding (MOU) to sublet a property situated at Kasna, Noida. The agreement for such MOU is under process as at March 31, 2016.

13 Earnings Per Share

	2015-16	2014-15
a) Basic earnings per share		
Numerator for earnings per share		
Profit after taxation (before adjustment of minority interest)	**715.35**	**464.94**
Denominator for earnings per share		
Weighted number of equity shares outstanding during the period	62,45,76,061	62,41,70,729
Earnings per share-Basic (one equity share of ₹ 1/- each)	**11.45**	**7.45**
b) Diluted earnings per share		
Numerator for earnings per share		
Profit after taxation	**715.35**	**464.94**
Denominator for earnings per share		
Weighted number of equity shares outstanding during the period	62,45,76,061	62,42,35,842
Earnings per share-Diluted (one equity share of ₹ 5/- each)	**11.45**	**7.45**

Weighted average number of equity shares outstanding in calculating basic EPS	62,45,76,061	62,41,70,729
Effect of Dilution :		
Stock Option granted under ESOP	NIL	65,113
Weighted average number of equity shares in calculating diluted EPS	**62,45,76,061**	**62,42,35,842**

14 CIF value of Imports

	2015-16	2014-15
Raw materials and components	362.31	342.89
Traded goods	93.17	136.09
Machinery and other fixed assets	64.45	38.68
Spare parts & Consumables	2.81	2.41
R & D Equipments	0.00	0.06
	522.74	**520.13**

15 Expenditure in foreign currency (on accrual basis)

	2015-16	2014-15
Travelling and conveyance	0.05	0.12
Product warranty and after sales services	1.06	0.45
Legal and Professional charges	1.61	2.41
Finance Costs	2.24	2.72
Others	2.37	0.76
	7.33	**6.46**

16 Disclosure required under Section 186 (4) of the Companies Act, 2013.

(₹ in Crores)

Sr. No	Particulars of Investments made	Investment made	Outstanding Balance
(i)	Havells Holdings Limited	0.15	249.62
(ii)	Jiangsu Havells Sylvania Lighting Limited	-	30.87
(iii)	Havells Exim Limited	-	0.00
(iv)	Promptec Renewable Energy Solutions Pvt Ltd	29.12	29.12

17 Dividend to Non Resident shareholders (Amount remitted in Indian currency)

	Paid during 2015-16	Paid during 2014-15
Year to which relates	2014-15	2013-14
Type of Dividend	Final	Final
a) Number of non-resident shareholders	1730	918
b) Number of shares held	16,38,84,094	3,83,29,939
c) Face Value of Shares	₹ 1 /- Each	₹ 5 /- Each
d) Amount of dividends (₹ in crores)	49.17	38.33
Year to which relates	2015-16	2014-15
Type of Dividend	Interim	Interim
a) Number of non-resident shareholders	1,957	-
b) Number of shares held	16,24,35,788	-
c) Face Value of Shares	₹ 1 /- Each	-
d) Amount of dividends (₹ in crores)	48.73	-

18 Earnings in foreign currency (accrual basis)

(₹ in Crores)

	2015-16	2014-15
F.O.B. value of exports *	246.33	295.83
Merchanting Trade Sales	0.20	0.49

*excluding export of ₹ 26.24 crores made through merchant exporters (previous year ₹ 20.81 crores)

19 Value of Imported/Indigenous raw materials and components/stores and spares consumed and percentage thereof

	2015-16		2014-15	
	(%)	₹ in crores	(%)	₹ in crores
Raw materials consumed				
Indigenous	87.33	2,511.17	87.94	2,448.75
Imported	12.67	364.25	12.06	335.76
	100.00	**2,875.42**	**100.00**	**2,784.51**
Stores and Spares consumed				
Indigenous	92.36	33.87	92.59	30.88
Imported	7.64	2.80	7.41	2.47
	100.00	**36.67**	**100.00**	**33.35**

20 The Company's manufacturing units at village Gullarwala, Baddi Dist- Solan (Unit II) (H.P.) and two units of Haridwar (Uttarakhand) are exempted from excise duty vide notification no. 49 and 50/2013 issued by Government of India, Ministry of Finance, Department of Revenue, CBEC, New Delhi and profits are eligible for the deduction as per the provisions under Section 80-IC of the Income Tax Act 1961.

21 MAT credit entitlement of ₹ 22.61 crores includes MAT credit amounting to ₹ 21.37 crores pertaining to previous years as while filing return of income for the previous year, the Company has claimed the allowance to that extent. Accordingly, the same has been adjusted in the books of accounts for current year.

22 Subsequent events

With respect to the earlier communication sent to the Stock Exchanges on January 4, 2013, QRG Enterprises Limited, one of the promoter companies, has vide an Assignment Agreement dated May 9, 2016, completed the assignment of the brand “HAVELLS” for electrical products, to the Company effective April 1, 2016.

23 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/-.

24 Previous year figures has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

25 Note No.1 to 31 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 and on behalf of Board of Directors		
For S.R. Batliboi & Co. LLP Chartered Accountants ICAI Registration No. 301003E /E3000005	**For V.R. Bansal & Associates** Chartered Accountants ICAI Registration No. 016534N	**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
Per Manoj Kumar Gupta Partner Membership No. 83906	**Per V.P. Bansal** Partner Membership No. 8843	**Sanjay Gupta** Company Secretary	**Sanjay Johri** Vice President (Finance)	

Noida, May 11, 2016

Consolidated Financial **Statements**

S. R. Batliboi & Co LLP
Chartered Accountants
Golf View Corporate Tower - B,
Sector -42, Sector Road,
Gurgaon -122002, Haryana.

V. R. Bansal & Associates
Chartered Accountants
D-94, 9th Floor, Himalaya House,
23 K.G. Marg, New Delhi-110 001

INDEPENDENT AUDITOR'S REPORT

To the Members of Havells India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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 associates and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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 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 control 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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, , its associates and jointly controlled entities as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, 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 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, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 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 of the Holding Company and its subsidiary companies, associate companies and jointly controlled 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:

   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 31(A)(a), (d), (e) and 31(C) to the consolidated financial statements;

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 7 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit/loss in respect of its associates;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of ₹ 337.41 crores as at March 31, 2016, and total revenues and net cash outflows of ₹ 2,267.91 crores and ₹ 80.04 crores, respectively for the year ended on that date, in respect of subsidiaries, and jointly controlled entities (collectively, the, "Components"), derived from the financial statements of those Components, which have been incorporated outside India and prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors as per generally accepted auditing standards. Such audited financial statements, other financial information and the auditor's report(s) thereon have been furnished to us by the holding Company's management. The holding company's management has converted the financial statements and other financial information of the Components located outside India as aforesaid, from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We audited the adjustments, which were applied to prepare the 2016 consolidated financial statements, made by the Company's management to convert the financial statements of these Components from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion on the consolidated financial statements, report in terms of sub-sections (3) and (11) of Section 143 of the Act and matters stated under the section "Other Legal and Regulatory Requirements" above, in so far as it relates to the aforesaid Components, is based solely on the reports of such other auditors. Our opinion is not modified in respect of this matter.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E / E300005
Chartered Accountants

per Manoj Kumar Gupta
Partner
Membership No.: 83906

For V.R. Bansal & Associates
ICAI Firm registration number: 016534N
Chartered Accountants

per V.P. Bansal
Partner
Membership No.: 8843

Place: Noida
Date : May 11, 2016

S. R. Batliboi & Co LLP
Chartered Accountants
Golf View Corporate Tower - B,
Sector -42, Sector Road,
Gurgaon -122002, Haryana.

V. R. Bansal & Associates
Chartered Accountants
D-94, 9th Floor, Himalaya House,
23 K.G. Marg, New Delhi-110 001

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")

To the Members of Havells India Limited

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 incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are 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 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 Holding Company, its subsidiaries companies, which are incorporated in India 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, both 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 Holding Company, its subsidiaries companies, which are incorporated in India, have 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, 2016, 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.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E / E300005
Chartered Accountants

per Manoj Kumar Gupta
Partner
Membership No.: 83906

For V.R. Bansal & Associates
ICAI Firm registration number: 016534N
Chartered Accountants

per V.P. Bansal
Partner
Membership No.: 8843

Place: Noida
Date : May 11, 2016

Consolidated Balance Sheet

as at March 31, 2016

(₹ in Crores)

		Notes	As at March 31, 2016	As at March 31, 2015
I	**EQUITY AND LIABILITIES**			
1.	**Shareholders' funds**			
	Share capital	2	62.46	62.44
	Reserves and surplus	3	2,495.44	1,755.74
			2,557.90	**1,818.18**
2.	**Minority Interest**		**8.44**	**0.09**
3.	**Non-current liabilities**			
	Long-term borrowings	4	1.67	226.40
	Deferred tax liabilities (net)	5	74.91	43.37
	Other long-term liabilities	6	4.13	1.36
	Long-term provisions	7	13.43	424.36
			94.14	**695.49**
4.	**Current liabilities**			
	Short-term borrowings	8	83.79	69.63
	Trade payables	9		
	Total outstanding dues of creditors other than micro and small enterprises		487.04	1,019.55
	Total outstanding dues of micro and small enterprise		33.29	31.56
	Other current liabilities	10	467.74	816.48
	Short-term provisions	11	409.59	380.19
			1,481.45	**2,317.41**
	Total		**4,141.93**	**4,831.17**
II	**ASSETS**			
1.	**Non-current assets**			
	Fixed assets	12		
	Tangible assets		1,067.49	1,158.49
	Intangible assets		11.02	24.43
	Capital work in progress		21.36	38.30
	Goodwill on consolidation		20.40	358.06
	Non-current investments	13	252.31	-
	Deferred tax assets (net)	5	0.55	57.20
	Long-term loans and advances	14	80.24	58.14
	Other non-current assets	15	0.38	175.38
			1,453.75	**1,870.00**
2.	**Current assets**			
	Current Investments	16	5.19	-
	Inventories	17	837.09	1,366.29
	Trade receivables	18	259.37	623.18
	Cash and bank balances	19	1,465.26	777.47
	Short-term loans and advances	20	85.34	172.29
	Other current assets	21	35.93	21.94
			2,688.18	**2,961.17**
	Total		**4,141.93**	**4,831.17**
	Summary of significant accounting policies	1		
	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 and on behalf of Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E /E3000005

For V.R. Bansal & Associates
Chartered Accountants
ICAI Registration No. 016534N

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

Per Manoj Kumar Gupta
Partner
Membership No. 83906

Per V.P. Bansal
Partner
Membership No. 8843

Sanjay Gupta
Company Secretary

Sanjay Johri
Vice President (Finance)

Noida, May 11, 2016

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in Crores)

		Notes	Year ended March 31, 2016	Year ended March 31, 2015
I	**INCOME**			
	Revenue from operations (gross)	22	8,115.97	8,888.53
	Less: Excise duty		401.79	319.10
	Revenue from operations (net)		**7,714.18**	**8,569.43**
	Other income	23	86.25	50.46
	Total Revenue		**7,800.43**	**8,619.89**
II	**EXPENSES**			
	Cost of materials consumed	24	3,213.37	3,239.18
	Purchase of traded goods	25	1,243.07	1,486.23
	Change in inventories of finished goods, work in progress and stock in trade	26	(73.24)	103.76
	Employee benefit expenses	27	859.48	1,187.50
	Finance costs	28	44.94	63.96
	Depreciation and amortisation expenses	29	126.67	138.66
	Other expenses	30	1,671.29	1,831.63
	Total Expense		**7,085.58**	**8,050.92**
III	**Profit before tax and exceptional items**		**714.85**	**568.97**
	Add: Exceptional items {Refer Note no. 32(1)}		724.02	-
IV	**Profit before tax**		**1,438.87**	**568.97**
V	**Tax expenses**			
	Current tax		217.38	242.63
	MAT credit entitlement {refer note no. 32(18)}		(23.21)	-
	Income tax for earlier years		(5.77)	(0.37)
	Deferred tax		41.56	(58.71)
	Total tax expense		**229.96**	**183.55**
VI	**Profit for the year**		**1,208.91**	**385.42**
	Transferred to Minority Interest		(0.13)	0.00
VII	**Net Profit attributable to shareholders**		**1,208.78**	**385.42**
VIII	**Earnings per equity share (nominal value of share ₹ 1/-)**	32(15)		
	Basic (₹)		19.36	6.17
	Diluted (₹)		19.36	6.17
	Summary of significant accounting policies	1		
	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/E3000005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

For V.R. Bansal & Associates
Chartered Accountants
ICAI Registration No. 016534N

Per V.P. Bansal
Partner
Membership No. 8843

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

Sanjay Gupta
Company Secretary

Sanjay Johri
Vice President (Finance)

Noida, May 11, 2016

Cash Flow Statement

for the year ended March 31, 2016

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	1438.87	568.97
	Adjustments to reconcile profit before tax to net cash flows		
	Exceptional Items	(757.72)	-
	Depreciation and amortisation expense	126.67	138.66
	Loss / (profit) on sale of fixed assets (net)	3.41	1.97
	Impairment on tangible assets	-	12.17
	Foreign Curreny translation reserve	(9.90)	(14.68)
	Unrealised foreign exchange (gain) / loss (net)	3.27	5.87
	Provision for doubtful trade receivables	33.96	10.60
	Interest income	(51.38)	(34.59)
	Interest expense	35.56	54.22
	Excess provisions no longer required written back	(8.27)	(2.98)
	Provision for doubtful receivables written back	(1.16)	(1.30)
	Operating Profit before working capital changes	**813.31**	**738.91**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables	57.71	368.57
	(Increase)/ Decrease in loans and advances	31.99	17.36
	(Increase)/ Decrease in other current assets	(39.08)	2.27
	(Increase)/ Decrease in inventories	39.21	127.15
	Increase/ (Decrease) in trade payables	(108.91)	(156.19)
	Increase/ (Decrease) in other liabilities and provisions	(82.44)	55.99
	Cash generated from/(used) in operations	**711.79**	**1154.06**
	Direct taxes paid (net of refunds)	(180.54)	(191.50)
	Net Cash flow from/(used) in Operating Activities (A)	**531.25**	**962.56**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets including capital work in progress	(225.23)	(173.91)
	Capital advances (net of capital creditors)	(2.31)	2.99
	Fixed Deposits matured/ (made) during the year (having original maturity of more than three months)	(692.21)	(347.81)
	Proceeds from disposal of subsidiary company	1086.94	-
	Purchase of investment in subsidiary company	(29.12)	-
	Investment in Bonds	(150.66)	0.00
	Proceeds from sale of fixed assets	3.17	1.56
	Interest income received	37.47	30.78
	Net Cash flow from/(used) in Investing Activities (B)	**28.05**	**(486.39)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceed from share capital issued	0.02	0.05
	Proceed from security premium received	4.11	9.86
	Proceed of Long term borrowings	180.62	-
	Repayment of Long term borrowings	(353.73)	(523.77)
	Proceeds/ (Repayment) of Short term borrowings	36.94	(33.22)
	Interest paid	(38.52)	(60.66)
	Dividends paid on equity shares (including Corporate Dividend Tax)	(451.05)	(146.03)
	Net Cash Flow from/(used) in Financing Activities (C)	**(621.61)**	**(753.77)**
	Net increase / decrease in cash and cash equivalents (A+B+C)	**(62.31)**	**(277.60)**
	Cash and cash equivalents at the beginning of the year	378.67	655.26
	Cash and cash equivalents trasferred on disposal of subsidiary	(156.88)	-
	Effect of exchange differences on cash and cash equivalents held in foreign currency	0.77	1.01
	Cash and Cash Equivalents at the end of the year	**160.25**	**378.67**

Notes :

1. The above Cash flow statement has been prepared under the “Indirect Method” as set out in Accounting Standard-3, “Cash Flow Statements”.

2. Components of cash and cash equivalents :

(₹ in Crores)

		Notes	As at March 31, 2016	As at March 31, 2015
a.	**Cash and cash equivalents**			
	Balances with banks:			
	Current accounts		70.12	253.80
	Cash credit accounts		46.85	55.79
	Fixed deposits account having a original maturity period of less than three months		25.00	57.82
	Cash on hand		0.03	0.46
	Share of Joint Venture		18.25	10.80
			160.25	**378.67**
b.	**Other bank balances**			
	Unpaid dividend account		2.44	0.99
	Fixed deposits account having a remaining maturity period of more than three months		1,265.02	397.81
	Escrow Account		37.55	-
			1,305.01	**398.80**
	Total		**1,465.26**	**777.47**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E /E3000005

Per Manoj Kumar Gupta
Partner
Membership No. 83906

For V.R. Bansal & Associates
Chartered Accountants
ICAI Registration No. 016534N

Per V.P. Bansal
Partner
Membership No. 8843

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

Sanjay Gupta
Company Secretary

Sanjay Johri
Vice President (Finance)

Noida, May 11, 2016

1 SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of Preparation

a) Basis of Accounting

The financial statements of Havells India Limited ("the Company"), its subsidiaries (together "the Group"), associates and its joint venture have been prepared and presented in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply with all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except derivative financial instruments that have been measured at fair value. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Current/Non Current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

c) Use of Estimates

The preparation of financial statements are in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of Assets, Liabilities and Disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amount of revenue and expenses during the reported period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets, liabilities, revenues and expenses in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

1.02 Principles of Consolidation

The consolidated financial statements relates to Havells India Limited ('the Company'), its subsidiaries, its associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, revenues and expenses after eliminating intra-Group balances / transactions and resulting profits in full. Unrealised profit / losses resulting from intra-Group transactions has also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

b) In accordance with Accounting Standard-27, "Financial Reporting of interest in joint venture" notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 the financial statements of the joint venture are consolidated using proportionate consolidation method by adding book values of like items of assets, liabilities, revenues and expenses of jointly controlled entity after eliminating intra-Group balances / transactions and unrealised profits to the extent of the Group's proportionate share.

c) Investment in Associate Companies have been accounted under the equity method as per Accounting Standard (AS) 23 - 'Accounting for Investment in Associates in Consolidated Financial Statements'.

d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Differences in accounting policies have been disclosed separately.

e) The results and financial position of all the foreign subsidiaries are translated into the reporting currency as follows:

(i) Assets and liabilities are translated at the closing rate at the date of that balance sheet.

(ii) Income and expenses are translated at average exchange rates (unless average rate is not reasonable at the rates prevailing on the transaction dates, in such case income and expenses are translated at the rate on the dates of the transactions); and

(iii) All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of net investment

f) Minority's share in net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

g) Minority interest's share in net assets of 'the Group' is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

1.03 Tangible Assets

a) Tangible assets are stated at cost, net of 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 CENVAT credit, VAT credit availed and subsidy directly attributable to the cost of fixed asset, wherever applicable. Interest and other borrowing costs during construction period to finance qualifying fixed assets is capitalised, if capitalisation criteria are met.

b) The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Similarly, when significant parts of plant and equipment are required to be replaced at intervals or when a major inspection/overhauling is required to be performed, such cost of replacement or inspection is capitalised (if the recognition criteria is satisfied) in the carrying amount of plant and equipment as a replacement cost or cost of major inspection/overhauling, as the case may be and depreciated seperately based on their specific useful life.

c) Subsequent expenditure related to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

d) Capital work in progress comprises cost of Fixed Assets that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses, other directly attributable costs and borrowing costs. The allocation of preoperative expenditure is done on the basis of prime cost of fixed assets in the year of commencement of commercial production.

e) Assets retired from active use and held for sale are valued at the lower of their net book value or net realisable value, and are shown separately. Any expected loss is recognised immediately in the statement of profit and loss.

f) Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the assets are disposed off.

1.04 Intangible Assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the assets can be measured reliably.

a) **Goodwill**

The excess of cost to the parent of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries were made is recognised in the financial statements as goodwill. The parent's portion of equity in the subsidiaries is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the acquisition. Cash generating units to which goodwill has been allocated are 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 the carrying amount of the unit, 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 on the basis of carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in the subsequent period unless it is caused by a specific external event of an exceptional nature.

b) **Acquired intangible assets**

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

c) 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 Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful lives.

d) 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.

1.05 Depreciation and Amortisation

a) Depreciation of tangible assets:

i) Depreciation on tangible fixed assets is provided on pro-rata basis on straight line method using the useful lives of assets and in the manner prescribed in Schedule II of the Companies Act, 2013, and for Group Companies based on management estimate of useful economic lives as follows:

Assets	Useful life (in Years)
Building	20-39
Plant and machinery	5-15
Furniture and Fixtures	3-10
Vehicles	3-10
R &D Equipments	5-15
Office Equipments	3-5
Electric Fans and Installations	3-10

The residual values and useful life of assets are reviewed and adjusted, if appropriate, at each balance sheet date.

ii) 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 assessement, the management believes that the useful lives as given above best represent the period over which the assets are expected to be used.

iii) Lease hold improvements are depreciated on straight line basis over their initial agreement period.

iv) Leasehold land are amortised on a straight line basis over the unexpired period of their respective lease ranging from 90-99 years.

b) Amortisation of Intangible Assets:

Intangible assets are amortised on a straight line basis over their estimated useful life of 5-6 years.

c) Patents and Trademarks:

Patents and trademarks of Group companies are stated at their historical cost and amortised on straight line basis over their estimated useful life of six years.

1.06 Inventories

a) Basis of valuation:

i) Inventories other than scrap materials are carried at lower of cost and net realisable 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 realisable 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 Inventories has been determined by using moving weighted average cost method while First In First Out method (FIFO) for raw material in case of Group Companies 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 further 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.

iii) Net realisable 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.

1.07 Foreign Currency Transactions

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate prevailing at the date of transaction.

b) Measurement of Foreign Currency items at the Balance Sheet date

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

c) Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items are recognised as income or expense in the year in which they arise.

d) Translation of non-integral foreign operations

All the activities of the foreign subsidiaries are carried out with a significant degree of autonomy from those of the parent. Accordingly, as per the provisions of Accounting Standard-11, “Effect of changes in foreign exchange rates” specified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, these operations have been classified as “Non-integral operations” and therefore all assets and liabilities, both monetary and non-monetary, are translated at the closing rate while income and expenses are translated at the average quarterly exchange rates, where such rates are approximate the exchange rate on the date of transaction. The resulting exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment.

e) 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 change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

1.08 Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However,that part of long term investments which are expected to be realized within 12 months from Balance Sheet date is also presented under "Current Investments" under "Current portion of long term investments" in consonance with the current/ non- current classification of Schedule III of the Act.

Current Investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long- term investments are stated at cost. A provison for diminution in the value of long-term investments is made only if such a decline is other than temporary, in the opinion of management. Reversal of such provision for diminution is made when there is a rise in the value of long- term investments, or if the reasons for the decline no longer exists.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.09 Derivative Financial Instruments

Derivative Financial instruments are initially recognised at their fair value on the date, a derivative contract is entered into and are subsequently remeasured at their fair value. The Group has adopted Accounting Standard 30 "financial instruments" to the extent not conflicting with notified AS.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The Group utilises derivative financial instruments to reduce fluctuation in interest rates. The fair value of financial instruments is based on information available and provided by financial institutions to management. Financial instruments are not used for trading purposes.

Changes in fair value of those instruments will be reported in statement of profit and loss or equity depending on whether the financial instrument qualifies for hedge accounting. The accounting for gains and losses associated with changes in the fair value of the derivative and the effect on the consolidated financial statements will depend on its hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair value of cash flows of the asset or liability hedged.

Amounts accumulated in equity are recycled in the statement of profit and loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the ineffective portion is recognised in the statement of profit and loss within 'Finance Cost'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of profit and loss.

Cash flow hedges

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

Amounts recognised as cash flow hedge reserve 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 reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the statement of profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in reserve remains in reserve until the forecast transaction or firm commitment affects profit or loss.

1.10 Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that

(a) the Group will comply with the conditions attached to them; and

(b) the grant / subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to a specific fixed asset, the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

1.11 Employee Benefits

a) Short Term Employee Benefit

i) Leave encashment

Leave encashment is provided on the basis of earned leave standing to the credit of the employees and the same is discharged by the Company by the year end.

b) Long Term Employee Benefit

i) 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 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 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 Company Limited is provided for as assets/ (liability) in the books. Actuarial gains/(losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and are not deferred.

ii) Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to provident fund are made in accordance with the relevant scheme and are charged to the statement of profit and loss for the year when contribution are due. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related services.

iii) 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to the statement of profit and loss in the period in which they arise and are not deferred.

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.

iv) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonus and profit-sharing when there is a present obligation to make such payment as a result of past event and reliable estimate of the obligation can be made.

v) 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. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

c) 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.

1.12 Employee Stock Option Schemes

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefit expenses.

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

The Employee stock option scheme is administered through Havells Employee Welfare Trust.

1.13 Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognised:

a) **Sale of goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Sales are recorded net of returns and trade discount. The Company collects sales tax and value added tax (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company and hence are excluded from revenue. Excise duty is deducted from revenue (gross) to arrive at revenue from operations (net). Sales do not include inter-divisional transfers. Sales include Waste Electrical and Electronic Equipment (WEEE) levy to customers.

b) **Services**

Revenue from service related activities is recognised using the proportionate completion method.

c) **Export incentives**

Export incentives under various schemes notified by the Government have been recognised on the basis of their entitlement rates in accordance with the Foreign Trade Policy 2015-20 (FTP 2015-20). Benefits in respect of advance licences are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and incentive will be received.

d) **Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates.

e) **Claims**

Claims are recognised when there exists reasonable certainty with regard to the amounts to be realised and the ultimate collection thereof.

1.14 Segment Reporting

Identification of segments

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operates.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

1.15 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.

1.16 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

i) Current income tax is measured at the amount expected to be paid to 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 Special Category of States.

ii) Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company 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. In the year in which the Company recognises MAT credit as an asset in accordance with the 'Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961', the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” under loans and advances. 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.

b) Deferred Tax

Deferred income tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws those are enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Group has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Deferred tax assets and deferred tax liabilities are off-set, if a legally enforceable right exists to set-off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

In the situations, where the Group is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax asset/ (liability) is recognised in respect of timing differences which are reversable during the tax holiday period, to the extent the Group’s gross total income is subject to the deduction during the tax holiday period as per taxation laws. Deferred tax, in respect of timing differences which are reversable after the tax holiday period, is recognised in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain supported by convincing evidence, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer virtually certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes virtually certain that sufficient future taxable income will be available.

1.17 Impairment of 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 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) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. 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 net selling price, recent market transactions are taken into account, if available. 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.

1.18 Leases

a) Finance leases

The Group companies lease some assets where the risks and rewards incidental to ownership are largely transferred to the Group. These assets are capitalised and recognised in the balance sheet at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease instalments payable are broken down into repayment and interest components, based on a fixed interest rate and equal instalments. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognised in the statement of profit and loss in accordance with the lease instalments. The relevant assets are depreciated over the remaining useful lives or the lease term, whichever is less.

b) Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

1.19 Borrowing Costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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.

1.20 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Group has a present obligation 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provision for warranty

Product warranty costs are accrued in the year of sales of products, based on past 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 within one to two 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 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 liabilty 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.

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 Company 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.

Waste Electrical and Electronic Equipment (WEEE)

The Group is a provider of electrical equipment that falls under the EU Directive on Waste Electrical and Electronic Equipment. The directive distinguishes between waste management of equipment sold to private households prior to a date as determined by each Member State (historical waste) and waste management of equipment sold to private households after that date (new waste). A provision for the expected costs of management of historical waste is recognised when the Group participates in the market during the measurement period as determined by each member State, and the costs can be reliably measured. These costs are recognised as other expenses in the statement of profit and loss.

1.21 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.22 Exceptional Items

Exceptional items are transactions which due to their size or incidence are seperately 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.

Notes to financial statement

for the year ended March 31, 2016

2 SHARE CAPITAL

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
a)	**Authorised**		
	100,05,00,000 equity shares of ₹ 1/- each (Previous Year 100,05,00,000 equity shares of ₹ 1/- each)	**100.05**	**100.05**
	Issued, subscribed and fully paid-up		
	62,45,87,780 equity shares of ₹ 1/- each (Previous Year 62,44,88,035 equity shares of ₹ 1/- each)	62.46	62.45
	Less: Investment held by ESOP Trust 41,960 equity shares of ₹ 1/- each (Previous Year 1,30,225 equity shares of ₹ 1/- each))	0.00	0.01
	62,45,45,820 equity shares of ₹ 1/- each (Previous Year 62,43,57,810 equity shares of ₹ 1/- each)	**62.46**	**62.44**

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

	March 31, 2016		March 31, 2015	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	62,44,88,035	62.45	62,41,03,755	62.41
Add: Equity shares issued under ESOP / ESPP	99,745	0.01	3,84,280	0.04
Outstanding at the end of the year	62,45,87,780	62.46	62,44,88,035	62.45
Less : Investment held by ESOP Trust	41,960	0.00	1,30,225	0.01
	62,45,45,820	**62.46**	**62,43,57,810**	**62.44**

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- per share (previous year ₹ 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 Board of Directors at its meeting held on February 3, 2016 declared an Interim (Special) Dividend of ₹ 3/- per equity share of ₹ 1/ each. A final dividend of ₹ 3/- per share of ₹ 1/- each (previous year ₹ 3/- per share of ₹ 1/- each) has been recommended by the Board subject to approval of 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):

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares	% holding	No. of shares	% holding
Smt. Vinod Gupta*	6,63,54,240	10.63	6,63,54,240	10.63
Shri Surjit Kumar Gupta	3,26,50,800	5.23	3,26,50,800	5.23
QRG Enterprises Limited	18,98,58,880	30.40	18,98,58,880	30.40
Ajanta Mercantile Limited	6,87,41,660	11.01	6,87,41,660	11.01
Nalanda India Equity Fund Limited	3,30,44,930	5.29	3,30,44,930	5.29

*Shareholding of Smt.Vinod Gupta includes 1,33,20,000 equity shares of ₹ 1/- each (Previous Year 1,33,20,000 Equity shares of ₹ 1/- each) for and behalf of M/s Guptajee & Company, a firm in which she is a partner and 1,35,84,000 equity shares as a legal heir which are under process of transmission.

e) Shares reserved for issue under Stock Option

Nil equity shares (Previous year 90,550 equity shares of ₹ 1/- each) are reserved for the issue under Employees Stock Option Plan (ESOP) of the Company.

f) Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:

	March 31, 2016 No. of shares Face value of ₹ 1	March 31, 2015 No. of shares Face value of ₹ 1
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash.	1,10,95,000	1,10,95,000
Equity shares allotted as fully paid up bonus shares by capitalization of securities premium account and general reserve.	31,19,37,030	31,19,37,030
Equity shares issued under the Employee Stock Option Plan/ Employee Stock Purchase Plan as part consideration for services rendered by employees	3,32,969	2,33,130

3 RESERVES AND SURPLUS

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
a)	**Capital Reserve**	**7.61**	**7.61**
b)	**Securities Premium Account**		
	As per the last balance sheet	11.63	3.09
	Add: Addition on equity shares issued under ESOP /ESPP	2.92	8.54
		14.55	11.63
	Less: Investment held by ESOP Trust	(0.56)	(1.75)
		13.99	**9.88**
c)	**Cash flow hedge reserve***		
	As per last balance sheet	(2.72)	(3.15)
	Deduction during the year	2.72	0.43
		-	**(2.72)**
d)	**General Reserve**		
	As per last balance sheet	677.29	630.79
	Add: Transfer from surplus as per the statement of profit and loss	71.55	46.50
		748.84	**677.29**
e)	**Foreign currency translation reserve**		
	As per last balance sheet	(9.99)	5.46
	Less : Exchange difference during the year on net investment in non-integral foreign operations	(24.65)	(15.45)
		(34.64)	(9.99)
	Share of Joint Venture	2.80	2.97
		(31.84)	**(7.02)**
f)	**Surplus in the statement of profit and loss**		
	As per last balance sheet	1,070.70	960.69
	Less : Adjustment related to transitional provision as per Schedule II of the Companies Act, 2013	-	(3.42)
	Add : Profit for the year	1,208.78	385.42
		2,279.48	**1,342.69**
	Appropriations :		
	Interim (Special) dividend of ₹ 3/- per share of ₹ 1/- each (Previous year ₹ Nil per share of ₹ 1/- each)	(187.38)	-
	Proposed final equity dividend of ₹ 3/- per share of ₹ 1/- each (Previous year ₹ 3/- per share of ₹ 1/- each)	(187.38)	(187.35)
	Dividend for previous year	(0.03)	-
	Corporate dividend tax	(76.30)	(38.14)
	Transfer to general reserve	(71.55)	(46.50)
	Net surplus in the statement of profit and loss	**1,756.84**	**1,070.70**
	Total Reserves and Surplus	**2,495.44**	**1,755.74**

*The group companies had entered into an interest rate swap to hedge their interest risk on long-term borrowings. The effective portion of the hedge was recognised directly under cash flow hedge reserve. During the year, the Group has repaid the outstanding loan against which the Interest rate swap agreement was entered into by the group and accordingly cash flow hedge reserve has not been assessed as at March 31, 2016.

4 LONG TERM BORROWINGS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Term loans from banks (secured)		
External Commercial Borrowings {refer point (a)}	-	41.73
From banks {refer point (b) to (e)}	1.67	184.59
Long term maturity of Finance lease obligation {refer point no. (f)}	-	0.08
	1.67	**226.40**

a) Term loan from banks includes External commercial borrowing of ₹ Nil (Previous year ₹ 41.73 crores) from HSBC Bank (Mauritius) Limited. The said loan is repayable in 12 equal quarterly instalments of ₹ 11.06 crores (USD 1,666,667) starting from 26th April, 2014 carrying an interest rate of LIBOR + 195 bps per annum, and is secured by way of:

i) first charge on movable fixed assets acquired out of the said loan and

ii) equitable mortgage over land and building situated at Plot no. 2A, sector 10, BHEL Industrial Estate, Haridwar, Uttarakhand.

Current maturities of External commercial borrowings is ₹ 44.22 crores (Previous Year ₹ 41.73 crores) (refer note no. 10)

b) Term loan from banks includes Loan from Itau Bank, Brazil amounting to ₹ 1.67 crores (Previous year 17.12 crores) secured by Trade receivables of Havells Sylvania Brasil Illuminacao Ltda., Brazil carrying an interest rate of 22.68% per annum repayable in 36 installments ending 30th September, 2017 . The Current maturities of said loan is ₹ 3.92 crores (Previous year ₹ 8.56 crores) have been shown under current liabilities. (refer note no. 10)

c) Term loan from banks includes Loan from Standard Chartered Bank amounting to ₹ Nil (Previous year ₹ 60.76 crores) carrying an interest rate of EURIBOR + 3.11% p.a and secured by pledge of Central warehousing building located in France. The Current maturities of said loan is ₹ Nil (Previous year ₹ 20.25 crores) have been shown under current liabilities. (refer note no. 10)

d) Term loan from banks includes secured facility agreement with HSBC Bank Plc, Standard Chartered Bank and ICICI Bank UK Plc for ₹ Nil (Previous year ₹ 106.71 crores) {including revolving facility for ₹ Nil (Previous year ₹ 16.88 crores)} at EURIBOR + 3.50% p.a (linked with group leverage ratio) secured by Plant and property, trade receivables and inventories in France, Germany, Belgium, UK, Netherlands, Argentina, Ecuador, Dubai, Greece, Thailand, Mexico, US, Brazil and Colombia as pledged security against the aforesaid facility. The said loan has been repaid during the year. The Current maturities of ₹ Nil (Previous year ₹ 52.56 crores) have been shown under current liabilities. (refer note no. 10)

e) Term loan from banks includes Loan from State Bank of Mysore amounting to ₹ Nil (Previous year ₹ Nil) and secured against the hypothecation of motor car. The said loan is repayable in next 10 monthly installments. The Current maturities of said loan is ₹ 0.08 crore (Previous year ₹ Nil) have been shown under current liabilities. (refer note no.10)

f) Assets acquired under lease are secured by way of respective assets taken on lease carrying an interest rate of 4.96% per annum. {refer note no. 32(14)}

5 DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Deferred tax liability		
On account of difference in rates and method of depreciation of fixed assets	92.36	86.96
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	1.99	2.59
Gross deferred tax liability	**94.35**	**89.55**
Deferred tax asset		
On account of difference in rates and method of depreciation of fixed assets	-	4.22
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	7.98	28.56
On account of provision for doubtful trade receivables and other provisions	3.08	26.29
On account of carried forward losses/ Business Losses and unabsorbed Depreciation	0.96	37.80
Others	7.97	6.51
Gross deferred tax asset	**19.99**	**103.38**

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Deferred tax Liabilities /(assets) (net)	**74.36**	**(13.83)**
Deferred tax liabilities after set-off	**74.91**	**43.37**
Deferred tax assets after set-off	**0.55**	**57.20**
Adjustment related to transitional provision of Schedule II as per the Companies Act, 2013	-	(1.76)
Adjustment on account of disposal of subsidiary during the year	47.13	
Adjustment on account of acquisition of subsidiary during the year	0.50	
Deferred tax charged/ (reversed) during the year	**41.56**	**58.71**

The group has not recognised Deferred tax assets in respect of long term capital losses amounting to ₹ 265.54 crores, due to absence of virtual certainty supported by convincing evidences that sufficient future taxable income will be available against which such deferred tax assets can be realised.

6 OTHER LONG TERM LIABILITIES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Retention money and security deposits	3.82	0.72
ESOP / ESPP compensation payable	0.31	0.64
	4.13	**1.36**

7 LONG TERM PROVISIONS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Retirement benefit obligations {refer note no. 32(9)}	5.64	395.98
Product warranties {refer note no. 11(a)}	6.72	16.38
Environmental liabilities {refer note no. 11(c)}	1.07	9.40
Derivative financial instruments*	-	2.60
	13.43	**424.36**

***Derivative financial instruments**		
At the beginning of the year	2.60	3.73
Movement during the year	(2.01)	(0.52)
Exchange loss/(gain) during the year	0.16	(0.61)
Transferred on account of disposal of subsidiaries	(0.75)	-
At the end of the year	**-**	**2.60**

8 SHORT TERM BORROWINGS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Loans repayable on demand (from banks)		
Cash credit/working capital limits (Unsecured)	11.31	57.60
Working capital limits (secured) {refer point (a) and (b)}	9.58	12.03
Intercorporate loans {refer point (c)}	**62.90**	**-**
	83.79	**69.63**

a) Loan repayable on demand from banks includes loan from Yes Bank Limited amounting to ₹ 9.58 crores (Previous year ₹ Nil) obtained during the year against first charge on all the current assets and movable fixed assets of the group (both present and future) and non-disposable undertaking from the Company obtained to maintain 51% shareholding in the Company. The said loan is repayable on demand and is carrying the interest rate of 11.75% per annum.

b) Loan repayable on demand from bank includes loan from Banco de Costa Rica of ₹ Nil (Previous year ₹ 12.03 crores) secured by way of mortgage against Land and Buildings in Costa Rica.

c) Intercorporate loans of ₹ 62.90 crores (Previous year ₹ Nil) are repayable in 1 to 2 years from the closing date of the sale of worldwide sylvania business by Havells Holdings Limited or till date when purchaser completes acquisition of Havells International Limited (within 24 month after closing date), whichever is earlier. The said loans have been obtained from Havells Sylvania Costa Rica S.A.@3% p.a., Havells Sylvania Colombia S.A @5.60% p.a and Panama Americas Trading Hub @5.60% p.a. These loans are secured by way of a corporate guarantee given by Havells Holding Limited.

9 TRADE PAYABLES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Trade payables		
Total outstanding dues of creditors other than micro and small enterprises	467.53	1004.80
Total outstanding dues of micro and small enterprises	33.29	31.56
	500.82	**1,036.36**
Share of Joint Venture	19.51	14.75
	520.33	**1,051.11**

a) Trade payables include acceptances of ₹ Nil (previous year ₹ 217.34 crores).

b) Information of the company 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, 2016 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, 2016	As at March 31, 2015
(i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	33.29	31.56
	Interest	-	-
(ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
(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 (Previous year ₹ Nil) as on balance sheet date.

10 OTHER CURRENT LIABILITIES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings {refer note no. 4}	48.22	123.10
Current maturities of finance lease obligation	-	4.73
Interest accrued but not due on borrowings	0.18	3.14
Unpaid dividend {refer point (a)}	2.44	0.99
Creditors for capital goods	14.00	13.49
ESOP/ ESPP Compensation payable	1.80	1.90
Other payables		
Sales incentives payable	140.66	209.93
Trade deposits	28.96	25.25
Advances and progress payments from customers	9.78	9.53
Excise duty payable {refer point (b)}	15.83	12.12
Other statutory dues payable	64.70	146.92
Claims payable	-	69.69
Other liabilities		
Payable for services	45.33	115.39
Payable to banks against receivable buyout facilities	91.74	74.72
Retention money	3.81	5.58
	467.45	**816.48**
Share of Joint Venture	0.29	-
	467.74	**816.48**

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 ₹ 0.04 crore (previous year ₹ 0.03 crore) out of unclaimed dividend pertaining to the financial year 2007-08 to Investor Education and Protection Fund of Central Government in accordance with the provisions of Section 205C of the Companies Act, 1956.

b) The Group has made a provision of excise duty payable amounting to ₹ 15.83 crores (previous year ₹ 12.12 crores) on stocks of finished goods and scrap material at the end of the year except units which are exempted from excise duty. Excise duty is considered as an element of cost at the time of manufacture of goods.

11 SHORT TERM PROVISIONS

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
i)	**Provision for employee benefits**		
	Gratuity {refer note no 32 (9)}	11.83	10.78
		11.83	**10.78**
ii)	**Other provisions**		
	Product warranties {refer point (a)}	59.76	57.35
	Litigations {refer point (b)}	41.11	43.53
	Environmental liabilities {refer point (c)}	-	1.06
	Proposed equity dividend {refer point (d)}	187.38	187.35
	Corporate dividend tax	38.15	38.14
	Income Tax (net of advance tax and TDS)	71.36	40.84
	Wealth Tax	-	0.06
	Other Provisions {refer point (e)}	-	1.08
		397.76	**369.41**
		409.59	**380.19**

a) Provision for warranties

A provision is recognised for expected warranty claims and after sales services on products sold during the last one to two 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 two 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 two years warranty period for all products sold. The table below gives information about movement in warranty provisions.

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	73.73	54.04
Arising during the year	115.52	94.31
Utilized during the year	(94.52)	(71.24)
Transferred on account of disposal of subsidiaries	(20.37)	-
Exchange loss/(gain) during the year	(7.88)	(3.38)
At the end of the year	**66.48**	**73.73**
Current portion	59.76	57.35
Non-current portion (refer note no. 7)	6.72	16.38

b) Provision for litigations {refer note no. 31(C)}

i) During the financial year 2010-11, the Central Excise Department, Jalandhar raised a penalty demand for ₹ 0.10 crore (previous year ₹ 0.10 crore) towards differential excise duty on finished goods sold by the branches at higher selling price. The Company is contesting the same before the Central Excise and Service Tax Appellate Tribunal (CESTAT). A provision of ₹ 0.10 crore (previous year ₹ 0.10 crore) has been made towards the liability on this account.

ii) The Company has challenged the constitutional validity of Entry Tax in Rajasthan, Himachal Pradesh, Orissa and West Bengal. The cases are pending before the Hon'ble High Courts in the state of Himachal Pradesh, Orissa and West Bengal and Hon'ble Supreme Court in respect of state of Rajasthan. During the year 2015-16, a provision of ₹ 6.66 crores (previous year ₹ 6.32 crores) has been made on this account and the liability as on March 31, 2016 is ₹ 20.17 crores (previous year ₹ 13.51 crores).

iii) A demand of ₹ 0.03 crore (previous year ₹ 0.03 crore) was raised by the Income Tax Department for the financial year 2003-04. The same is being contested before the Hon'ble Income Tax Appellate Tribunal. However, the Company expects the liability of ₹ 0.02 crore (previous year ₹ 0.02 crore) and the provision has been made accordingly.

iv) In case of Group companies, litigations provisions, are related to Labour claim and Sales Tax dispute in Brazil. The liability as on date is ₹ 20.82 crores (previous year ₹ 29.84 crores).

The table below gives information about movement in litigation provisions:

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	43.53	60.62
Arising during the year	9.18	6.32
Utilized during the year	(4.46)	(17.21)
Transferred on account of disposal of subsidiaries	(10.22)	-
Exchange loss/(gain) during the year	3.08	(6.20)
At the end of the year	**41.11**	**43.53**
Current portion	41.11	43.53

c) **Environmental Liabilities**

The environment liabilities relates to clean up and remediation cost of water contamination for the factory located in Belgium and for the site located in Mullins, US. As at March 31, 2016, the balance enviornmental liabilities relates to only site located in US as the balance have been transferred as part of sale of Net assets of Havells Malta Limited and its subsidiaries.

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	10.46	13.14
Arising during the year	-	0.00
Utilized during the year	(1.12)	(1.25)
Transferred on account of disposal of subsidiaries	(9.11)	-
Exchange loss/(gain) during the year	0.84	(1.43)
At the end of the year	**1.07**	**10.46**
Current portion	-	1.06
Non-current portion (refer note no. 7)	1.07	9.40

d) **Provision for Dividend**

The Board of Directors has recommended a final dividend of ₹ 3 per share of ₹ 1/- each (previous year of ₹ 3/- per share of ₹ 1/- each). The payment of final dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

e) **Other provisions**

The group has incurred restructuring costs of ₹ 33.70 crores during the year in Germany and Colombia to rationalize the workforce at these locations.

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	1.08	1.43
Arising during the year	33.70	2.12
Utilized/ Transferred during the year	(20.41)	(2.21)
Transferred on account of disposal of subsidiaries	(15.01)	-
Exchange loss/(gain) during the year	0.64	(0.26)
At the end of the year	**-**	**1.08**
Current portion	-	1.08

12 FIXED ASSETS

(₹ in Crores)

Sl. No.	Description	GROSS BLOCK							DEPRECIATION/AMORTISATION									NET BLOCK	
		As at April 1, 2015	Addition/ Adjustments during the year	Additions on account of acquisition of Subsidiary (refer point 5)	Adjustment on account of disposal of subsidiaries (refer point 6)	Sales during the year	Currency Translation	As at March 31, 2016	Upto last year	For the year	Set Off from Retained Earnings	Additions on account of acquisition of Subsidiary (refer point 5)	Adjustment on account of disposal of subsidiaries (refer point 6)	Sales/ Adjustment during the year	Currency Translation	Impairment {refer note no. 30 (8)}	To date	As at March 31, 2016	As at March 31, 2015
a)	**Tangible Assets**																		
	1 Industrial land																		
	Freehold	57.85	-	-	31.63	-	1.85	28.07	0.01	-	-	-	0.01	-	-	-	-	28.07	57.84
	Leasehold	76.80	-	-	-	-	-	76.80	3.00	1.00	-	-	-	-	-	-	4.00	72.80	73.80
	2 Buildings																		
	Freehold	758.09	49.26	0.92	325.48	22.85	20.93	480.87	332.65	19.29	-	0.05	265.08	22.75	17.19	-	81.35	399.52	425.44
	Leasehold	12.09	8.97	-	21.51	0.02	0.47	-	7.29	3.50	-	-	11.24	0.01	0.46	-	-	-	4.80
	3 Leasehold Improvements	2.19	3.50	-	-	-	-	5.69	0.19	0.35	-	-	-	-	-	-	0.54	5.15	2.00
	4 Plant and machinery	1,490.67	93.81	2.54	1,019.55	10.03	31.10	588.54	1,096.00	48.91	-	0.42	968.95	6.41	29.46	-	199.43	389.11	394.67
	5 Dies and tools	155.32	28.52	-	80.26	11.40	5.41	97.59	91.73	16.98	-	-	67.40	10.44	5.22	-	36.09	61.50	63.59
	6 Furniture and fixtures	95.00	9.28	0.42	48.69	2.99	2.13	55.15	59.65	6.55	-	0.15	39.84	2.51	1.94	-	25.94	29.21	35.35
	7 Vehicles	18.19	1.51	0.60	7.28	0.53	0.41	12.90	8.65	1.84	-	0.21	5.12	0.44	0.26	-	5.40	7.50	9.54
	8 R & D Equipments	17.86	2.45	-	-	0.06	-	20.25	6.09	1.31	-	-	-	0.05	-	-	7.35	12.90	11.77
	9 Office Equipments	98.16	11.44	0.28	39.97	10.19	1.41	61.13	68.56	11.07	-	0.18	32.72	9.31	0.85	-	38.63	22.50	29.60
	10 Electric fans and installations	115.89	8.10	-	73.84	0.48	4.92	54.59	73.39	7.41	-	-	61.35	0.35	4.13	-	23.23	31.36	42.50
		2,898.11	**216.84**	**4.76**	**1,648.21**	**58.55**	**68.63**	**1,481.58**	**1,747.21**	**118.21**	**-**	**1.01**	**1,451.71**	**52.27**	**59.51**	**-**	**421.96**	**1,059.62**	**1,150.90**
	Share of Joint Venture	8.61	1.88	-	-	-	(0.03)	10.46	1.41	1.27	-	-	-	-	0.01	-	2.69	7.77	7.20
	Total tangible assets	**2,906.72**	**218.72**	**4.76**	**1,648.21**	**58.55**	**68.60**	**1,492.04**	**1,748.62**	**119.48**	**-**	**1.01**	**1,451.71**	**52.27**	**59.52**	**-**	**424.65**	**1,067.39**	**1,158.10**
	Previous year	**3,067.90**	**210.90**		**-**	**33.98**	**(338.10)**	**2,906.72**	**1,940.29**	**127.75**	**5.18**	**-**	**-**	**30.16**	**(306.61)**	**12.17**	**1,748.62**	**1,158.10**	**1,127.61**
b)	**Intangible Assets**																		
	1 Computer Software	73.41	7.25	-	60.53	0.08	3.41	23.46	68.54	6.86	-	-	60.13	0.07	(1.08)	-	14.12	9.34	4.87
	2 Patent and Trademark	47.03	-	-	50.72	-	3.69	-	28.70	-	-	-	35.80	-	7.10	-	-	-	18.33
	3 Technical know-how	0.51	-	-	-	-	-	0.51	0.50	-	-	-	-	-	-	-	0.50	0.01	0.01
	4 R & D Software	1.74	0.78	-	-	-	-	2.52	0.52	0.33	-	-	-	-	-	-	0.85	1.67	1.22
	Total intangible assets	**122.69**	**8.03**	**-**	**111.25**	**0.08**	**7.10**	**26.49**	**98.26**	**7.19**	**-**	**-**	**95.93**	**0.07**	**6.02**	**-**	**15.47**	**11.02**	**24.43**
	Previous year	**139.56**	**4.40**		**-**	**-**	**(21.27)**	**122.69**	**104.83**	**10.91**	**-**	**-**	**-**	**-**	**(17.48)**	**-**	**98.26**	**24.43**	**34.73**
c)	**Capital Work in Progress**	**36.75**	**24.48**	**-**	**5.26**	**36.27**	**0.79**	**20.49**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20.49**	**36.75**
	Share of Joint Venture	1.55	-		-	0.67	(0.01)	0.87	-	-	-	-	-	-	-	-	-	0.87	1.55
	Total Capital Work in Progress	**38.30**	**24.48**	**-**	**5.26**	**36.94**	**0.78**	**21.36**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21.36**	**38.30**
	Previous Year	**44.41**	**29.09**	**-**	**-**	**32.68**	**(2.52)**	**38.30**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**38.30**	**44.41**
d)	**Assets held for sale - tangible**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.10**	**0.39**
	Previous Year	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.39**	**0.07**
e)	**Total Tangible Assets (a+d)**	**2,906.72**	**218.72**	**4.76**	**1,648.21**	**58.55**	**68.60**	**1,492.04**	**1,748.62**	**119.48**	**-**	**1.01**	**1,451.71**	**52.27**	**59.52**	**-**	**424.65**	**1,067.49**	**1,158.49**
	Previous year	**3,067.90**	**210.90**		**-**	**33.98**	**(338.10)**	**2,906.72**	**1,940.29**	**127.75**	**5.18**	**-**	**-**	**30.16**	**(306.61)**	**12.17**	**1,748.62**	**1,158.49**	**1,127.68**
	Total-Current Year	**3,067.71**	**251.23**	**4.76**	**1,764.72**	**95.57**	**76.48**	**1,539.89**	**1,846.88**	**126.67**	**-**	**1.01**	**1,547.64**	**52.34**	**65.54**	**-**	**440.12**	**1,099.87**	**1,221.22**
	Total-Previous year	**3,251.87**	**244.39**	**-**	**-**	**66.66**	**(361.89)**	**3,067.71**	**2,045.12**	**138.66**	**5.18**	**-**	**-**	**30.16**	**(324.09)**	**12.17**	**1,846.88**	**1,221.22**	**1,206.82**

Notes:

1. Freehold land includes land amounting to ₹ 0.10 crore located at Narela Industrial Area in respect of which possession has not been given by authority.
2. The title deed in respect of freehold land & building amounting to ₹ 17.17 crores at Badli is yet to be executed.
3. Buildings include ₹ 0.03 crore being the cost of premises purchased at Leonard Road, Bangalore, title deed in respect of which has not been executed as yet.
4. The machinery retired from active use and held for disposal are classified as assets held for sale.
   Details are as under:
   Current year : Gross Block ₹ 0.94 crore, Accumulated depreciation ₹ 0.41 crore, Loss ₹ 0.43 crore and Net Block ₹ 0.10 crore
   Previous year : Gross Block ₹ 2.19 crores, Accumulated depreciation ₹ 1.31 crores, Loss ₹. 0.49 crore and Net Block ₹ 0.39 crore
5. During the year, the Group has acquired 51% stake in equity share capital of Promptec Renewable Energy Solutions Private Limited. Accordingly, the assets in respect of said subsidiary have been shown as "Additions on account of acquisition of Subsidiary".
6. On December 31, 2015, the Group has divested 80% stake in capital of Havells Malta Limited. Accordingly, the assets in respect of said subsidiary have been shown as "Adjustment on account of disposal of Subsidiary".

13 NON-CURRENT INVESTMENTS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Trade investments (valued at cost unless stated otherwise)		
Carrying amount of Investment in Equity accounted associates		
Havells Malta Limited {refer note no.32(1) and 32(5)(a)}	101.65	-
2,82,51,600 Equity Shares of Euro 1/- each fully paid up		
Aggregate amount of unquoted investments	**101.65**	**-**
Non Trade investments (valued at cost unless stated otherwise)		
Quoted Investment in Bonds		
15,00,000, 7.35% 15 year Tax Free, Secured Redeemable Non Convertible Bonds of face value ₹ 1000/- each of National Highway Authority of India	150.66	-
(Aggregate market value of quoted Investment is ₹ 156.00 crores) (Previous year ₹ Nil)		
Aggregate amount of Quoted Investments	**150.66**	**-**
	252.31	**-**

14 LONG TERM LOANS AND ADVANCES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Unsecured- considered good		
Capital advances	10.39	7.57
Security deposits	17.99	19.11
Minimum Alternate Tax Credit entitlement	32.75	10.09
Prepaid expenses	0.33	0.50
Other deposits with Statutory/Government authorities	18.78	20.87
	80.24	**58.14**

15 OTHER NON-CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Unsecured- considered good		
Earnest Money	0.36	0.36
Fixed deposits with banks having maturity period of more than twelve months	-	175.00
Deposits held as margin money against bank guarantees	0.02	0.02
	0.38	**175.38**

16 CURRENT INVESTMENTS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Current portion of long term Investments (valued at lower of cost and fair value)		
Carrying amount of Investment in Equity accounted associates		
Havells Exim Limited {refer note no. 32(1)}	5.19	-
200 Equity Shares of 1 Hong Kong Dollars each fully paid up		
Aggregate amount of unquoted Investments	**5.19**	**-**

17 INVENTORIES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Raw materials and components	191.33	285.45
Work in progress	67.06	54.80
Finished goods	405.84	451.27
Stock in trade (traded goods)	142.05	546.22
Stores and spares	11.27	8.97
Loose tools	0.81	1.04
Packing materials	12.00	11.64
Fuel and Gases	0.52	0.58
Scrap materials	3.41	4.09
	834.29	**1,364.06**
Share of Joint Venture	2.80	2.23
(Including finished goods of ₹ Nil and traded goods of ₹ 1.03 crores)		
(previous year including finished goods of ₹ 0.77 crore and traded goods of ₹ 0.11 crore)		
	837.09	**1,366.29**
The above includes goods in transit as under:		
Raw Materials	22.73	19.81
Finished goods	49.45	14.35
Stock in trade (traded goods)	6.32	142.20

a) Inventories other than scrap materials have been taken at lower of cost and net realisable value. (refer note no.1.06)

b) The stocks of scrap materials have been taken at net realisable value.

c) Raw material inventory of group companies amounting to ₹ Nil (previous year ₹ 102.97 crores) has been valued on First in First Out basis.

18 TRADE RECEIVABLES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Outstanding due for a period exceeding six month from the date they are due for payment		
Unsecured, considered good	10.14	6.47
Unsecured, considered doubtful	37.96	47.82
	48.10	**54.29**
Less: Provision for doubtful receivables	37.96	47.82
	10.14	**6.47**
Other receivables		
Unsecured, considered good	225.59	616.64
Unsecured, considered doubtful	6.51	10.34
	232.10	**626.98**
Less: Provision for doubtful receivables	6.51	10.34
	225.59	**616.64**
Share of Joint Venture	23.64	0.07
	259.37	**623.18**

19 CASH AND BANK BALANCES

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
a)	**Cash and cash equivalents**		
	Balances with banks:		
	Current accounts	70.12	253.80
	Cash credit accounts {refer note no.32(6)}	46.85	55.79
	Fixed Deposits having a maturity period of less than three months	25.00	57.82
	Cash on hand	0.03	0.46
		142.00	**367.87**
b)	**Other bank balances**		
	Unpaid dividend account*	2.44	0.99
	Fixed Deposits accounts having a maturity period more than three months but less than twelve months	1,265.02	397.81
	Escrow Account**	37.55	-
		1,305.01	**398.80**
		1,447.01	**766.67**
	Share of Joint Venture	18.25	10.80
		1,465.26	**777.47**

*The Company can utilise the balance only towards settlement of unclaimed dividend.

**As per the terms of the Share Purchase Agreement with Shanghai Feilo Acoustics Co. Limited, a part of the total consideration, ₹ 37.55 crores (Euro 5 million) is held in an Escrow account with Citi bank, London for a period upto 6 months from closing date i.e January 15, 2016 for any general claim against the representations and warranties given by Havells Holdings Limited with respect to Havells Malta Limited or its erstwhile subsidiaries of the Group.

20. SHORT TERM LOANS AND ADVANCES

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Other loans and advances (unsecured, considered good)		
Advances against material and services	13.35	53.19
Prepaid expenses	9.93	36.15
Security deposits	1.88	6.26
Other advances	0.66	0.30
Intercorporate advances	7.48	-
Balance with Statutory/ Government authorities:		
Excise duty	2.81	0.86
Service tax	1.98	4.60
VAT	16.03	46.54
Other deposits with Statutory/ Government authorities	28.87	21.28
	82.99	**169.18**
Share of Joint Venture	2.35	3.11
	85.34	**172.29**

21 OTHER CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Earnest money	1.04	1.09
Retention money	1.94	2.27
DEPB licences in hand	2.53	3.32
Claims and other receivables	6.54	5.29
Interest accrued on deposits	23.88	9.97
	35.93	**21.94**

22 REVENUE FROM OPERATIONS

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Sale of products		
Finished goods	6,396.46	6616.43
Traded goods	2,113.14	2767.19
	8,509.60	**9,383.62**
Share of Joint Venture	16.95	0.55
	8,526.55	9,384.17
Less: Turnover Discounts, incentives and rebates	452.68	538.65
	8,073.87	**8,845.52**
Sale of Services	0.12	-
Other operating revenue		
Scrap sales	34.12	36.24
Export incentives	7.86	6.77
{Including share of Joint Venture of ₹ 0.24 crore (previous year ₹ 0.40 crore)}		
Revenue from operations (gross)	**8,115.97**	**8,888.53**
Less: Excise duty	401.79	319.10
Revenue from operations (net)	**7,714.18**	**8,569.43**
Details of products sold (gross)		
Finished goods		
Switchgears	1,316.45	1,304.38
Cables	2,553.65	2,485.33
Lighting and fixtures	1,593.04	2,064.07
{including share of Joint Venture of ₹ 5.97 crores (previous year ₹ 0.19 crore)}		
Electrical consumer durables	939.29	762.84
	6,402.43	**6,616.62**
Stock in Trade (Traded goods)		
Switchgears	97.42	102.55
Lighting and fixtures	1,711.07	2322.28
{including share of Joint Venture of ₹ 10.98 crores (previous year ₹ 0.36 crore)}		
Electrical consumer durables	315.63	342.72
	2,124.12	**2,767.55**
	8,526.55	**9,384.17**

23 OTHER INCOME

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest income		
Bank deposits	49.00	34.59
Bonds	2.38	-
Others	1.36	1.22
Miscellaneous income	23.88	10.26
Excess provisions no longer required written back	8.27	2.98
Provision for doubtful receivables written back	1.16	1.30
	86.05	**50.35**
Share of Joint Venture	0.20	0.11
	86.25	**50.46**

24 COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Copper	901.37	920.46
Aluminium	464.13	473.64
General plastic	180.09	189.54
Paints and chemicals	209.11	179.34
Steel	130.64	132.72
Engineering plastic	63.29	67.79
Phosphor powder	17.75	36.67
Glass and glass tube	7.78	15.95
Ballast	26.01	48.80
Packing materials	164.25	158.06
Others	1,035.76	1,000.20
	3,200.18	**3,223.17**
Share of Joint Venture	13.19	16.01
	3,213.37	**3,239.18**

25 PURCHASE OF TRADED GOODS

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Switchgears	58.32	68.49
Lighting and fixtures	953.94	1,099.20
Electrical consumer durables	224.40	281.70
	1,236.66	**1,449.39**
Share of Joint Venture	6.41	36.84
	1,243.07	**1,486.23**

26 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015	(Increase)/ decrease
Inventories at the end of the year			
Finished goods (including Share of Joint Venture of ₹ Nil)	405.84	452.04	46.20
Stock in trade (traded goods) (including Share of Joint Venture of ₹ 1.03 crores)	143.08	546.33	403.25
Work in progress (including Share of Joint Venture of ₹ 0.69 crore)	67.75	55.35	(12.40)
Scrap Material	3.41	4.09	0.68
	620.08	**1,057.81**	**437.73**
Add : Adjustment on account of acquisition of subsidiary			1.80
Less : Adjustment on account of disposal of subsidiary			(512.77)
Net (Increase)/ decrease in work in progress, finished goods and stock in trade			**(73.24)**
Inventories at the beginning of the year			
Finished goods (including Share of Joint Venture of ₹ 0.77 crore)	452.04	463.04	11.00
Stock in trade (Traded goods) (including Share of Joint Venture of ₹ 0.11 crore)	546.33	622.98	76.65
Work in progress (including Share of Joint Venture of ₹ 0.55 crore)	55.35	71.82	16.47
Scrap Material	4.09	3.73	(0.36)
	1,057.81	**1,161.57**	**103.76**

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Details of inventory at the end of the year		
Finished Goods		
Switchgears	107.13	84.69
Cables	139.55	113.57
Lighting and Fixtures (including Share of Joint Venture of ₹ Nil)	58.05	175.46
Electrical consumer durables	101.11	78.32
	405.84	**452.04**
Traded goods		
Switchgears	8.11	9.21
Lighting and Fixtures (including Share of Joint Venture of ₹ 1.03 crores)	79.66	465.55
Electrical consumer durables	55.31	71.57
	143.08	**546.33**
Work in progress		
Switchgears	11.90	11.29
Cable	31.49	18.06
Lighting and Fixtures (including Share of Joint Venture of ₹ 0.69 crore)	10.96	16.98
Electrical consumer durables	13.40	9.02
	67.75	**55.35**
Details of inventory at the beginning of the year		
Finished Goods		
Switchgears	84.69	86.66
Cables	113.57	152.55
Lighting and Fixtures (including Share of Joint Venture of ₹ 0.77crore)	175.46	172.76
Electrical consumer durables	78.32	51.07
	452.04	**463.04**
Traded goods		
Switchgears	9.21	8.60
Lighting and Fixtures (including Share of Joint Venture of ₹ 0.11 crore)	465.55	572.39
Electrical consumer durables	71.57	41.99
	546.33	**622.98**
Work in progress		
Switchgears	11.29	12.45
Cables	18.06	27.99
Lighting and Fixtures (including Share of Joint Venture of ₹ 0.55 crore)	16.98	24.15
Electrical consumer durables	9.02	7.23
	55.35	**71.82**

27 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages, bonus, commission and other benefits	718.83	835.64
Contribution towards PF, Social Security and ESI	136.60	182.50
Employee stock option expense {refer note no. 32(10)}	1.70	3.73
Gratuity and pension expenses {refer note no. 32(9)}	(24.03)	136.74
Staff welfare expenses	23.95	27.49
	857.05	**1,186.10**
Share of Joint Venture	2.43	1.40
	859.48	**1,187.50**

28 FINANCE COSTS

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	35.56	54.22
Bank charges	5.13	5.79
Miscellaneous financial expenses	0.05	0.10
Exchange difference to the extent considered as an adjustment to borrowing cost	4.19	3.83
	44.93	**63.94**
Share of Joint Venture	0.01	0.02
	44.94	**63.96**

29 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation of tangible assets	118.21	126.69
Amortisation of intangible assets	7.19	10.91
	125.40	**137.60**
Share of Joint Venture	1.27	1.06
	126.67	**138.66**

30 OTHER EXPENSES

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Consumption of stores and spares	41.30	37.43
Power and fuel	80.87	84.21
Job work charges	167.12	151.89
Increase/(decrease) in excise duty in inventory of finished goods and scrap	6.78	4.76
Rent	76.08	93.50
Repairs and maintenance		
Plant and machinery	26.20	29.46
Buildings	13.73	19.26
Others	24.44	20.58
Rates and taxes	35.60	51.62
Insurance	19.53	25.20
Trade mark fee and royalty	40.34	40.30
Travelling and conveyance	107.98	103.53
Communication expenses	21.77	25.63
Legal and professional charges	45.69	78.55
Payment to Auditors		
As auditor:		
Audit fee	9.05	9.82
Tax audit fee	0.05	0.05
Reimbursement of expenses	0.07	0.06
In other capacity	2.41	4.03
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 32(11)}	11.48	9.79
Director's Sitting Fees	0.32	0.22
Exchange fluctuations (net)	38.84	44.16
Freight and forwarding expenses	252.13	278.09
Service tax and custom duty paid	18.89	14.59
Advertisement and sales promotion	245.02	259.26
Cash discount	82.29	87.32
Commission on sales	58.84	60.98
Product warranties and after sales services	115.52	147.01
Claims and damages	-	27.69
Trade receivables factoring charges	36.64	31.88
Loss on sale/ discard of fixed assets (net)	3.41	1.97
Impairment on tangible assets	-	12.17

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Bad debts written off	1.81	0.61
Provision for doubtful trade receivables	33.96	10.60
Miscellaneous expenses	50.30	61.45
	1,668.46	**1,827.67**
Share of Joint Venture	2.83	3.96
	1,671.29	**1,831.63**

31 CONTINGENT LIABILITIES, COMMITMENTS AND LITIGATIONS

(₹ in Crores)

		2015-16	2014-15
A	**Contingent liabilities (to the extent not provided for)**		
a	Claims / Suits filed against the Company not acknowledged as debts	5.61	5.21
b	Liability towards banks against receivable buyout facilities {refer note (i)}	132.50	106.30
c	Bonds to excise department against export of excisable goods/purchase of goods without payment of duty (to the extent utilised)	0.53	3.30
d	Disputed tax liabilities in respect of pending cases before Appellate Authorities {Amount deposited under protest ₹ 19.05 crores (previous year ₹ 20.65 crores)} {refer point (ii)}	100.55	100.80
e	Demand raised by Uttarakhand Power Corporation Limited contested before Hon'ble High Court of Uttarakhand,Nanital {Amount deposited under protest ₹ 1.00 crore (previous year ₹ 1.00 crore)}	1.00	1.00
f	Custom duty payable against export obligation {refer point (iii)}	8.88	12.14

Notes:

i) a) The Group has availed Receivable Buyout facility from banks against which a sum of ₹ 438.35 crores (Previous year ₹ 418.77 crores) has been utilized as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount. The Group has given maximum First Loss Default Guarantee of ₹ 84.50 crores (Previous Year ₹ 58.30 crores) against the said facility and accordingly disclosed as contingent liability. A sum of ₹ 29.42 crores (previous year ₹ 25.60 crores) on account of charges paid for this facility has been debited to the trade receivables factoring charges account.

b) The Group has arranged Channel Finance facility for its customers from banks against which a sum of ₹ 370.64 crores (Previous year ₹ 371.94 crores) has been utilized as on the date of Balance Sheet. The Group has given maximum First Loss Default Guarantee of ₹ 48 crores (Previous Year ₹ 48 crores).

ii) The various disputed tax liabilities are as under:

(₹ in Crores)

Sl.	Description	Period to which relates	Disputed amount 2015-16	Disputed amount 2014-15
a)	**Excise / Customs/ Service Tax**			
	Show cause notices/ demands raised by Excise and Custom department pending before various appellate authorities.	1994-96 to 2012-13	19.41	30.21
b)	**Income Tax**			
	Disallowances/ additions made by the income tax department pending before various appellate authorities.	2003-04 to 2011-12	40.28	42.33
c)	**Sales Tax/ VAT**			
	Show cause notices/ demands raised by Sales tax/ VAT department pending before various appellate authorities.	2003-04 to 2014-15	40.59	28.11
d)	**Others**			
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	0.12
	Demand of octroi alongwith penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	0.03
	Demand of Advertisement Tax by Municipal Corporation of Indore, M.P.	2014-15	0.12	-
			100.55	**100.80**

Based on favourable decisions in similar cases, legal opinions taken by the Group and discussions with the solicitors, the Group does not expect any liability against these matters and hence no provision has been considered in the books of accounts.

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.

iii) a) The Group is under obligation to export goods worth ₹ 64.05 crores (Previous Year ₹ 68.39 crores) within a period of eight years from the date of issue of EPCG licenses issued in terms of para 5.2 of Foreign Trade Policy 2009-2014. As on the date of balance sheet, the Group has fulfilled the export obligation in respect of which application for Export Obligation Discharge Certificates (EODC) will be filed with the Director General Foreign Trade (DGFT) within the stipulated time. Custom duty payable against said obligation is ₹ 8.00 crores (previous year ₹ 8.55 crores).

b) The Group is under obligation to export goods worth ₹ 13.23 crores (previous year ₹ 55.48 crores) in respect of duty free imports made by the Group against Advance Licenses. As on the date of balance sheet, the Group has fulfilled the export obligation in respect of which application for Export Obligation Discharge Certificates (EODC) will be filed with the Director General Foreign Trade (DGFT) within the stipulated time. Custom duty payable against said obligation is ₹ 0.88 crore (previous year ₹ 3.59 crores).

(₹ in Crores)

B	Commitments	2015-16	2014-15
a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	21.21	63.87
b)	Corporate Social Responsibility commitment to Ashoka University, Haryana.	3.00	6.00
		24.21	**69.87**

C. Other Litigations

i) The Group has some entry tax and other tax related litigation of ₹ 41.11 crores (previous year ₹ 43.53 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same. {refer note no. 11(b)}

ii) Various litigation claims are ongoing against the Group as on March 31, 2016 out of which claim amounting to ₹ 20.56 crores (previous year ₹ 45.34 crores) are considered remote by the group. Accordingly the same are not considered in the above contingent liability disclosure.

32 OTHER NOTES ON ACCOUNTS

1 A) (i) The Board of Directors of the Company in their meeting held on December 10, 2015 has approved divestment plan upto 100% in its subsidiaries/ step down subsidiaries, which is approved by the shareholders of the Company through postal ballot on January 18, 2016, consequently following events happened:

(a) The Company's wholly owned subsidiary 'Havells Holdings Limited' completed sale of shares with respect to 80% of its stake in 'Havells Malta Limited' (excluding its subsidiaries based in United States, Brazil, Chile and Thailand) to INESA UK Limited, an affiliate of Shanghai Feilo Acoustics Co. Limited, a China based listed company at an agreed consideration of 138.40 million Euro (equivalent to ₹ 1,011.05 crores) subject to terms and conditions of shareholder’s agreement. The Profit of ₹ 702.65 crores on disposal of investment in 'Havells Malta Limited' being the difference between consideration received and proportion of net assets (including goodwill) as on the date of transaction has been treated as exceptional item and credited to the Statement of Profit and Loss in accordance with the requirement of Accounting Standard-5 “Net Profit or Loss for the period, Prior Period items and Change in Accounting Policies” (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014). As per the terms of the Share Purchase Agreement a part of the total consideration, ₹ 37.55 crores (Euro 5 million) is held in an Escrow account with Citi bank, London for a period upto 6 months from closing date for any general claim against the representations and warranties given by Havells Holdings Limited with respect to Havells Malta Limited or its subsidiaries.

Subsequent to the above transaction, Havells Malta Limited ceases to be the subsidiary of the Company and has become an Associate Company.

(b) The Company has entered into a Share Purchase Agreement dated December 10, 2015 with Shanghai Feilo Investment Limited (A subsidiary of Shanghai Feilo Acoustics Co. Ltd.) for the sale of 80% stake in its wholly owned subsidiary Havells Exim Limited, Hong Kong for a purchase consideration equivalent to ₹ 75.89 crores (Euro 10.40 million). Pursuant to aforesaid sale of Shares, the Company has received a sum of ₹ 75.89 crores (Euro 10.40 million) against sale on 800 Equity shares of Havells Exim Limited as aforesaid resulting in a profit of ₹ 55.07 crores on the said transaction being the difference between consideration received and proportion of net assets as on the date of transaction. The same has been disclosed as an exceptional item in accordance with the requirements of Accounting Standard-5 "Net Profit or Loss for the period, Prior Period items and Change in Accounting Policies" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014).

Subsequent to the above transaction, the Company holds 20% stake in Havells Exim Limited and therefore Havells Exim Limited ceases to be the subsidiary of the Company and has become an Associate Company.

Further, pursuant to Share Purchase agreement with Shanghai Feilo Investment Limited (A subsidiary of Shanghai Feilo Acoustics Co. Ltd), the Company is committed for the remaining 20% stake sale in Havells Exim Limited i.e. 200 Equity Shares of HKD 1 each at the end of nine months from the date of transfer of the 80% stake for a consideration of Euro 2.60 million subject to fulfillment of certain terms and conditions mentioned in the Share Purchase Agreement. The Investment in Havells Exim Limited has been treated as Current Investments, held for sale and disclosed accordingly.

(ii) In respect to the balance 20% stake in Havells Malta Limited, Havells Holdings Limited has an option (put option) to the sell shares to Shanghai Feilo Acoustics Co. Ltd. or its associates from the period commencing from end of 18 months from the closing date of transaction and until the end of 5 years from the closing date and Shanghai Feilo Acoustics Co. Ltd. or its associates have the option (call option) to acquire these shares from period commencing from the closing date until the 5th anniversary of the closing date. Under the same agreement Havells Holdings Limited will continue to hold 100% stake in subsidiaries based in USA , Brazil, Chile and Thailand.

(B) The Group has incurred restructuring costs of ₹ 33.70 crores (Euro 4.76 million) in Germany and Columbia to rationalize the workforce at these locations and the same has been treated as exceptional item.

(C) Therefore, the total exceptional items disclosed in the statement of Profit and Loss is as under:

(₹ in Crores)

		2015-16	2014-15
(i)	On account of profit on the disposal of stake in Havells Malta Limited	702.65	-
(ii)	On account of profit on the disposal of stake in Havells Exim Limited	55.07	-
(iii)	Restructuring cost incurred	(33.70)	-
		724.02	**-**

2. a) During the year, the Company has entered into a share subscription cum purchase agreement dated April 21, 2015 to acquire 51% stake in 'Promptec Renewable Energy Solutions Private Limited' for a consideration of ₹ 29.12 crores. Accordingly 'Promptec Renewable Energy Solutions Private Limited' has become a subsidiary Company with effect from the said date. The Company has accounted goodwill on consolidation of ₹ 20.40 crores being difference in the value of consideration paid and net assets acquired.

b) Additional Information as required Schedule III of Companies Act, 2013 of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures is disclosed as follows:

(₹ in Crores)

	Name of entity	Country of incorporation	Date of control	Nature	Net Assets, i.e., total assets minus total liabilities as at March 31, 2016		Share in profit or loss for the year ended March 31, 2016	
					As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
(I)	**Parent**							
	Havells India Limited	India	-	Parent Company	103.03%	2,644.18	59.18%	715.35
					(130.66%)	(2,375.79)	(120.63%)	(464.94)
(II)	**Foreign Subsidiaries having no minority interests {to the extent of control 100% (previous year 100%)}**							
1	Havells Holdings Limited	Isle of Man	09.03.2007	WOS	1.53%	39.32	-0.15%	-1.77
					(0.01%)	(0.16)	(-0.52)%	(-2.01)
2	Havells International Limited	Malta	23.12.2015	WOS	-0.01%	-0.18	-0.02%	-0.20
					(0.00)%	(0.00)%	(0.00)%	(0.00)%
3	Havells Sylvania Iluminacion (Chile) Ltda	Chile	10.09.2008	WOS of Havells Holdings Limited	-0.15%	-3.88	-1.80%	-21.80
					(1.48)%	(26.93)	(-0.78)%	(-3.02)

(₹ in Crores)

	Name of entity	Country of incorporation	Date of control	Nature	Net Assets, i.e., total assets minus total liabilities as at March 31, 2016		Share in profit or loss for the year ended March 31, 2016	
					As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
4	Havells USA Inc.	USA	31.12.2010	WOS of Havells Holdings Limited	-0.50%	-12.81	-3.27%	-39.52
					(2.66)%	(48.37)	(-3.32)%	(-12.79)
5	Havells Sylvania (Thailand) Limited	Thailand	20.04.2007	49% held by Havells International Limited and 51% held by Thai Lighting Assets Co Ltd	0.22%	5.77	-3.03%	-36.58
					(1.58)%	(28.78)	(-8.79)%	(-33.88)
6	Havells Sylvania Brasil Illuminacao Ltda.	Brazil	20.04.2007	WOS of Havells International Limited	-1.30%	-33.43	-3.70%	-44.71
					(0.26)%	(4.80)	(-19.39)%	(-74.73)
7	Havells Exim Limited	Hong Kong	24.10.2010	Associate Company*	0.00%	0.00	0.38%	4.62
					(1.28)%	(23.25)	(1.90)%	(7.33)
8	Havells Malta Limited	Malta	13.03.2007	Associate Company*	0.00%	0.00	-0.01%	-0.16
					(0.02)%	(0.35)	(-0.02)%	(-0.09)
9	Havell's Netherlands Holding B.V.	Netherlands	13.03.2007	WOS of Associate Company*	0.00%	0.00	1.71%	20.70
					(-4.35)%	(-79.13)	(0.98)%	(3.76)
10	Havell's Netherlands B.V.	Netherlands	13.03.2007	WOS of Associate Company*	0.00%	0.00	-2.95%	-35.60
					(-0.09)%	(-1.72)	(-2.79)%	(-10.77)
11	SLI Europe B.V.	Netherlands	20.04.2007	WOS of Associate Company*	0.00%	0.00	-0.08%	-0.92
					(0.00)%	(0.08)	(-0.37)%	(-1.44)
12	Havells Sylvania Holdings (BVI-1) Ltd	British Virgin Islands	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.00%	0.00
					(0.00)%	(0.00)	(0.00)%	(0.00)
13	Flowil International Lighting (Holding) B.V.	Netherlands	20.04.2007	WOS of Associate Company*	0.00%	0.00	1.15%	13.87
					(4.33)%	(78.68)	(13.27)%	(51.14)
14	Sylvania Lighting International B.V.	Netherlands	20.04.2007	WOS of Associate Company*	0.00%	0.00	-0.44%	-5.30
					(0.06)%	(1.04)	(-1.32)%	(-5.10)
15	Guangzhou Havells Sylvania Enterprise Limited	China	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.41%	4.95
					(0.60)%	(10.83)	(0.81)%	(3.13)
16	Havells Sylvania Asia Pacific Limited	Hong Kong	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.22%	2.65
					(0.48)%	(8.70)	(1.27)%	(4.89)
17	Havells Sylvania Sweden A.B.	Sweden	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.01%	0.15
					(0.02)%	(0.40)	(-0.36)%	(-1.37)
18	Havells Sylvania Finland OY	Finland	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.02%	0.30
					(-0.04)%	(-0.76)	(-0.08)%	(-0.30)
19	Havells Sylvania Norway A.S.	Norway	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.00%	0.02
					(0.00)%	(-0.04)	(-0.04)%	(-0.16)
20	Havells Sylvania Fixtures Netherlands B.V.	Netherlands	20.04.2007	WOS of Associate Company*	0.00%	0.00	-0.10%	-1.15
					(-0.07)%	(-1.32)	(-0.62)%	(-2.39)
21	Havells Sylvania Lighting Belgium N.V.	Belgium	20.04.2007	WOS of Associate Company*	0.00%	0.00	1.18%	14.28
					(-1.18)%	(-21.39)	(-1.90)%	(-7.34)
22	Havells Sylvania Belgium B.V.B.A.	Belgium	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.02%	0.20
					(-0.30)%	(-5.42)	(-0.03)%	(-0.10)
23	Havells Sylvania Lighting France S.A.S	France	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.43%	5.24
					(-0.28)%	(-5.07)	(1.29)%	(4.98)
24	Havells Sylvania France S.A.S.	France	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.21%	2.57
					(2.24)%	(40.64)	(0.46)%	(1.76)

(₹ in Crores)

	Name of entity	Country of incorporation	Date of control	Nature	Net Assets, i.e., total assets minus total liabilities as at March 31, 2016		Share in profit or loss for the year ended March 31, 2016	
					As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
25	Havells Sylvania Italy S.P.A.	Italy	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.03%	0.34
					(-1.34)%	(-24.39)	(-3.72)%	(-14.32)
26	Havells Sylvania Portugal Lda	Portugal	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.01%	0.09
					(0.01)%	(0.17)	(0.03)%	(0.12)
27	Havells Sylvania Greece A.E.E.E.	Greece	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.02%	0.28
					(0.43)%	(7.86)	(0.44)%	(1.68)
28	Havells Sylvania Spain S.A.	Spain	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.05%	0.59
					(-0.11)%	(-1.98)	(0.25)%	(0.97)
29	Havells Sylvania Germany Gmbh	Germany	20.04.2007	WOS of Associate Company*	0.00%	0.00	1.86%	22.48
					(-15.70)%	(-285.43)	(-17.55)%	(-67.65)
30	Havells Sylvania Switzerland A.G	Switzerland	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.04%	0.52
					(-0.25)%	(-4.62)	(0.87)%	(3.36)
31	Havells Sylvania Argentina S.A.	Argentina	20.04.2007	WOS of Associate Company*	0.00%	0.00	-0.04%	-0.48
					(5.67)%	(103.02)	(3.78)%	(14.56)
32	Havells Sylvania N.V.	Dutch Antilles	20.04.2007	WOS of Associate Company*	0.00%	0.00	1.59%	19.20
					(5.28)%	(95.98)	(6.64)%	(25.58)
33	Havells Sylvania Colombia S.A.	Colombia	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.30%	3.61
					(8.37)%	(152.22)	(0.01)%	(0.04)
34	Havells Mexico S.A. de C.V.	Mexico	20.04.2007	WOS of Associate Company*	0.00%	0.00	-0.26%	-3.17
					(6.30)%	(114.55)	(-2.00)%	(-7.69)
35	Havells Mexico Servicios Generales S.A.de CV	Mexico	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.00%	0.00
					(0.56)%	(10.17)	(0.00)%	(0.00)
36	Havells Sylvania El Salvador S.A. de C.V.	El Salvador	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.12%	1.46
					(1.54)%	(28.01)	(0.23)%	(0.87)
37	Havells Sylvania Guatemala S.A.	Guatemala	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.14%	1.73
					(1.11)%	(20.27)	(0.74)%	(2.87)
38	Havells Sylvania Costa Rica S.A.	Costa Rica	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.83%	9.98
					(7.70)%	(140.01)	(2.33)%	(8.99)
39	Havells Sylvania Panama S.A.	Panama	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.12%	1.46
					(1.76)%	(32.01)	(0.09)%	(0.35)
40	Havells Sylvania Venezuela C.A.	Venezuela	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.01%	0.17
					(0.27)%	(4.82)	(-0.60)%	(-2.32)
41	Havells Sylvania Europe Limited	United Kingdom	20.04.2007	WOS of Associate Company*	0.00%	0.00	-2.57%	-31.11
					(1.44)%	(26.21)	(8.18)%	(31.53)
42	Havells Sylvania UK Limited	United Kingdom	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.16%	1.88
					(-1.78)%	(-32.29)	(-4.04)%	(-15.57)
43	Havells Sylvania Fixtures UK Limited	United Kingdom	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.47%	5.73
					(1.16)%	(21.06)	(1.12)%	(4.3)
44	Havells Sylvania Tunisia S.A.R.L.	Tunisia	20.04.2007	WOS of Associate Company*	0.00%	0.00	-0.08%	-0.93
					(0.31)%	(5.60)	(-1.13)%	(-4.36)
45	Havells Sylvania Export N.V.	Dutch Antilles	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.00%	0.00
					(0.00)%	(0.00)	(-0.04)%	(-0.15)

(₹ in Crores)

	Name of entity	Country of incorporation	Date of control	Nature	Net Assets, i.e., total assets minus total liabilities as at March 31, 2016		Share in profit or loss for the year ended March 31, 2016	
					As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
46	Havells Sylvania Holdings (BVI-2) Ltd	British Virgin Islands	20.04.2007	WOS of Associate Company*	0.00%	0.00	0.00%	0.00
					(0.00)%	(0.00)	(0.00)%	(0.00)
47	Havells Sylvania Dubai FZCO	Dubai	07.01.2008	WOS of Associate Company*	0.00%	0.00	0.26%	3.14
					(0.65)%	(11.76)	(0.54)%	(2.10)
48	Havells Sylvania (Shanghai) Ltd	China	14.01.2008	WOS of Associate Company*	0.00%	0.00	0.10%	1.22
					(-0.09)%	(-1.57)	(0.03)%	(0.11)
49	Havells Sylvania Peru S. A. C.	Peru	18.01.2008	WOS of Associate Company*	0.00%	0.00	-0.02%	-0.26
					(0.05)%	(0.97)	(-0.17)%	(-0.64)
50	Havells Sylvania (Malaysia) Sdn. Bhd	Malaysia	10.09.2008	WOS of Associate Company*	0.00%	0.00	-0.06%	-0.68
					(0.02)%	(0.34)	(-0.38)%	(-1.45)
51	Panama Americas Trading Hub SA	Panama	28.05.2010	WOS of Associate Company*	0.00%	0.00	1.06%	12.84
					(-8.92)%	(-162.14)	(4.48)%	(17.27)
52	Havells Sylvania Poland S.P.Z.O.O	Poland	29.05.2009	WOS of Associate Company*	0.00%	0.00	0.00%	-0.02
					(0.01)%	(0.10)	(-0.01)%	(-0.02)
53	Havells Sylvania TR Elektrik Ürünleri Ticaret Limited sirketi	Turkey	17.11.2011	WOS of Associate Company*	0.00%	0.00	-0.05%	-0.59
					(0.06)%	(1.14)	(0.03)%	(0.12)
54	PT Havells Sylvania Indonesia	Indonesia	31.05.2011	WOS of Associate Company*	0.00%	0.00	-0.15%	-1.85
					(-0.01)%	(-0.16)	(-0.76)%	(-2.94)
55	Havells Sylvania South Africa Proprietary Limited	South Africa	10.07.2012	WOS of Associate Company*	0.00%	0.00	-0.06%	-0.78
					(0.18)%	(3.31)	(-0.74)%	(-2.84)
(III)	**Foreign Subsidiaries having minority interests {to the extent of control 49% (previous year 49%)}**							
1	Thai Lighting Asset Co. Ltd.#	Thailand	20.02.2012	49% held by Havells International Limited	-0.01%	-0.13	0.00%	-0.04
					(0.00)%	(-0.01)	(0.00)%	(-0.01)
(IV)	**Indian Subsidiary having minority interests {to the extent of control 51.18% (previous year Nil)}**							
1	Promptec Renewable Energy Solution Private Limited	India	21.04.2015	Subsidiary Company	0.34%	8.85	0.01%	0.13
					(0.00)%	(0.00)	(0.00)%	(0.00)
(V)	**Minority Interest in all subsidiaries**				0.33%	8.44	0.01%	0.13
					(0.00)%	(0.09)	(0.00)%	(0.00)
(VI)	**Foreign Joint Venture {to the extent of control 50% (previous year 50%)} (as per proportionate consolidation/ investment as per the equity method)**							
1	Jiangsu Havells Sylvania Lighting Co., Ltd.	Jiangsu Province, China	13.02.2012	Jointly Controlled Entity of Shanghai Yaming Lighting Co., Ltd and Havells India Ltd.	1.39%	35.62	0.17%	2.01
					(0.66%)	(11.92)	(0.50%)	(1.94)
	Adjustments arising out of consolidation					-125.59		562.31
						(-994.59)		(2.18)
	Total				**100.00%**	**2,566.34**	**100.00%**	**1,208.78**
	Previous Year				**100.00%**	**1,818.27**	**100.00%**	**385.42**

i) WOS refers to 'Wholly Owned Subsidiary'

ii) Previous year figure have been shown in Bracket "( )"

* Till December 31, 2015 Wholly owned subsidiaries and associates w.e.f. January 1, 2016 {refer note 32(1)}

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.

c) The Group has entered into a Joint Venture agreement with 'Shanghai Yaming Lighting Co., Limited, Shanghai', China on 26th December 2011 for forming a Joint Venture Company for production of lighting lamps and lighting accessories and sales/services of related products. Accordingly, a Company 'Jiangsu Havells Sylvania Lighting Company, Limited' a Jointly Controlled Entity has been formed vide certificate of approval dated 13th February 2012 issued by the People's Government of Jiangsu Province, China. The Group has invested a sum of ₹ 30.87 crores (RMB 33.00 millions) {previous year ₹ 30.87 crores (RMB 33.00 millions)} towards 50% of capital contribution in said joint venture company as on the date of balance sheet.

Name of Joint Venture	Description of Interest	Country of Incorporation	Proportion of Ownership interest	
			December 31, 2015	December 31, 2014
Jiangsu Havells Sylvania Lighting Co., Ltd.	Jointly Controlled Entity	Jiangsu Province, China	50%	50%

The Company interest in the joint venture is accounted by using proportionate consolidation method.

d) In the consolidated financial statements, the figures of subsidiary Company 'Havells Holdings Limited (including step down subsidiaries), and 'Havells International Limited (including step down subsidiaries)' have been incorporated based on the audited financial statements as at March 31, 2016 and of Joint Venture 'Jiangsu Havells Sylvania Lighting Co., Ltd.' on the basis of the audited financial statements ended on December 31, 2015. The figures of Havells Malta Limited and its subsidiaries has been incorporated based on the audited financial statements for 9 months period ended December 31, 2015. There are no significant events or transactions between the Company and associates that have occurred between January 1, 2016 till March 31, 2016, which require any adjustments in Consolidated Financial Statements.

e) Havells Exim Limited and Havells Malta Limited have become Associate Companies with effect from 1st Day of January, 2016 and accounted for in accordance with AS -23 'Accounting for Investments in Associates in Consolidated Financial Statements' using the Equity Method of accounting. Goodwill arising on acquisition is included in the carrying value of investments. In case of both the associates, the reporting period is from 1st January to 31st December of each year. Therefore, for the purpose of accounting of associates in consolidated financial statements, the reporting period upto 31st December has been considered. There are no significant events or transactions between the Company and associates that have occurred between January 1, 2016 till March 31, 2016,which require any adjustments in Consolidated Financial Statements.

3 During the year, the Group has capitalized 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 capitalized by the Group.

(₹ in Crores)

	2015-16	2014-15
Cost of Material Consumed	5.79	3.65
Employee Benefit Expenses	2.14	1.98
Other Expenses	1.34	1.93
	9.27	**7.56**

4 The Group has incurred following expenditure on Research and Development during the year:

(₹ in Crores)

	2015-16	2014-15
a) Revenue Expenditure		
Cost of materials consumed	6.35	5.09
Employee benefit expenses	47.93	53.22
Rent	2.27	2.80
Travelling and conveyance	3.72	2.98
Legal and professional	1.36	2.01
Other expenses	7.91	7.71
	69.54	**73.81**
b) Capital Expenditure		
Tangible assets	2.24	1.77
Intangible assets	0.94	0.66
	3.18	**2.43**

The Research and Development facilities are located at the Head office, Noida and some other units of the group and are approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Govt. of India. The Company is entitled to a weighted deduction of 200% of the expenditure incurred at these units under section 35 (2AB) of the Income Tax Act, 1961

5 **Goodwill**

a) During the year, the group has disposed off 80% of its net assets in Havells Malta Limited along with its subsidiaries (excluding subsidiaries Located in Brazil, Chile, Thailand and USA) resulting in transfer of 80% portion of goodwill amounting to ₹ 307.63 crores and balance 20% portion i.e. ₹ 76.90 crores carried in the cost of investment in Havells Malta Limited , an associate of group. Further the Company has acquired Promptec Renewable Energy Solutions Private Limited for aggregate consideration of ₹ 29.12 crores resulting in goodwill on consolidation of ₹ 20.40 crores.

b) Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to economic area of operation of segments.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets and projections approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the lighting business in which the CGU operates.

The key assumptions used for each of the above CGU's value-in-use calculations are terminal growth rate of 1% (previous year 1%) and discount rate of 8.04% (previous year 7.43%).

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 discount rates used are pre-tax and reflect specific risks relating to the business. The calculations performed indicate that there is no impairment of goodwill.

c) Goodwill has been determined on the basis of excess of cost to the parent over net asset acquired in subsidiary companies. Movement of Goodwill is as follows:

(₹ in Crores)

	2015-16	2014-15
Balance at the beginning of the year	358.06	437.97
Add: Addition on account of acquisition of subsidiary	20.40	-
Less: Adjustment on account of disposal of subsidiaries	(384.53)	-
Realignment effect of Foreign exchange fluctuation	26.47	(79.91)
Balance at the end of the year	**20.40**	**358.06**

6 a) The Group has availed working capital limits from banks under consortium of Canara Bank, IDBI Bank Limited, State Bank of India, Standard Chartered Bank, ICICI Bank Limited, Yes Bank Limited and Hongkong and Shanghai Banking Corporation Limited.

b) Working capital limits from consortium banks are secured by way of:

(i) pari-passu first charge 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 Havells India limited.

(ii) pari-passu first charge by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

(iii) pari-passu second charge by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations of Havells India Limited.

c) The Group has a debit balance in cash credit accounts as on the date of Balance Sheet.

7 The Group identifies its divisions into cash generating units for the purpose of testing of impairment of fixed assets. The cash generating units have been identified on the basis of Group of assets that includes the asset that generates cash inflows from continuing use that are largely independent of other assets or Group of assets.

Each of the identified cash generating units have been assessed at the balance sheet date and tested for impairment. The Group has generally considered external factors influencing impairment of assets such as significant changes in market value of the assets, changes in technology, market, economical or legal environment, return on investment etc. and internal factors such as obsolescence, physical damage, changes at operation level etc. for assessment of impairment conditions existing in the cash generating units as on the balance sheet date.

In Group companies, impairment of land and building, plant and machinery and other assets were recognised in the lighting segment due to change economic conditions and phasing out of the products because of change in legal environment in which entity operates, resulting in recoverable value being less than the carrying value. The total impairment recognised during the year in ₹ Nil (Previous year: ₹ 12.17 crores relates to Colombia and Belgium). The aforesaid impairment loss have been recognised in the statement of profit and loss under the head "Other expenses". The recoverable amount was based on net realisable value determined by active market reference.

8 Foreign currency exposure and derivative instruments

a) Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise as at March 31, 2016 are as under:

(₹ in Crores)

Currency	Nature of Transaction	As at March 31, 2016			As at March 31, 2015		
		Foreign Currency		Indian Rupees	Foreign Currency		Indian Rupees
GBP	Export Trade Receivables	£	-	-	£	0.33	30.85
	Import Trade Payables and Other Current Liability	£	-	0.05	£	0.82	75.96
USD	Export Trade Receivables	$	0.83	54.60	$	1.00	62.52
	Import Trade Payables and Other Current Liability	$	1.30	85.84	$	4.52	282.58
	Foreign currency loan to other companies	$	0.03	2.22	$	-	-
	Foreign currency loan from banks	$	1.36	90.01	$	2.16	135.66
EURO	Export Trade Receivables	€	0.09	6.71	€	0.11	7.55
	Import Trade Payables and Other Current Liability	€	0.12	8.74	€	0.11	7.07
JPY	Import Trade Payables	¥	0.42	0.25	¥	0.27	0.14
CHF	Export Trade Receivables	CHF	-	-	CHF	0.04	2.31
	Import Trade Payables and Other Current Liability	CHF	-	-	CHF	0.02	1.25
Others	Export Trade Receivables		-	-		0.44	3.82
	Import Trade Payables and Other Current Liability		-	-		0.62	3.56

b) Derivative instruments outstanding as at March 31, 2016 are as under:

Sl.	Details of Derivatives	Currency/ Pair of currency	Purpose	As at March 31, 2016		As at March 31, 2015	
				Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores
i)	**Forward contracts**						
	Buy*	Euro-USD	To hedge the import creditors.	-	-	USD 2,12,47,442	122.17
	Buy*	GBP-USD	To hedge the import creditors.	-	-	-	-
ii)	**Interest Swap**		To hedge the interest expense on term loan.	-	-	Euro 4,65,88,733	314.52

*Buy USD and sell Euro/GBP to pay supplier.

9 Employee Benefits

i) For the Group Companies, the disclosures pursuant to Accounting Standard-15, "Employee Benefits" notified under section 133 of the Companies Act, 2013 read with Rules 7 of Companies (Accounts) Rules, 2014 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.

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under*

(₹ in Crores)

	2015-16	2014-15
Employer's Contribution towards Provident Fund (PF)	17.49	13.46
Employer's Contribution towards Employee State Insurance (ESI)	0.51	0.45
	18.00	**13.91**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed in Havells India Limited 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)

		2015-16	2014-15
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Defined Benefit obligation at beginning of the year	31.93	21.08
	Opening defined benefits obligations of merged subsidiary company	0.19	-
	Interest Cost	2.52	1.58
	Current Service Cost	5.87	4.00
	Benefit paid	(1.23)	(1.85)
	Actuarial (gain) / loss on obligations	5.77	7.12
	Defined Benefit obligation at year end	**45.05**	**31.93**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	21.16	16.32
	Expected return on plan assets	1.94	1.57
	Employer contribution	10.77	5.00
	Actuarial gain / (loss)	0.24	0.11
	Benefits paid	(1.23)	(1.85)
	Fair value of plan assets at year end	**32.88**	**21.15**
c)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets	32.88	21.15
	Present value of obligation	(45.05)	(31.93)
	Amount recognised in Balance Sheet- Asset / (Liability)	**(12.17)**	**(10.78)**
d)	**Expenses recognised during the year**		
	Current Service Cost	5.87	4.00
	Interest Cost on benefit obligation	2.53	1.58
	Expected return on plan assets	(1.94)	(1.57)
	Net Actuarial (gain) / loss recognised in the year	5.53	7.01
	Net Cost debited to statement of profit and loss	**11.99**	**11.02**
e)	**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
f)	**Actuarial assumptions**		
	Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
	Discount rate (per annum)	7.60% - 8.00%	7.85%
	Expected rate of return on plan assets (per annum)	0.00% - 7.50%	8.75%
	Attrition Rate	5.00% - 28.00%	5.00%
g)	**Actual return on plan assets (₹ in Crores)**		
	Havells India Limited	2.18	1.67
	Promptec Renewable Energy Solutions Private Limited	NA	NA

h) **Amounts for current and previous four periods:**

(₹ in Crores)

	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligation	45.05	31.93	21.08	16.15	12.25
Fair value of plan assets	32.88	21.15	16.32	12.86	9.03
Surplus/(Deficit)	(12.17)	(10.78)	(4.76)	(3.29)	(3.22)
Experience Adjustments of Plan Assets [Gain/(loss)]	5.59	7.13	1.97	1.62	1.02
Experience Adjustments of Obligations [Gain/(loss)]	1.25	3.96	2.06	0.80	1.26

i) The plan assets are maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianze Life Insurance Company Limited.

j) The Company expects to contribute ₹ 12.00 crores (previous year ₹ 11.00 crores) to the plan during the next financial year.

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.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for the plan assets management.

ii) For Group companies, the disclosures of Employee benefits as defined in the Accounting Standard-15, "Employee Benefits" specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 are given below:

The Group has various defined benefit pension plans covering eligible employees in Germany, Thailand, France, Italy and UK. 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 various jurisdictions. The Group also has a post retirement medical benefit plan in Switzerland and an early retirement plan in Belgium, which are unfunded.

The measurement date for the Group's defined benefit pension plan, defined contribution plan and post retirement medical benefit plan is 31st March of each year. However in case of Germany, France, Italy and U.K defined pension plan is till December 31, 2015 since these companies ceased to be subsidiary as at December 31, 2015.

(₹ in Crores)

		2015-16	2014-15
(a)	**The amounts recognised in the balance sheet are:**		
	Pension benefits and early retirement plan	5.30	390.59
	Post retirement medical plan	-	5.39
		5.30	**395.98**
(b)	**The amounts recognised in the statement of profit and loss are :**		
	Pension benefits and early retirement plan	(36.02)	127.37
		(36.02)	**127.37**
(c)	**The amounts recognised in the balance sheet are determined:**		
	Present value of defined benefits plans		
	- Funded obligations	-	888.64
	- Unfunded obligations	5.30	31.91
	Total defined benefit obligation	**5.30**	**920.55**
	Fair value of plan assets	-	(550.28)
		5.30	**370.27**
	Present value of other unfunded obligations	-	25.71
		5.30	**395.98**

(₹ in Crores)

	Defined benefit plans	Post retirement medical plan	Total
	Year ended March 31, 2016		
(d) The amounts recognised in the statement of profit and loss are:			
Current service cost	3.60	-	3.60
Interest cost	5.01	-	5.01
Net actuarial (gain)/loss	(44.63)	-	(44.63)
Total included in staff costs	**(36.02)**	**-**	**(36.02)**
	Year ended March 31, 2015		
Current service cost	6.89	-	6.89
Interest cost	10.81	-	10.81
Net Acturial (gain)/loss	108.02	-	108.02
Total included in staff costs	**125.72**	**-**	**125.72**

The actual return on plan assets is a loss of ₹ 25.57 crores as against profit of ₹ 24.69 crores in previous year.

	Defined benefit plans Early retirement plans	Post retirement medical plan	Total
	2015-16	2015-16	2015-16
(e) Reconciliation of opening and closing balance of obligations are as follows:			
As at beginning of the year	940.84	5.41	946.25
Curtailment and settlements	-	-	-
Exchange differences	64.21	0.16	64.37
Current service cost	3.64	-	3.64
Interest cost	19.19	-	19.19
Actuarial losses / (profit)	(84.59)	-	(84.59)
Benefits paid	(27.83)	(0.49)	(28.32)
Transfer on account of disposal of subsidiaries	(910.16)	(5.08)	(915.24)
As at end of the year	**5.30**	**-**	**5.30**
	2014-15	**2014-15**	**2014-15**
As at beginning of the year	866.61	6.31	872.92
Curtailment and settlements	-	-	-
Exchange differences	(119.68)	(0.30)	(119.98)
Current service cost	6.92	-	6.92
Interest cost	32.17	-	32.17
Actuarial losses / (profit)	189.25	-	189.25
Benefits paid	(34.43)	(0.60)	(35.03)
As at end of the year	**940.84**	**5.41**	**946.25**

(₹ in Crores)

	2015-16	2014-15
(f) Reconciliation of opening and closing balance of fair value of plan assets over the year is as follows:		
As at beginning of the year	550.28	502.58
Exchange differences	36.67	(46.18)
Expected return on plan assets	14.40	22.05
Actuarial gains/(losses)	(39.55)	77.47
Employer contributions	11.80	11.84
Benefits paid	(14.57)	(17.48)
Transfer on account of disposal of subsidiaries	(559.03)	-
As at end of the year	**-**	**550.28**

(g) Asset holdings in the plan are as follows:	UK 2015-16	Germany 2015-16	Total 2015-16	Total (%) 2015-16
Equities	-	-	-	-
Diversified growth assets	-	-	-	-
Corporate bonds	-	-	-	-
Property	-	-	-	-
Gilts	-	-	-	-
Insurance contracts	-	-	-	-
Other	-	-	-	-
Total market value of assets	**-**	**-**	**-**	**-**

	UK 2014-15	Germany 2014-15	Total 2014-15	Total (%) 2014-15
Equities	223.25	-	223.25	40.57%
Diversified growth assets	22.16	-	22.16	4.03%
Corporate bonds	41.96	-	41.96	7.63%
Property	26.88	-	26.88	4.88%
Gilts	220.44	-	220.44	40.06%
Insurance contracts	-	13.99	13.99	2.54%
Other	1.60	-	1.60	0.29%
Total market value of assets	**536.29**	**13.99**	**550.28**	**100.00%**

(h) Where relevant and available the principal actuarial assumptions used on the defined benefit plans for current year are as follows:	2015-16	2014-15
Discount rate	2.00% - 3.80%	1.50% - 3.80%
Future salary increases	2.50% - 5.00%	2.50% - 5.00%
Inflation rate	1.75% - 2.10%	1.75% - 1.90%
Future pension increases	1.75% - 2.10%	1.75% - 1.90%
Expected return on plan assets	3.25% - 4.50%	3.75% - 4.50%

Assumptions regarding the future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Mortality assumptions for the most significant country, the UK, are based on SAPS S1 pensioner mortality table with multiplier of 110% and projected with medium cohort mortality improvements in line with each individual's year of birth.

	2015-16	2014-15
Life expectancy rates as at valuation date		
Male	18.50 - 21.20	18.50 - 21.20
Female	22.60 - 23.40	22.60 - 23.40
Life expectancy rates 20 years after the valuation date		
Male	21.20 - 22.60	21.20 - 22.60
Female	24.90 - 25.10	24.90 - 25.10
Overall withdrawal rates (%)	2.60 - 8.31	2.60 - 8.31

(₹ in Crores)

	Pension benefits and early retirement plan				
	2015-16	2014-15	2013-14	2012-13	2011-12
(i) Amount for the current and previous four periods are as follows:					
Defined benefit obligation	5.30	940.82	866.61	669.73	592.17
Plan assets	-	550.28	502.59	397.34	321.21
(Deficit)/ Surplus	**5.30**	**390.54**	**364.02**	**272.39**	**270.96**
Experience adjustments on plan liabilities	(84.59)	189.25	52.20	52.31	14.02
Experience adjustments on plan assets	(39.55)	77.47	2.64	47.01	(14.63)
	Post retirement medical plan				
Defined benefit obligation	-	5.42	6.30	5.02	24.43
Experience adjustments on plan liabilities	-	-	-	-	1.22

(j) The Company expects to contribute ₹ 1.00 crore (previous year ₹ 11.07 crores) to the plan during the next financial year.

10 Employee Stock Option Scheme

(a) The Company, vide special resolution passed by way of postal ballot on 23rd January 2013, had approved "Havells Employees Stock Option Plan 2013" (ESOP 2013 or Plan) for granting Employees Stock Options in the form of Equity Shares to eligible employees. The plan is administered by Havells Employees Welfare Trust ("EW Trust") under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee") in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. The first grant date of the options under the approved ESOP 2013 Plan was 8th April, 2013. The options are vested equally over a period of 2 years after the date of grant, and the said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid plan. Under the said scheme, the company had granted 45,939 options at ₹ 677/- per share and exercise price was ₹ 338.50 per share of ₹ 5 each (₹ 67.70 per share of ₹ 1/- each) which was sub-divided into equity shares from ₹ 5/- to ₹ 1/- per share. As of March 31, 2016, there are no outstanding options in respect of this scheme.

(₹ in Crores)

Summary of Stock Options	2015-16		2014-15	
	Total No. of Stock Options	Weighted average exercise price	Total No. of Stock Options	Weighted average exercise price
Options outstanding as on April 1, 2015	90,550	67.70	39,345	338.50
Sub-Division of Equity Shares from ₹ 5/- to ₹ 1/- Per share (refer note no. 2)	-	-	1,96,725	67.70
Options granted during the year	-	-	-	67.70
Options forfeited/lapsed during the year	2,285	67.70	8,135	67.70
Options exercised during the year	88,265	67.70	98,040	67.70
Options outstanding as on March 31, 2016	-	-	90,550	67.70
Options vested but not exercised as on March 31, 2016	Nil	-	Nil	-

The weighted average remaining contractual life for the stock option outstanding as at March 31, 2016 is Nil (previous year 0.05 year).

The weighted average fair value of stock option granted during the year is ₹ Nil (previous year ₹ 237.48 per share). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

(₹ in Crores)

Particular	2015-16	2014-15
Average risk free interest rate	-	7.89%
Expected Life of options as on grant date	-	2 years
Expected and Historical Volatility	-	37.14%
Expected Dividend rate	-	2.17%

The Group measures the cost of ESOP using the intrinsic value method. Had the Group used the fair value model to determine the compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

(₹ in Crores)

Particular	2015-16	2014-15
Profit after tax as reported	1208.91	385.42
Add: ESOP cost using the intrinsic value method	-	0.30
Less: ESOP cost using the fair value method	-	1.05
Proforma profit after tax	**1208.91**	**384.67**
Earnings Per Share		
Basic		
- As reported	19.36	6.17
- Proforma	19.36	6.16
Diluted		
- As reported	19.36	6.17
- Proforma	19.36	6.16

(b) The Company had, vide special resolution passed by way of postal ballot on 9th June, 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 April 15, 2015 under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company. The options were vested as on April 23, 2015 after the grant date and 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. Accordingly during the year, 99,745 Equity Shares of ₹ 1/- each were allotted to eligible employees at ₹ 293.90 per share. As per the scheme, 50% of shares are under lock-in-period of one year and remaining 50% are under a lock-in-period of two years.

Further, as per the scheme, the Group shall pay 50% of issue price for differential bonus shares to eligible employees as exgratia / bonus for the said amount.

In respect of stock options granted pursuant to the Company's stock options scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as expense and accounted as employee compensation over the vesting period and will be paid in two equal instalments annually.

(c) The Group has debited an expense of ₹ 1.70 crores (previous year 3.73 crores) to the Statement of Profit and Loss under Employee Stock Option Scheme during the financial year.

11 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013 a 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 Group has contributed a sum of ₹ 11.48 crores (previous year ₹ 9.79 crores) towards this cause and debited 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, Ashoka University, sponsored by International Foundation for Research and Education (IFRE) which is a "Not for Profit" Company incorporated under the provisions of section 25 of the erstwhile Companies Act, 1956 for the promotion of education and to Vivekanand Ashram for providing free education to underprivileged students.

12 Segment Reporting

The segment reporting of the Group has been prepared in accordance with Accounting Standard-17, "Segment Reporting", specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

Segment Reporting Policies

a) Identification of Segments:

Primary- Business Segment

The Group has identified four reportable segments viz. Switchgears, Lighting and fixtures, Cables and Electrical Consumer Durables on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems. The products included in each of the reported business segments are as follows:

(i) The switchgear segment comprises of domestic and the industrial switchgears, electrical wiring accessories, industrial motors, pumps and capacitors.

(ii) The cable segment comprises of domestic cables and industrial underground cables.

(iii) The lighting and fixture segment comprises of energy saving lamps (CFL) and luminaries.

(iv) The electrical consumer durable segment comprises of fans, water heaters and domestic appliances.

Secondary- Geographical Segment

The analysis of geographical segment revenue is based on geographical location of the customers and segment assets on the basis of location of asset.

b) 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 "Unallocated".

c) 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 “Unallocated”.

(₹ in Crores)

		2015-16	2014-15
(i)	**Primary- Business Segment**		
A.	**Revenue**		
	Segment Revenue		
	Switchgears	1,286.09	1,279.02
	Cables	2,208.07	2,190.42
	Lighting and fixtures	3,078.91	4,071.69
	Electrical consumer durables	1,141.11	1,028.30
		7,714.18	**8,569.43**
B.	**Results**		
	Segment Results		
	Switchgears	504.96	439.23
	Cables	314.59	265.69
	Lighting and fixtures	231.55	167.82
	Electrical consumer durables	287.63	258.47
		1,338.73	**1,131.21**
	Unallocated expenses net of income	578.94	498.28
	Operating Profit	**759.79**	**632.93**
	Finance Costs	44.94	63.96
	Profit before exceptional item	**714.85**	**568.97**
	Exceptional Expenses	724.02	-
	Profit before tax	**1,438.87**	**568.97**
	Income tax expense	229.96	183.55
	Profit after tax (before adjustment of minority interest)	**1,208.91**	**385.42**
C.	**Other Information**		
	Segment Assets		
	Switchgears	564.04	534.21
	Cables	579.06	458.27
	Lighting and fixtures	571.86	1,880.72
	Electrical consumer durables	411.62	380.49
		2,126.08	**3,253.69**
	Unallocated	2,015.35	1,577.48
		4,141.93	**4,831.17**
	Segment Liabilities		
	Switchgears	177.14	257.93
	Cables	196.66	166.52
	Lighting and fixtures	223.75	1,533.84
	Electrical consumer durables	177.32	143.50
		774.87	**2,101.79**
	Unallocated	800.72	911.11
		1,575.59	**3,012.90**
	Capital Expenditure		
	Switchgears	31.01	68.27
	Cables	93.15	16.70
	Lighting and fixtures	51.73	53.40
	Electrical consumer durables	17.55	58.54
		193.44	**196.91**
	Unallocated	20.85	14.80
		214.29	**211.71**
	Depreciation and Amortisation Expenses		
	Switchgears	34.11	32.06
	Cables	25.92	27.04
	Lighting and fixtures	51.19	67.47
	Electrical consumer durables	15.45	12.09
		126.67	**138.66**

(₹ in Crores)

		2015-16	2014-15
	Non-cash expenses other than depreciation		
	Switchgears	0.72	0.12
	Cables	1.42	0.75
	Lighting and fixtures	31.19	9.69
	Electrical consumer durables	0.63	0.04
		33.96	10.60
	Unallocated	-	-
		33.96	10.60
(ii)	**Secondary- Geographical Segments**		
	Segment Revenue		
	The following is the distribution of Group's consolidated revenue by geographical market, regardless of where the goods were produced.		
	Revenue-Domestic Market	5,209.99	4,905.17
	Revenue-Overseas Market	2,504.19	3,664.26
		7,714.18	**8,569.43**
	Segment Assets		
	Within India	3,708.45	2,597.51
	Outside India	433.48	2,233.66
		4,141.93	**4,831.17**
	Capital Expenditure		
	Within India	175.56	168.88
	Outside India	38.73	42.83
		214.29	**211.71**

13 Related party transactions

As per Accounting Standard-18, "Related Party Disclosures" specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, related parties in terms of the said standard are disclosed below:-

(A) Names of related parties and description of relationship :

1	**Enterprises in which directors exercise significant influence**	2	**Key Management Personnel**
	QRG Enterprises Limited		Shri Anil Rai Gupta, Chairman and Managing Director
	QRG Foundation		Shri Surjit Kumar Gupta, Director
	QRG Medicare Limited		Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
	QRG Wellness LLP		Shri Ameet Kumar Gupta, Director
	QRG Central Hospital and Research Centre Limited		Shri Sanjay Gupta, Company Secretary
	QRG Corporate Services Limited		
	Guptajee & Company		
	Ajanta Mercantile Limited (QRG Investments and Holdings Limited w.e.f. May 4, 2016)		
	Vivekananda Ashrama		
	Sylvania India Limited (Reo Electricals Limited w.e.f. April 21, 2016)		

(B) Transactions during the year

(₹ in Crores)

		2015-16	2014-15
(i)	**Commission on sales**		
	Enterprises in which directors exercise significant influence		
	Guptajee & Company	**7.50**	**7.64**
(ii)	**Rent/Usage Charges Paid**		
	Enterprises in which directors exercise significant influence		
	QRG Enterprises Limited	**19.34**	**19.34**
(iii)	**Trade mark fees and Royalty**		
	Enterprises in which directors exercise significant influence		
	QRG Enterprises Limited	**40.00**	**40.00**

(₹ in Crores)

	2015-16	2014-15
(iv) CSR Contribution		
Enterprises in which directors exercise significant influence		
QRG Foundation	8.05	5.50
Vivekananda Asharma	0.33	0.25
	8.38	**5.75**
(v) Reimbursement of Expenses received		
Enterprises in which directors exercise significant influence		
Guptajee & Company	0.64	0.67
QRG Enterprises Limited	-	0.01
	0.64	**0.68**
(vi) Rent received		
Enterprises in which directors exercise significant influence		
QRG Enterprises Limited	**0.03**	**0.03**
(vii) Dividend paid		
Enterprises in which directors exercise significant influence		
QRG Enterprises Limited	113.92	37.97
Guptajee & Company	11.32	3.77
Ajanta Mercantile Limited	41.24	13.75
Key Management Personnel		
Shri Qimat Rai Gupta	-	6.87
Shri Anil Rai Gupta	7.08	2.36
Shri Surjit Kumar Gupta	19.59	6.53
Shri Ameet Gupta	0.94	-
Shri Rajesh Kumar Gupta	0.74	0.24
Shri Sanjay Gupta	0.00	-
	194.83	**71.49**
(viii) Managerial remuneration		
Key Management Personnel		
Shri Qimat Rai Gupta	-	9.64
Shri Anil Rai Gupta	12.48	8.26
Shri Rajesh Kumar Gupta	5.75	5.24
Shri Ameet Kumar Gupta	4.99	1.22
Shri Sanjay Gupta	0.51	0.42
	23.73	**24.78**

(C) Balances at the year end

(₹ in Crores)

	2015-16	2014-15
Amount Payables		
Enterprises in which directors exercise significant influence		
Guptajee & Company	0.38	-
	0.38	**-**

14 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 Company by entering into these leases.

b) The Group has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases. Normally there are renewal and escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases as on March 31, 2016 is as follows:

(₹ in Crores)

	2015-16	2014-15
(i) not later than one year	6.64	30.18
(ii) later than one year and not later than five year	8.21	50.05
(iii) later than five years	-	49.57
	14.85	**129.80**
Lease payments recognised in the statement of profit and loss as rent expense for the year (including share of joint venture ₹ 0.86 crore, previous year ₹ 0.58 crore)	**76.94**	**93.57**

c) The Group company has taken land and building on finance lease in Germany. The Lease have terms of renewal and bargain purchase option. The lease have been transferred on disposal of subsidiaries. The future Minimum Lease Payments (MLP) under finance lease together with the present value of the net MLP are as follows:

(₹ in Crores)

	2015-16		2014-15	
	MLP	Present Value of MLP	MLP	Present Value of MLP
Not later than one year	-	-	5.14	4.72
Later than one year but not more than five years	-	-	0.09	0.08
Later than five years	-	-	-	-
Total Minimum Lease Payments	**-**	**-**	**5.23**	**4.80**
Less: amounts representing finance charges	-	-	0.43	-
Present value of Minimum Lease Payments	**-**	**-**	**4.80**	**4.80**

d) During the current year, the sublease of Germany is transferred on disposal of subsidiary. The sublease had expired on February 28, 2016. Annual amount receivable under sublease are as follows:

(₹ in Crores)

	2015-16	2014-15
Not later than one year	-	2.01
Later than one year but not more than five years	-	-
Later than five years	-	-
	-	**2.01**

Amount recognised in statement of profit and loss for the year ended March 31, 2016 is ₹ 1.46 crores (previous year ₹ 2.51 crores).

e) During the year, the Company has entered into a Memorandum of Understanding (MOU) to sublet a property situated at Kasna, Noida. The agreement for such MOU is under process as at March 31, 2016.

15 Earnings Per Share

(₹ in Crores)

		2015-16	2014-15
a)	**Basic earnings per share**		
	Numerator for earnings per share		
	Profit after taxation (before adjustment of minority interest)	1,208.91	385.42
	Adjustment to net earnings:		
	Less: Share of profit transferred to minority	(0.13)	0.00
	Profit after taxation	**1,208.78**	**385.42**
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the period	62,45,76,061	62,41,70,729
	Earnings per share-Basic (one equity share of ₹ 1/- each)	**19.36**	**6.17**
b)	**Diluted earnings per share**		
	Numerator for earnings per share		
	Profit after taxation (before adjustment of minority interest)	1,208.91	385.42
	Adjustment to net earnings:		
	Less: Share of profit transferred to minority	(0.13)	0.00
	Profit after taxation	**1,208.78**	**385.42**
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the period	62,45,76,061	62,42,35,842
	Earnings per share-Diluted (one equity share of ₹ 1/- each)	**19.36**	**6.17**

Weighted average number of equity shares outstanding in calculating basic EPS	62,45,76,061	62,41,70,729
Effect of Dilution :		
Stock Option granted under ESOP	-	65,113
Weighted average number of equity shares in calculating diluted EPS	**62,45,76,061**	**62,42,35,842**

16 The Group's manufacturing units at village Gullarwala, Baddi Dist- Solan (Unit II) (H.P.) and Two units of Haridwar (Uttarakhand) are exempted from excise duty vide notification no. 49 and 50/2013 issued by Government of India, Ministry of Finance, Department of Revenue, CBEC, New Delhi and profits are eligible for the deduction as per the provisions under Section 80-IC of the Income Tax Act 1961.

17 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

18 MAT credit entitlement of ₹ 23.21 crores includes MAT credit amounting to ₹ 21.37 crores pertaining to previous years as while filing return of income for the previous year, the Company has claimed the allowance to that extent. Accordingly, the same has been adjusted in the books of accounts for current year.

19 **Subsequent events**

With respect to the earlier communication sent to the Stock Exchanges on January 4, 2013, QRG Enterprises Limited, one of the promoter companies, has vide an Assignment Agreement dated May 9, 2016, completed the assignment of the brand "HAVELLS" for electrical products, to the Group effective April 1, 2016.

20 Previous year figures has been regrouped /reclassified wherever necessary to make them comparable with the current year figures.

21 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 and on behalf of Board of Directors

For S.R. Batliboi & Co. LLP Chartered Accountants ICAI Registration No. 301003E /E3000005	**For V.R. Bansal & Associates** Chartered Accountants ICAI Registration No. 016534N	**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
Per Manoj Kumar Gupta Partner Membership No. 83906	**Per V.P. Bansal** Partner Membership No. 8843	**Sanjay Gupta** Company Secretary		**Sanjay Johri** Vice President (Finance)

Noida, May 11, 2016

Form AOC -1

Salient features of Financial Statements of Subsidiaries / Joint Ventures pursuant 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	Investment other than Subsidiaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
				Currency	Exchange Rate											
1	Havells Sylvania Argentina S.A.	Argentina	31/12/2015	ARS	4.47	-	-	-	-	-	90.01	(0.48)	-	(0.48)	-	20%
2	Havells Sylvania Brasil Iluminacao Ltda.	Brazil	31/12/2015	BRL	18.61	327.21	(360.64)	81.87	115.30	-	78.61	(44.71)	-	(44.71)	-	100%
3	Havells Sylvania Colombia S.A.	Colombia	31/12/2015	COP	0.02	-	-	-	-	-	150.64	11.11	7.49	3.61	-	20%
4	Havells Sylvania Venezuela C.A.	Venezuela	31/12/2015	VEB	1.16	-	-	-	-	-	6.76	0.40	0.23	0.17	-	20%
5	Havells Sylvania N.V. (Ecuador)	Ecuador	31/12/2015	USD	66.23	-	-	-	-	-	136.96	26.03	6.83	19.20	-	20%
6	Havells Sylvania El Salvador S.A. de C.V.	El Salvador	31/12/2015	USD	66.23	-	-	-	-	-	24.39	2.43	0.97	1.46	-	20%
7	Havells Sylvania Guatemala S.A.	Guatemala	31/12/2015	GTQ	8.59	-	-	-	-	-	24.27	1.73	-	1.73	-	20%
8	Havells Mexico S.A. de C.V.	Mexico	31/12/2015	MXN	3.84	-	-	-	-	-	135.16	(2.17)	1.00	(3.17)	-	20%
9	Panama Americas Trading Hub SA	Panama	31/12/2015	USD	66.23	-	-	-	-	-	9.61	12.84	-	12.84	-	20%
10	Havells Sylvania Panama S.A.	Panama	31/12/2015	USD	66.23	-	-	-	-	-	32.15	2.26	0.81	1.46	-	20%
11	Havells Sylvania Peru S.A.C.	Peru	31/12/2015	PEN	19.69	-	-	-	-	-	-	(0.26)	-	(0.26)	-	20%
12	Havells Sylvania Europe Ltd.	UK	31/12/2015	EUR	75.46	-	-	-	-	-	1,258.27	(42.69)	(11.58)	(31.11)	-	20%
13	Havells Sylvania Spain S.A.	Spain	31/12/2015	EUR	75.46	-	-	-	-	-	-	0.80	0.21	0.59	-	20%
14	Havells Sylvania Portugal Lda.	Portugal	31/12/2015	EUR	75.46	-	-	-	-	-	-	0.22	0.13	0.09	-	20%
15	Havells Sylvania Italy S.p.A.	Italy	31/12/2015	EUR	75.46	-	-	-	-	-	-	1.94	1.60	0.34	-	20%
16	Havells Sylvania Greece A.E.E.E.	Greece	31/12/2015	EUR	75.46	-	-	-	-	-	13.64	0.61	0.32	0.28	-	20%
17	Havells Sylvania Sweden A.B.	Sweden	31/12/2015	SEK	8.17	-	-	-	-	-	-	0.15	-	0.15	-	20%
18	Havells Sylvania Norway A.S.	Norway	31/12/2015	NOK	8.01	-	-	-	-	-	-	0.02	-	0.02	-	20%
19	Havells Sylvania Finland OY	Finland	31/12/2015	EUR	75.46	-	-	-	-	-	0.02	0.39	0.09	0.30	-	20%
20	Havells Sylvania Tunisia S.A.R.L.	Tunisia	31/12/2015	EUR	75.46	-	-	-	-	-	-	(0.93)	-	(0.93)	-	20%
21	Havells Sylvania UK Ltd.	UK	31/12/2015	GBP	95.19	-	-	-	-	-	-	2.57	0.70	1.88	-	20%
22	Havells Sylvania Fixtures UK Ltd.	UK	31/12/2015	GBP	95.19	-	-	-	-	-	-	5.18	(0.56)	5.73	-	20%
23	Havells Sylvania Lighting Belgium N.V.	Belgium	31/12/2015	EUR	75.46	-	-	-	-	-	-	14.28	-	14.28	-	20%
24	Havells Sylvania Poland S.p.z.o.o.	Poland	31/12/2015	PLN	17.79	-	-	-	-	-	-	(0.02)	-	(0.02)	-	20%
25	Havells Sylvania Belgium B.V.B.A.	Belgium	31/12/2015	EUR	75.46	-	-	-	-	-	-	0.64	0.45	0.20	-	20%
26	Havells Sylvania Germany GmbH	Germany	31/12/2015	EUR	75.46	-	-	-	-	-	-	34.07	11.58	22.48	-	20%
27	Havells Sylvania Fixtures Netherlands B.V.	Netherlands	31/12/2015	EUR	75.46	-	-	-	-	-	-	(1.15)	-	(1.15)	-	20%
28	Havells Sylvania Lighting France S.A.S.	France	31/12/2015	EUR	75.46	-	-	-	-	-	(0.31)	4.01	(1.22)	5.24	-	20%
29	Havells Sylvania France S.A.S.	France	31/12/2015	EUR	75.46	-	-	-	-	-	(0.09)	3.79	1.22	2.57	-	20%
30	Havells Sylvania Switzerland A.G.	Switzerland	31/12/2015	CHF	69.15	-	-	-	-	-	-	0.81	0.29	0.52	-	20%
31	SLI Europe B.V.	Netherlands	31/12/2015	EUR	75.46	-	-	-	-	-	-	(0.92)	-	(0.92)	-	20%

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	Investment other than Subsidiaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
				Currency	Exchange Rate											
32	Sylvania Lighting International B.V.	Netherlands	31/12/2015	EUR	75.46	-	-	-	-	-	-	(2.79)	2.51	(5.30)	-	20%
33	Flowil International Lighting (Holding) B.V.	Netherlands	31/12/2015	EUR	75.46	-	-	-	-	-	-	14.00	0.12	13.87	-	20%
34	Havells Sylvania (Thailand) Ltd.	Thailand	31/12/2015	THB	1.88	13.83	(8.06)	41.74	35.97	-	74.20	(35.24)	1.35	(36.58)	-	100%
35	Guangzhou Havells Sylvania Enterprise Ltd.	China	31/12/2015	CNY	10.24	-	-	-	-	-	8.65	5.38	0.43	4.95	-	20%
36	Havells Sylvania Asia Pacific Ltd.	Hongkong	31/12/2015	HKD	8.54	-	-	-	-	-	20.54	2.34	(0.31)	2.65	-	20%
37	Havells Sylvania (Shanghai) Ltd	Shanghai	31/12/2015	CNY	10.24	-	-	-	-	-	-	1.22	-	1.22	-	20%
38	Havells Sylvania (Malaysia) Sdn. Bhd	Malaysia	31/12/2015	MYR	16.97	-	-	-	-	-	0.00	(0.69)	(0.01)	(0.68)	-	20%
39	Havells Sylvania Dubai FZCO	Dubai	31/12/2015	AED	18.03	-	-	-	-	-	41.25	3.14	-	3.14	-	20%
40	Havells Malta Limited	Malta	31/12/2015	EUR	75.46	-	-	-	-	-	-	(0.16)	-	(0.16)	-	20%
41	Havell's Netherlands Holdings B.V.	Netherlands	31/12/2015	EUR	75.46	-	-	-	-	-	-	20.70	-	20.70	-	20%
42	Havell's Netherlands B.V.	Netherlands	31/12/2015	EUR	75.46	-	-	-	-	-	-	(35.60)	-	(35.60)	-	20%
43	Havells Sylvania Costa Rica S.A.	Costa Rica	31/12/2015	CRC	0.12	-	-	-	-	-	140.05	14.58	4.60	9.98	-	20%
44	Havells USA Inc.	United States	31/12/2015	USD	66.23	9.93	(22.74)	24.02	36.83	-	56.95	(38.85)	0.66	(39.51)	-	100%
45	Havells Sylvania Iluminacion (Chile) Ltda	Chile	31/12/2015	CLP	0.10	3.88	(7.76)	0.03	3.91	-	2.39	(21.80)	-	(21.80)	-	100%
46	Havells Sylvania TR Elektrik Ürünleri Ticaret Limited Sirketi	Turkey	31/12/2015	TRY	23.52	-	-	-	-	-	-	(0.59)	-	(0.59)	-	20%
47	PT Havells Sylvania Indonesia	Indonesia	31/12/2015	IDR	0.00	-	-	-	-	-	-	(1.85)	-	(1.85)	-	20%
48	Thai Lighting Assets Co. Ltd.	Thailand	31/12/2015	THB	1.88	7.07	(0.34)	6.86	0.13	-	-	(0.04)	-	(0.04)	-	49%
49	Havells Sylvania South Africa Proprietary Limited	South Africa	31/12/2015	ZAR	4.50	-	-	-	-	-	0.09	(0.78)	-	(0.78)	-	20%
50	Havells Mexico Servicios Generales SA De CV	Mexico	31/12/2015	MXN	3.84	-	-	-	-	-	-	-	-	-	-	20%
51	Havells Sylvania Export N.V.	Dutch Antilies	31/12/2015	USD	66.23	-	-	-	-	-	-	-	-	-	-	20%
52	Havells Sylvania Holdings BVI-1 Limited	British Virgin Islands	31/12/2015	USD	66.23	-	-	-	-	-	-	-	-	-	-	20%
53	Havells Sylvania Holdings BVI-2 Limited	British Virgin Islands	31/12/2015	USD	66.23	-	-	-	-	-	-	-	-	-	-	20%
54	Havells Exim Limited*	Hongkong	31/03/2016	USD	66.23					-	751.71	4.62	-	4.62	-	20%
55	Havells International Limited**	Malta	31/12/2015	EUR	75.46	58.58	(58.76)	0.15	0.33		-	(0.20)	-	(0.20)	-	100%
56	Havells Holdings Limited	Isle of Man	31/03/2016	EUR	75.46	249.62	1.87	308.61	57.12	-	-	71.63	-	71.63	-	100%
56	Promptec Renewable Energy Solution Private Limited	India	31/03/2016	INR	-	2.64	14.65	39.18	21.89	-	50.13	0.31	0.05	0.26	-	51.18%

* Ceased to be Subsidiaries Co. w.e.f. January 1, 2016

** Incorporated during the current financial year (date of incorporation December 23, 2015)

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**	December 31, 2015
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
	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**	NA
6	**Net worth attributable to shareholding as per latest audited Balance Sheet**	₹ 35.63 crores
7	**Profit / Loss for the year**	
	i. Considered in Consolidation	₹ 1.75 crores
	ii. Not Considered in Consolidation	₹ 1.75 crores

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892
Noida, May 11, 2016

Surjit Kumar Gupta
Director
DIN: 00002810

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Sanjay Gupta
Company
Secretary

Sanjay Johri
Vice President
(Finance)

Progress at a Glance of Last 10 Years- Havells India Limited (Standalone)

Performance for the Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Turnover (Gross)	1,681.06	2,231.89	2,333.82	2,476.18*	3,045.6*	3,830.56*	4,506.37*	5,031.11*	5,557.79*	5,833.98*
Less: Excise Duty	133.84	176.32	135.46	104.77	163.95	214.95	281.38	311.42	319.10	397.10
Turnover (Net)	1,547.22	2,055.57	2,198.36	2,371.41	2,881.65	3,615.61	4,224.99	4,719.69	5,238.69	5,436.88
Profitability										
Earnings Before Interest, Depreciation, Taxes and Amortisation	141.00	185.42	196.82	305.48	337.30	459.07	534.86	641.60	699.10	749.26
Profit before Tax	120.54	166.25	167.27	290.31	309.87	373.81	457.18	595.10	646.25	914.19
Profit After Tax	102.15	143.54	145.23	228.16	242.05	305.43	371.39	478.69	464.94	715.35
Financial Position										
Share Capital	26.88	28.96	30.08	31.19	62.39	62.39	62.39	62.39	62.44	62.46
Reserves and Surplus	235.55	620.07	901.83	1,104.00	1,278.42	1,545.93	1,807.83	2,067.46	2,313.35	2,581.72
Loan funds	56.06	35.80	70.28	115.81	133.62	128.58	108.78	195.52	83.46	44.22
Other Liabilities	281.69	474.05	385.47	416.17	642.13	854.44	817.38	1,020.99	1,146.23	1,231.31
Gross Block	273.61	427.88	523.41	673.64	829.91	975.32	1,108.91	1,188.23	1,349.03	1,502.72
Net Block	242.25	385.25	465.48	601.23	730.30	833.95	913.54	934.06	1,007.32	1,082.05
Total investments	3.47	164.79	387.87	531.71	715.47	775.07	791.92	882.52	1,011.76	460.27
Cash and Bank Balance	33.17	64.91	157.37	68.23	49.18	136.21	246.54	626.16	522.34	1,344.21
Other Assets	332.99	575.39	394.00	509.79	675.23	901.72	906.28	955.36	1,107.43	1,108.09
Earning per share										
EPS-as reported	19.00	26.00	24.93	36.57	19.40	24.48	29.76	38.36	7.45	11.45
EPS-adjusted for bonus issue/ split	1.90	2.60	2.49	3.66	3.88	4.90	5.95	7.67	7.45	11.45

**Turnover gross is after deducting turnover discount ,incentive and rebates .*

NOTES

HAVELLS

Havells India Limited

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CIN: L31900DL1983PLC016304