HAVELLS

MANUFACTURING

SMARTER
SUSTAINABLE
SELF-RELIANT






Havells India Limited

5th Integrated Report 2022-23 | 40th Annual Report

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FINANCIAL HIGHLIGHTS

NET REVENUE
₹16,868 Cr

PAT
₹1,075 Cr

EBITDA
₹1,603 Cr

EARNINGS PER SHARE
₹17.16

About this Report

Reporting period

This Report is for the period between April 1, 2022 and March 31, 2023, and is released annually. The last Integrated Report was released for FY 2021-22.

Reporting boundary

The reporting boundary covers all the operations of Havells India Limited. This includes eight manufacturing locations - Alwar (Rajasthan), Neemrana (Rajasthan), Ghiloth (Rajasthan), Baddi (Himachal Pradesh), Faridabad (Haryana), Haridwar (Uttarakhand), Sahibabad (Uttar Pradesh) and Sri City (Andhra Pradesh) and one corporate office (Noida, Uttar Pradesh).

Proactive approach

We follow a proactive approach while manufacturing products through sustainable measures that minimize environmental impacts while conserving energy and natural resources. We have implemented ESG Systems in our plants which are regularly audited by independent auditors to ensure their effectiveness and accuracy.

Frameworks, guidelines, and standards

This Report is prepared in accordance with the guiding principles of Integrated Reporting Framework developed by the erstwhile International Integrated Reporting Council and maintained by the IFRS Foundation. It also adheres to the GRI Standards: Comprehensive option. The GRI Content Index is available as part of this Report and on the website. This Report also aligns with:

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

Data integrity

We collected and analysed relevant data through our integrated data management system applying strict internal controls to support the disclosures in this Report. Our goal is to present accurate, reliable, unbiased, comparable, and comprehendible information in a concise manner. We have noted no significant limitations of the information wherever applicable

Materiality

We conducted a materiality assessment study in FY2021-22 to identify material topics. It helped in disclosing information that is relevant and alongside Framing strategies for reliable growth. The frequency of materiality assesment to be carried out is once every two years.

External Assurance

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

Feedback

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

Manufacturing

Smarter. Sustainable. Self-Reliant.

AT HAVELLS, WE CONTINUOUSLY STRIVE TO ACHIEVE EXCELLENCE IN MANUFACTURING AND BUILDING A SUSTAINABLE BUSINESS MODEL. WE ARE INVESTING CONSISTENTLY IN AUGMENTING OUR CAPACITIES AND ENHANCING EFFICIENCIES TO REINFORCE OUR LEADERSHIP IN THE INDUSTRY.

We are recognised for our high quality products and manufacturing strength powered by deep innovation capabilities and sustainable practices. Regular and astute investments in manufacturing and R&D have enabled us to build a scalable portfolio. Our constant endeavour is to sharpen our manufacturing edge on all fronts – quality, operational efficiency, optimal use of assets, high level of automation, and backward integration.

Manufacturing is one of the core strengths of the company wherein focus is on quality, scale and efficiency. The initial motivation for own manufacturing was the need to compete with high quality international brands and low cost imported alternatives. While Government's recent initiatives such as 'Make in India' have helped to create awareness towards local manufacturing, Havells has been practising this philosophy for over the last several decades. First large-scale manufacturing unit was set up in Alwar, Rajasthan in the year 1996 for manufacturing Cables, followed by an internationally benchmarked setup for Switchgear in Baddi, Himachal Pradesh in the year 2003. The setting up of plants has since picked up pace and now Havells has 15 manufacturing units and 90% of the products sold are being manufactured in-house.

This provides us full control over the quality and design of the product as well as the supply chain.

Company's investment in research complements the manufacturing setup and helps to develop innovative products. Moreover, In-house manufacturing helps in achieving the sustainability goals of the Company with focus on increasing use of green energy and responsible waste management.

While achieving self-reliance and sustainable growth, we are well-positioned to deliver through our commitment to 'Make in India'.

Our manufacturing infrastructure enables us with the following advantages:

Scale with flexibility: In-house manufacturing gives us full control over the supply chain and remain lean in terms of inventories. It enables us to ensure flexibility in operations and better manage the changes in customer demands owing to seasonality or change in consumer sentiments.

Quality consciousness: Product quality along with best-in-class performance is the most crucial factor for us. We implement the best practices in manufacturing processes to ensure delivery of outstanding customer experience. We have also digitised our quality control processes and have been running various internal programs such as Six Sigma, Golden Hands, Quality by design, etc.

Product differentiation: Product differentiation has been one of our biggest strengths and distinguishes us in the marketplace. Our products are known for their unique qualities, distinct features, and strong value proposition. Successful product differentiation leads to brand loyalty and ability to charge the right price and also ensures protection of intellectual property in the form of designs and technology adoption.

Cost efficiencies: The production engineers and workers go through a learning curve while establishing manufacturing process. This leads to lower manufacturing costs, better efficiencies, and productivity improvement.

Customisation: Our in-house manufacturing operations give us the flexibility to customise products as per diverse customer requirements. This is particularly useful for the B2B business where product offerings can be adapted to the requirements of the customers.

Marketing advantage: Showcasing our robust manufacturing infrastructure to channel partners and key customers serves as a marketing tool to enhance our brand recall. It boosts the confidence of the sales team and trade partners, assuring them of good quality, consistency, and technological superiority.

During the year, we expanded our manufacturing base with the addition of Lloyd AC plant in Sri City, Andhra Pradesh, India. While the new plant is expected to double our AC production capacity, it will also expand our manufacturing presence into the southern region of India.

In another significant achievement, we crossed the unique milestone of achieving 50 crores MCB pole production cumulatively till now, a level achieved by a few companies globally. This achievement is the testimony of our sustained focus on innovation and manufacturing capabilities.

Our product is now exported to almost 70+ countries and we are a reliable partner to leading global OEMs. What makes us unique is our depth of manufacturing with world-class tool room, plastic & sheet metal part manufacturing, automatic sub-assembly & testing machines.

About Havells

Anchored in manufacturing excellence, powering a smart, self-reliant India

WE ARE A WELL RECOGNISED FAST MOVING ELECTRICAL GOODS (FMEG) COMPANY WITH A RICH PEDIGREE OF INNOVATION AND PIONEERING SMART PRODUCTS. OVER THE YEARS, WE HAVE INVESTED IN LARGE IN-HOUSE MANUFACTURING CAPACITIES HAVING CUTTING-EDGE TECHNOLOGIES, VERTICAL AND HORIZONTAL INTEGRATION AND INNOVATION CAPABILITIES. WITH THE WORLD CHANGING RAPIDLY AND INDIA STEPPING UP IN MANUFACTURING, WE AT HAVELLS ARE WELL-POSITIONED TO DELIVER. ALONGSIDE, WE ARE PROACTIVELY ENHANCING OUR OMNI-CHANNEL PRESENCE AND INCREASING DOMESTIC AND INTERNATIONAL PENETRATION TO TAKE OUR PRODUCTS TO WIDER AUDIENCES.

VISION

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

MISSION

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

VALUES

CUSTOMER DELIGHT

A commitment to surpass our customer expectations

INTEGRITY AND TRANSPARENCY

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

LEADERSHIP BY EXAMPLE

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

PURSUIT OF EXCELLENCE

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

KEY HIGHLIGHTS

20
Product verticals

35
Branch offices

~17,000
Strong dealer network

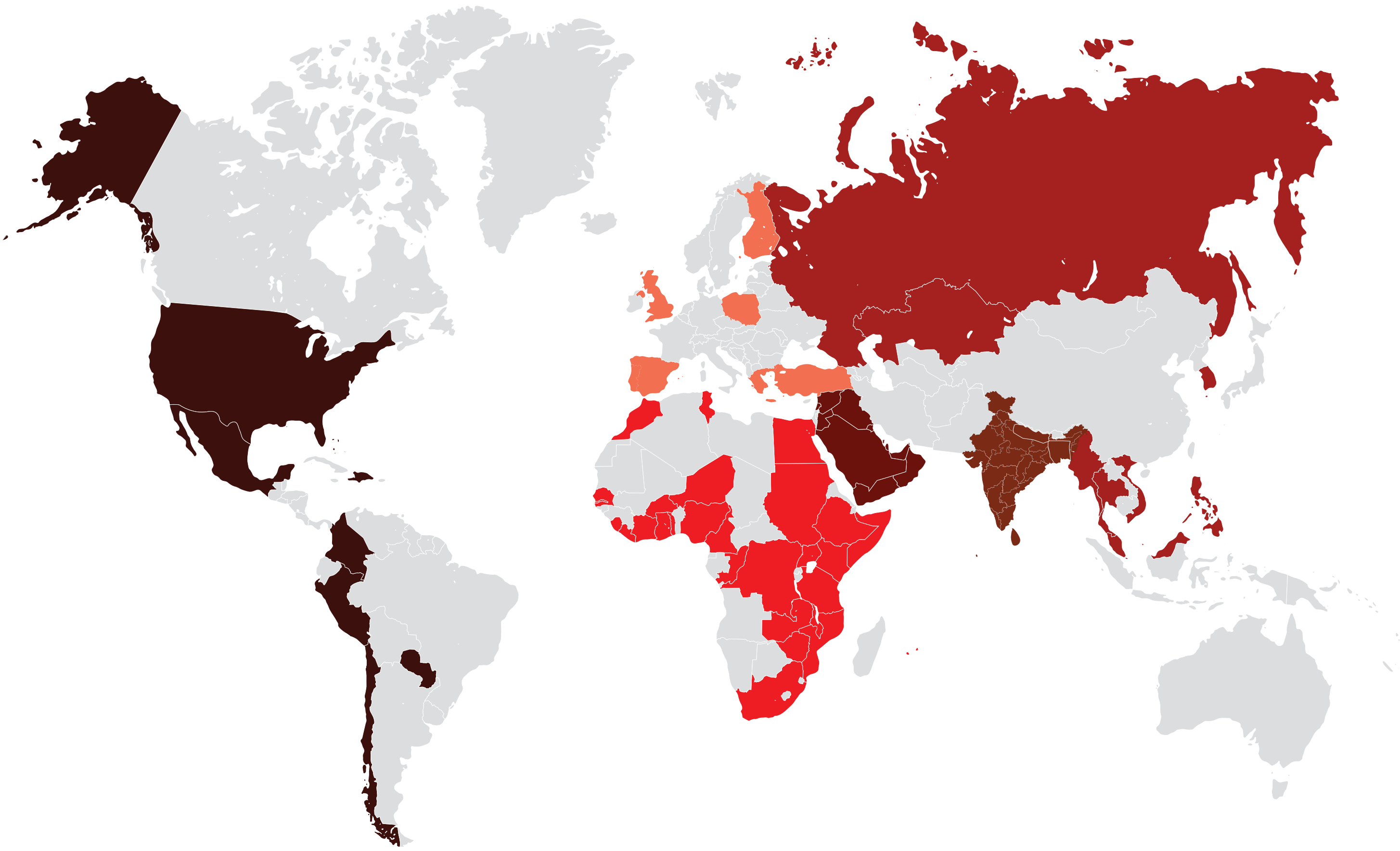
4
Research centres

6
Brands

15
Manufacturing units

6,822
People strength

MARKET PRESENCE



Map not to scale

- Indian subcontinent
- Middle East
- Asia
- Africa
- Europe
- The Americas

Product Portfolio

An extensive and well-balanced portfolio

AT HAVELLS, WE PRIDE OURSELVES IN IDENTIFYING TRENDS TO CREATE AN EXTENSIVE RANGE OF PRODUCTS THAT ARE SAFER, SMARTER AND SUSTAINABLE. ALIGNED TO THE NEEDS OF INDIAN AND GLOBAL MARKETS, THESE PRODUCTS MANIFEST OUR INNOVATION AND MANUFACTURING EXPERTISE.

OUR BRANDS

HAVELLS | LLOYD | Crabtree

STANDARD | REO | HAVELLS STUDIO

Switchgear

- Domestic switchgears
- Capacitors
- Switches
- Industrial switchgears

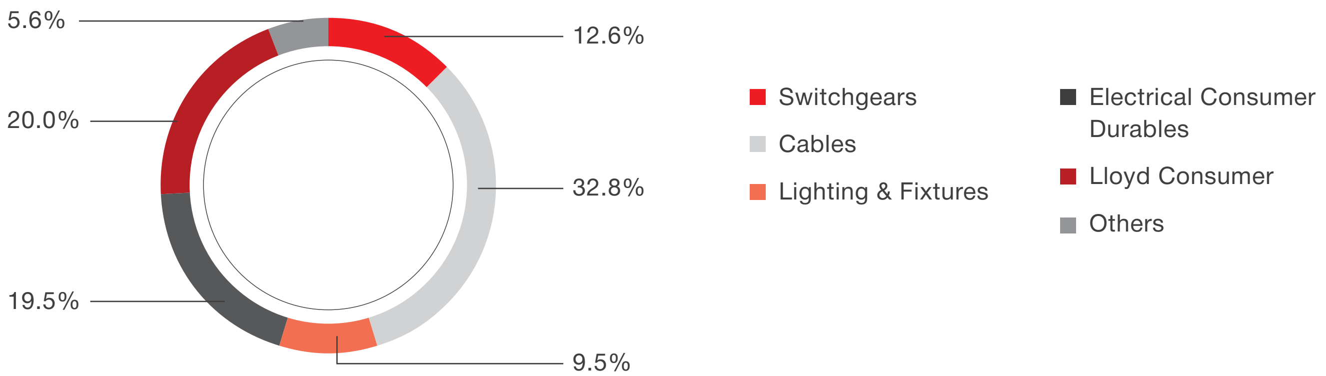
Cables

- Power cables
- Flexible cables

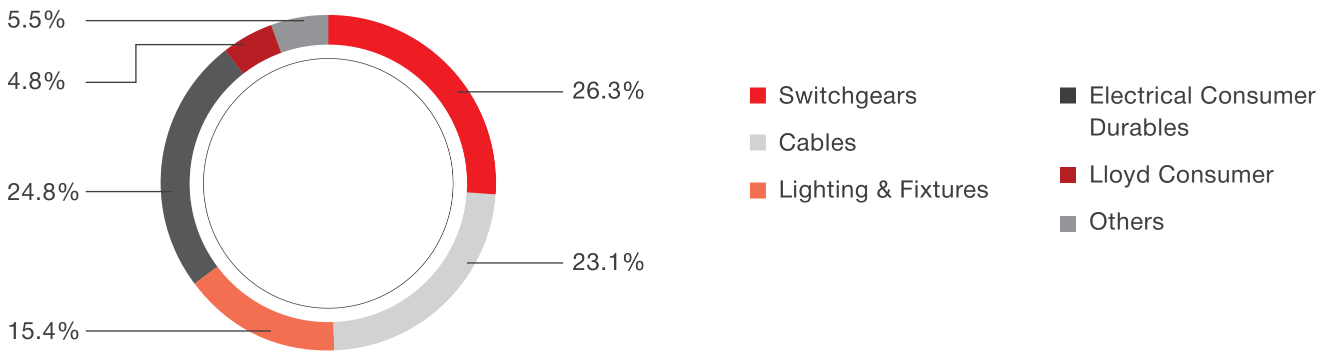
Lighting and fixtures

- Professional Luminaires
- Consumer Luminaires

Revenue mix



Contribution mix



Electrical consumer durables (ECD)

- Fans
- Appliances
- Water Heaters

Others

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

Lloyd Consumer

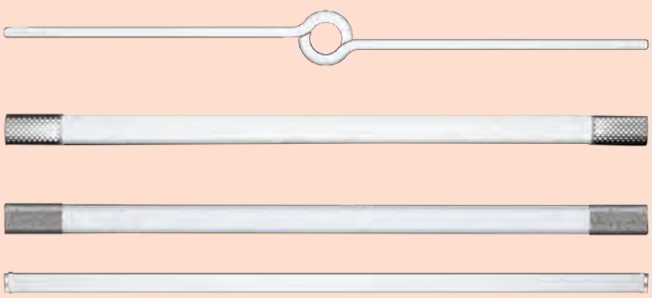
- Air conditioners
- Televisions
- Washing machines
- Refrigerators

Product portfolio and new launches

Switchgear

Cables

Lighting and fixtures



Electrical consumer durables (ECD)

Lloyd

Others

HAVELLS

Message from the Chairman and Managing Director

"We are proud of the Havells culture developed over the past few decades which evolves around customer centricity, entrepreneurship, equality, empathy, and ethics. Being customer centric enables us to deliver the highest level of service to our set of customers, including our channel partners and end consumers"

OUR VALUED SHAREHOLDERS,

IT GIVES ME GREAT PLEASURE TO PRESENT TO YOU THE INTEGRATED REPORT OF YOUR COMPANY FOR THE FINANCIAL YEAR 2022-23. YOUR COMPANY DELIVERED A HEALTHY PERFORMANCE DESPITE A CHALLENGING MACROECONOMIC ENVIRONMENT, OWING TO INVESTMENTS IN ITS STRATEGIC PILLARS AND EFFICIENT EXECUTION.

Performance was broad-based with each of the business segments contributing to the growth. The quality and consistency of our results reflect our competitive edge and consumer affinity. Your Company continued to meet consumers' needs and improve the consumer experience, making meaningful progress on the entire portfolio.

Highlights of the Year

After three years of COVID-led disruptions, FY 2022-23 was in contrast a wholesome year. The year saw a very encouraging start with both B2B and B2C demand momentum continuing from the previous year; however, commodity price pressures impacted the B2C end markets, particularly in the second half of the year. Despite shrinkages in consumer spending, your Company continued the growth trajectory with a strong product portfolio and brand.

It was heartening to see Lloyd regaining market share in the AC segment to be amongst the top 3 players in the industry. We believe that Lloyd is now well positioned to leverage the AC performance to spur growth of other products such as washing machines and refrigerators.

Continued commodity price increases asserted pressures on the margins as your Company took calibrated price increases, albeit not commensurate to the raw material cost increases. Margins in cables division and Lloyd witnessed volatility given sharp commodity price fluctuations.

A healthy balance sheet and strong cash flow generation provided us ample headroom to continue investing strategically in our growth while maintaining a consistent dividend pay-out to our shareholders.

Sticking to Basics

We are proud of the Havells culture developed over the past few decades which evolves around customer centricity, entrepreneurship, equality, empathy, and ethics. Being customer-centric enables us to deliver the highest level of service to our set of customers, including our channel partners and end consumers. Being ethical, empathic, fair, and equal to every stakeholder stem from being entrepreneurial, where even the most routine task is done with an ownership mindset.

Your Company continued its strategy of investing in the long-term growth drivers, including brand, omni-channel, innovation, digitisation, and talent. Our brands continue to command top-of-the-mind awareness and is trusted by our customers. Our omni-channel approach ensures that brand reaches out to a wide set of customers giving a seamless experience whether it is traditional channel or modern formats. True to our DNA of continuously innovating, we expanded our team of engineers who are working across businesses to boost capabilities and serving consumers even better. Digital continues to remain a priority, as we made significant progress in our digitisation journey, which is acting as an enabler, partner, and driver of the business. Equally, we continue to ensure a great fusion of professional rigour and entrepreneurial mindset in our talent pool. I am glad to share that our success over the years has been deeply rooted in the human capital we have developed and nurtured at Havells.

Our focussed investments have supported us to deliver across cycles, navigating multiple macroeconomic disruptions. We envisage continuity in our approach to build a strong and durable foundation for the next phase of growth trajectory.

Manufacturing: Smart. Sustainable. Self-Reliant

At Havells, manufacturing has been one of the key pillars. It ensures superior quality standards while also providing high level of agility towards changing customer needs and market dynamics. Complemented with strong R&D, it allows us to stand out with differentiated offerings, premiumisation, and higher customer loyalty. We continuously aspire to minimise waste, reduce our carbon footprint and ensure that our products are produced ethically and sustainably. Full control over sourcing also ensures right mix of strategic partners along with higher level of self-reliance. We believe this keeps a check on our costs and enables us to tide over disruptions.

Building on this belief, during the year, our new Lloyd AC plant in Sri City, Andhra Pradesh was commissioned. The capacity expansion is aligned with our growth aspiration of tapping into the larger consumer durables opportunity. With such strategic investments over the past few years, we have built a formidable full-stack consumer durable play.

ESG

Environmental, social and governance (ESG) issues are becoming increasingly important for companies across industries. At Havells, sustainability has always been on our topmost agenda. We truly believe that in the long run, the companies which integrate sustainability with their business strategy will thrive and succeed. During FY 2022-23, Havells continued to focus on the aspects of ESG that would work towards building an inclusive society.

We had published our first sustainability report in 2012-13 and through a persistent and structured set of measures in last 10 years of our ESG journey have made consistent progress towards our ESG goals. FY 2022-23 was a landmark year in our journey for sustainable value creation and overall climate resilience. There was a 61% reduction in GHG & Energy Intensity from base year FY 2012-13. Utilising eco-friendly, lightweight, and sustainable product designs to create new products are some of the steps that have been taken to strengthen environmental responsibility. With diversity also being one of the focus areas, we are targeting to run the entire operations by 100% female workers at our newly commissioned plant in Sri City.

We are also happy to announce that we have launched the Havells ESG 2.0 framework, which serves as a launchpad for this decade of action. It comprises of the key performance indicators across ESG parameters that are of material relevance to our company and its stakeholders, now and into the future. The main focus areas that will top the agenda are achievement of emission reduction targets, capacity enhancement of solar-based renewable energy generation, reduction in energy intensity, gender diversity, life cycle assessment etc.

Outlook

The challenges around inflationary pressures may continue to impact the business outlook in the short term. However, we are positive about the medium to long-term growth and profitability outlook.

I want to take this opportunity to express my sincere gratitude to our Board of Directors, employees, valued consumers, channel partners, suppliers, and our shareholders for their continued support and contribution to our shared success.

Regards,

Anil Rai Gupta

Chairman and Managing Director

HAVELLS

Business Model

Built to deliver consistent growth

Inputs

Financial capital
Equity: ₹ **6,614 crores**
Cash (net of debt): ₹ **2,158 crores**

Manufactured capital
Manufacturing units: **15**
Warehousing space: **~42 lakh sq ft**
Branch offices: **35**
Gross block value: ₹ **3,614 crores**
Capex: ₹ **571 crores**

Intellectual capital
R&D spend: ₹ **163.18 crores**
R&D team strength: **567**
R&D centres: **4**
Patents held: **21**

Human capital
Total employees: **6,822**
Increase in employee count: **852**

Social and relationship capital
Dealers: **~ 17,000**
Retailers: **2.22 lakhs**
Electricians: **2.50 lakhs**
Supplier base: **1,231**
CSR spend: ₹ **26.68 crores**

Natural capital
Energy consumed: **1,55,983 MWh**
Solar plant capacity: **9 MW**
Cumulative trees plantation: **18 lakhs**
Water consumption: **297.85 megalitres**

Business activities

Research and development: R&D efforts around developing safer, smarter and sustainable products with focus on consumer needs, premiumisation and differentiation.

Procurement: Establishing long-term strategic relationships with the suppliers and digitising the different aspects of procurement for better efficiency and visibility. Encouraging Make-in-India initiative with higher proportion of sourcing from domestic suppliers.

Product development: Ensuring high-quality and efficient product development supported by vertically and horizontally integrated manufacturing, complete inhouse operations and leveraging technology and digitisation.

Sales and marketing: Driving brand affinity through national advertising, regional brand ambassador associations, celebrity engagement, digital campaigns, brand shops, in-shop advertising, trade show participations, etc.

Supply chain and logistics: Adopted omni-channel distribution strategy supported by modern technology, SKU rationalisation and calenderising recurring and planned events to ensure faster movement of goods and stock replenishment.

Manufacturing: Building manufacturing capabilities to ensure maximum inhouse production, thereby achieving higher quality, better control and clear product differentiation.

After sales service: Ensuring high quality of services, whilst ensuring consumer delight in everything we do. Leveraging technology and people engagement to establish long-term relationships with the customers.

OUR BUSINESS MODEL IS PROPELLING US TOWARDS OUR VISION OF DELIVERING HIGH QUALITY ELECTRICAL AND CONSUMER DURABLE PRODUCTS WHILE ALSO DEMONSTRATING ITS ADAPTABILITY AMIDST ONGOING CHALLENGES. IT HAS ALLOWED US TO SWIFTLY EXECUTE OUR STRATEGY, FULFIL OUR OBLIGATIONS TO STAKEHOLDERS, AND CREATE SUSTAINED VALUE FOR ALL.

Output

Products

Switchgears

Cable

Lighting and Fixtures

Electrical Consumer Durables

Lloyd

Others

Brands

HAVELLS
LLOYD
Crabtree
STANDARD
REO
HAVELLS STUDIO

Refer page 8 for more details on products

Outcome

Financial capital
Revenue: ₹ **16,868 Crores**
EBITDA: ₹ **1,603 Crores**
PAT: ₹ **1,075 Crores**
EPS: ₹ **17.16 per share**
Contribution to exchequer: ₹ **4,014 Crores**

Manufactured capital
New warehousing space created: **~ 15 lakh sq. ft.**
New factory set up: **1 (Sri City)**
Total number of product category: **20**

Intellectual capital
Brands owned: **6**
New designs approved: **213**
Patents applied this year: **38**

Human capital
Employees associated with the Company for 5+ years: **40.59%**
Attrition rate: **17.87%**

Social and relationship capital
Net promoter score: **74**
Daily mid-day meals provided: **70,000+**
Bio-toilets maintained: **4,000+**
Sanitary Pads distributed: **2 lacs**
Trees Plantation: **4 lacs +**

Natural capital
CO_2 emission intensity reduction: **61%** (baseline FY 2012-13)
Total renewable energy generated: **9,470 MWH**
Total waste recycled: **85%**
Total water recycled: **41%**

HAVELLS

Strategy

Well-laid out strategy based on the building blocks created over the past decades

OVER THE PAST YEARS, WE HAVE ESTABLISHED A MASS-PREMIUM BRAND WHICH HAS TRANSITIONED WELL FROM BEING JUST INDUSTRIAL TO CONSUMER. WE HAVE GONE MORE ENTRENCHED IN THE DISTRIBUTION CHANNEL BY INSTITUTIONALISING THE RELATIONSHIP ORIENTED APPROACH. INVESTMENT IN IN-HOUSE MANUFACTURING CONTINUES TO BE A DIFFERENTIATOR WITH BETTER QUALITY CONTROL AND COMPETITIVE EDGE. ALONGSIDE, A STRONG HAVELLS WITH PASSIONATE AND ENTREPRENEURIAL PEOPLE IS CREATED. AT HAVELLS, BUILDING ON THESE STRENGTHS, WE HAVE DEVISED A COMPREHENSIVE STRATEGY TO MAXIMISE VALUE CREATION THROUGH FOCUS ON BRAND, OMNI-CHANNEL, INNOVATION, DIGITISATION AND TALENT.

Focus Area

Brand

Our Actions

- Reinforcing the ethos of brand ‘Havells’
- Straddling across different consumer groups and socio economic/income with clear positioning of each of the brand
- Sustained investments in the brand to deepen connect with stakeholders
- Enhancing brand reach across multiple channels with customised and unique targeting

Focus Area

Omni-channel

Our Actions

- Strengthening the relationship with our dealer network
- Getting closer to the consumers through strong tie-ups with multi-brand outlets, regional retailers, and modern formats. Expanding in ecommerce
- Going deeper by exploring new markets in the semi-urban and rural regions
- Widening the customer base by catering a diverse set of base

Focus Area

Innovation	Digitisation	Talent

Our Actions

Innovation

- Product extension & expansion with focus on innovation and product development and continued investments in R&D
- Keeping consumer always in mind to develop products
- Capability building that cuts across the businesses through centre of excellence
- Thought leadership and development of breakthrough products serving consumer aspirations

Digitisation

- Leveraging IT infrastructure for digital transformation, improving overall product experience and enhancing consumer journey
- Deploying new-age digital technologies in all functions to drive consistent value-creation for stakeholders
- Making technology an enabler and partner of business

Talent

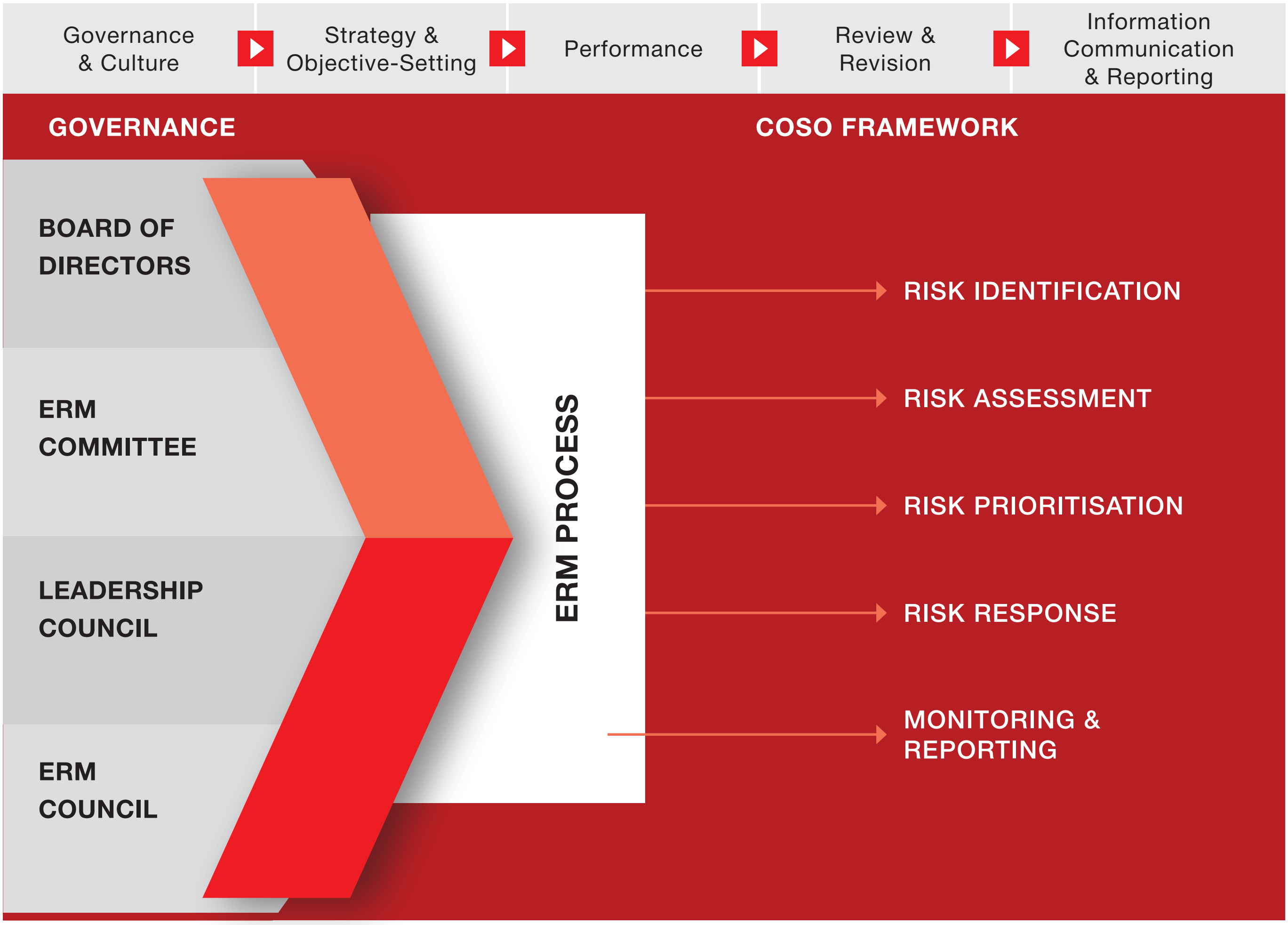
- Integrating individual & company aspiration
- Entrepreneurial with distributed leadership
- Developing leaders from within
- Instituting wealth creation opportunity

Navigating risks, augmenting resilience

WE HAVE A ROBUST INTEGRATED RISK MANAGEMENT FRAMEWORK BASED ON INTERNATIONAL STANDARDS AND UPDATED COSO FRAMEWORK, POWERED BY NEXT-GENERATION TECHNOLOGIES. OUR HOLISTIC MODEL FACILITATES DRIVING PRODUCTIVITY, EFFICIENCY, AND INFORMED DECISION-MAKING FOR PREDICTABLE AND AGILE GROWTH, ALONGSIDE MAINTAINING ACCEPTABLE RISK AND A CULTURE OF TRANSPARENCY.

The Enterprise Risk Management (ERM) framework is closely entrenched across all functions and business divisions of the Company and is effectively being used to make business decisions. More than 100 meetings contributing to ~8,500 man hours of intense discussions bear testimony to the intrinsic nature of ERM's role within the organisation.

The ERM Committee oversees the Company's risk management process, control, and their operating effectiveness. Risk response against the identified risks (including emerging risks) are presented before ERM Committee on a half-yearly basis, and guides the ERM coordinator, who works closely with business & functional team for identification, monitoring & execution of agreed risk responses. The evaluation of Risk Maturity level & identification of the emerging business challenges are performed under the guidance of the ERM Council & Leadership Council.



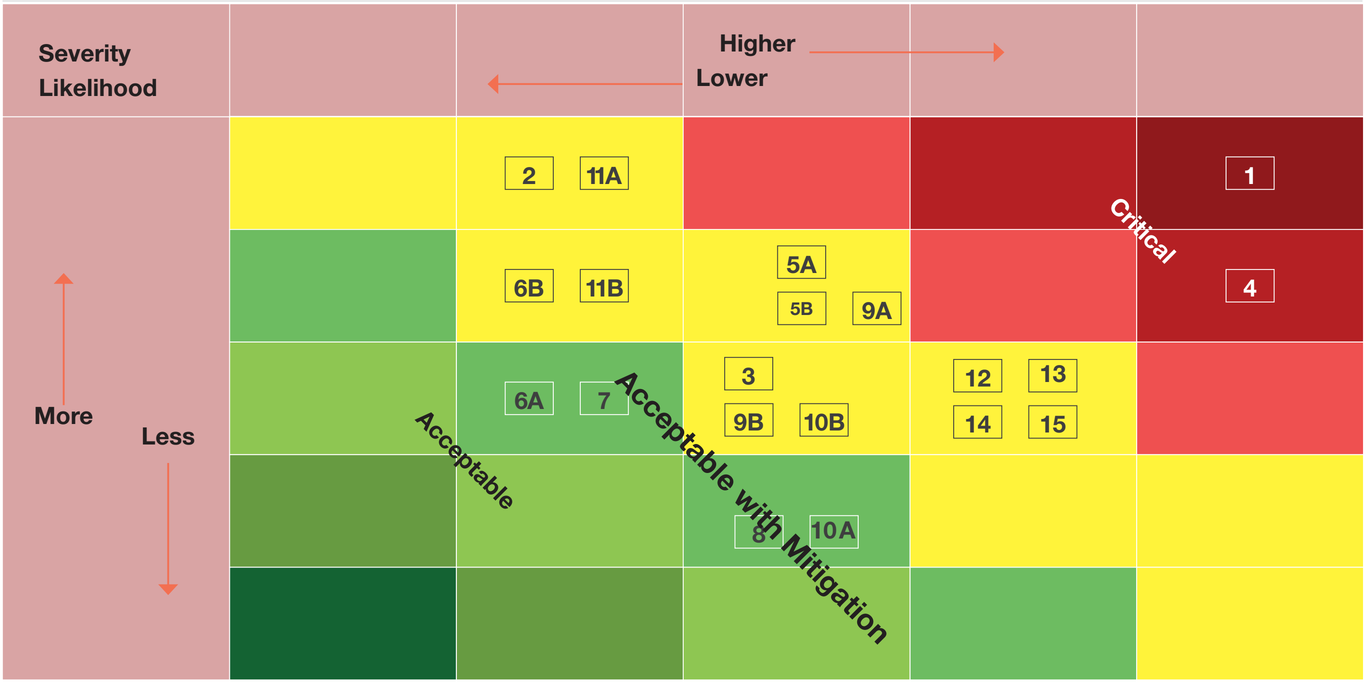
RISK RATING MATRIX

S. No.	Critical Risk	Weightage	
		Inherent Risk (a*b+c)=d	Residual Risk (e)
1	Risk of business disruption due to Natural Disaster, Geopolitical Conflicts & relations	12	9
2	Risk of Geographical & Channel concentration	11	8
3	Risk Relating to Lloyd segment	10	7
4	Risk due to dependency on a Single Plant Location	12	9
5A	Lag in Leveraging technology to meet customer expectation & risk of technological obsolescence	10	7
5B	Risk due to third party dependence for critical technologies	10	7
6A	Risk on Brand Positioning - Marketing Risk	11	4
6B	Risk on account of Digitalisation & Social Media - Marketing Risk	12	7
7	Risk factors in after sales service	10	4
8	Risk factors in Product Quality Assurance – Product Performance vs Brand Perception	12	4
9A	Risk of Import Dependency - RM & Traded products	11	7
9B	Financial Risk - Commodity & currency fluctuation	9	7
10A	Risk of Supply Disruption	11	5
10B	Working Capital Management Risk - Inventory Management	9	7
11A	Risk factors in Human Resources - Succession Planning in Critical roles	10	7
11B	Risk factors in Human Resources - Employees Attrition	8	7
12	Cyber security risk	12	7
13	Intellectual Property & Counterfeit Products Risk	12	8
14	Risk of Non-Compliance to Statutory & Regulatory Provisions	12	8
15	Risk factors - Environmental, Social & Governance (ESG)	11	8

a : Likelihood, b : Impact, c : Velocity

S. No. is not representative of the prioritization of Risk Criteria

HEAT MAP - RESIDUAL RISKS



Overall Rating High Medium Low

Risk Heat Map is depicting current status of the identified risks after counter measures (Risk Nos. as per Risk Assessment Matrix)

SUMMARY OF KEY RISKS AND THEIR RESPONSE

We have mapped our risk and responses to respective capitals. Key responses with respect to top identified risks are as under:

Key risks	Risk response
Geographical & channel concentration Excessive dependence on a geography or channel with respect to key product categories and customers increases vulnerability to economic events and changing customer preferences. **Capitals at risk:**	• Expanding beyond urban, we now lead rural penetration through: o Distributor presence in 3,000 towns (10,000-50,000 population) covering 42,000+ retail points through Rural Vistaar initiative o Presence in towns with <10,000 population through 400+ Havells UTSAV exclusive store in FY 2022-23, which is targeted to be increased to 2,000 by FY 2023-24 • We sell products through multiple channels like MFR/RR, CPC/CSD and e-commerce. Separate teams manage each channel with dedicated focus and follow different models to avoid conflicts.
Technological obsolescence Inability to timely leveraging technology to meet customer expectation and technological obsolescence may render products outdated. **Capitals at risk:**	• We ensure world-class product innovations powered by leading technology, design and UX (User Experience) • We leverage our strategic investments to rapidly innovate consumer-centric products with potential for sizeable revenue contribution **Key product innovations and technology upgrades in FY 2022-23:** • Havells Studio Meditate Air Purifier • Q-Tron MCCB Range • Glamtubes and Nimbus downlights • Premium BLDC Fans: Stealth Prime BLDC, Stealth Neo BLDC • Lloyd ACs with AQI Indicator and on device voice (ODV) features • Otto and Orizzonte storage water heater (new form factor)
Brand positioning and impact of digitalisation and social media Possibility of negative impact on brand image and reputation by some events / social media activities. **Capitals at risk:**	• We have a Digital Command & Control Centre for engaging, addressing grievances, taking feedback and conducting sentiment analysis of customers (both online and offline) • Established system for online reputation management that drives positive sentiment among consumers via digital media activities • In FY 2022-23, we ran over 25+ digital campaigns

Key risks	Risk response
Compliance risk Risk of non-compliance to laws and regulations and challenges of bad governance. Capitals at risk:	• We ensure 'zero-tolerance' approach to non-compliance. Compliance status and exceptions (if any) are reported to Senior Management, Audit Committee and Board of Directors. Further, compliance refresh is done semi-annually • Consequence Management Grid is prepared to gain insight on true impact of risks • Our Internal Audit team (in-house and outsourced) undertake periodical business process review across locations
Protection of intellectual property (IP) rights & counterfeit products Inability to protect IPs and counterfeit products can lead to opportunity losses and even cost brand reputation. **Capitals at risk:**	• We have a defined mechanism to protect our IPs (trademarks, logos, patents, and product design) which include registering under relevant acts • Appropriate civil and criminal actions are taken, both domestically and internationally, for any IP infringements
Material management Fluctuation in currency, commodity prices and import dependency can impact production and margins. **Capitals at risk:**	• We use average price modelling, linked to LME or related indexes, to purchase key commodities of copper, aluminium, steel, engineering plastics etc. These prices are further benchmarked against current domestic and international market prices • We have identified several alternate sources for buying critical parts and raw materials for de-risking • Import dependency has been reduced to less than ~20% of total sourcing

SUMMARY OF KEY RISKS AND THEIR RESPONSE

Key risks	Risk response
After sales service Inability to provide appropriate after sales service can impact reputation. **Capitals at risk:**	• We have an established mechanism to address customer complaints on priority and continually monitor their loyalty-cum-satisfaction index through NPS methodology • We ensure superior service quality experiences through use of automation and enhanced technology and having trained service personnel with technical knowledge and soft skills • Our service technicians have an overall customer rating of 4.15 out of 5
Supply chain management An inefficient supply chain management can lead to supply disruption and inventory obsolescence. **Capitals at risk:**	• We ensure efficient supply chain management through: o Calenderising recurring and planned events with proactive actions o Having integrated and flexible network to meet business requirements o Rationalising SKUs to optimise inventory level o Adopting new-age technology for sustainable systematic efficiency
Quality assurance Poor quality and performance of products can impact brand perception. **Capitals at risk:**	• We have matured mechanism for Quality Maturity Progression through well-defined organisation, metrics and score cards • Use of well-documented process, system and IT integration ensure better control on production • We have undertaken strategic initiative to drive customer-centric quality including: trade & distribution quality, customer experience labs and built-in-quality • High level of people and supplier engagement through various initiatives

Key risks	Risk response
Information & cyber security Risks relating to inability in protecting data, ensuring security (of endpoint, network & application, perimeter & cloud security) and having in place measures for business continuity, disaster management and GRC. This may impact ongoing operations and also lead to litigations. **Capitals at risk:**	• Our IT function is ISO 27001:2013 accredited and is enabled through well-defined Information Security Management System policies and governance structure • A ZERO Trust architecture has been adopted to enhance security and ensure protection from emerging threats, including through deployment of next-gen SIEM, Firewall, EDR/XDR & SASE Framework as well as DLP (end point, web & cloud applications) and advanced email threat protection • Unauthorised access is presented through practices like privilege identity & access management, multi-factor authentication for critical apps (Email, Teams, OneDrive) and role-based access rights • A robust cyber resilience is ensured through: o Business continuity plan and data centre/disaster recovery mechanism for business applications o Digital risk protection and brand reputation management o VAPT, cyber threat intelligence and training o Organisation-wide phishing mock drill
Environmental, Social & Governance (ESG) Risk relating environment, social & governance can impact our sustainability, reputation and financial performance. Governance issues like corruptions can impact reputation and lead to regulatory sanctions. **Capitals at risk:**	We are committed to reduce our absolute energy consumption, CO_2 emissions, water consumption, impact on biodiversity besides adopting clean energy, recycling of water, recycling of waste, EPR implementation & working towards increasing biodiversity by trees plantation. • Transition from High Speed Diesel to Piped Natural Gas (PNG) in Haridwar Fan factory which will offset ~ 550 MT of CO_2 • Over 18 lakhs trees planted till date which will sequester ~ 4.3 lacs tonnes of CO_2 • 40+ Energy Saving Projects undertaken • 9,470 MWh Total Renewable Energy Generated • Our all plants are ISO 9001, ISO 14001, ISO 45001 & ISO 50001 Certified

HAVELLS

Stakeholder Engagement

Meeting stakeholder expectations and building trust

WE HAVE A ROBUST STAKEHOLDER ENGAGEMENT PROCESS WHICH ADDRESSES THEIR NEEDS AND EXPECTATIONS EFFECTIVELY. IT ENABLES US TO STRENGTHEN OUR RELATIONSHIPS WITH STAKEHOLDERS, IMPROVE STRATEGY DEVELOPMENT AND DECISION-MAKING AND FACILITATE LONG-TERM VALUE CREATION.

Stakeholders	Modes of engagement	Key matters relevant to them
Shareholders / Investors	Results press release, earnings / analysts calls, annual general meeting, disclosures tools (annual report, sustainability report, websites)	• Performance and value creation • Cost rationalisation and profitability • Sustainable business model and strategy for long-term growth • Transparent and ethical practices • Robust governance practices
Employees	Intranet/emails, in-house newsletters, training and safety programmes, surveys, rewards and recognitions	• Scope of learning and career development • Remuneration and benefits • Equal opportunities • Occupational health and safety • Purpose • Wealth creation
Customers	Customer servicing and feedback collation, marketing activities, online engagements (website, social media, webinars)	• High-quality, innovative and sustainable products • Superior services • Efficient complaints and grievances mechanism • Timely information on technical and pricing queries

Dealers	Dealer meets, dealer surveys / feedbacks, welfare schemes, training and education	• Steady business with long-term growth prospects • Technical knowledge exchange and other collaborations • Fair and transparent terms and conditions
Vendors	Contract negotiations, Supplier Code of Conduct policies and standards, Supplier meetings	• Long-term business relations and growth opportunities • Effective information dissemination, technical knowledge exchange and other collaborations • Skill development support
Communities	Social contribution/CSR activities, public hearings, community impact assessment surveys, complaints and grievance mechanisms	• Socio-economic development including better education and health, hygiene and sanitation facilities • Employment opportunities and support to enhance employable skills • Responsible operations
Bankers and other financial institutions	Credit rating surveys, annual reports	• Credit rating • Sustainable business model • Transparent financial disclosures • Governance • Timely debt servicing
Government and regulatory agencies	Regular compliance report, statutory audit	• Compliance to laws • Disclosures on aspects defined by the government • Contribution to nation development, employment generation and environment protection
Media	Media meets, press conferences, press releases, management interviews, response to media queries, thought leadership and thematic articles	• Important announcements and sharing relevant information meant for mass stakeholders

HAVELLS

ESG Journey

Key snapshots of our ESG Journey

ESG 1.0

2012-13

- Published First Sustainability Report* including reporting of GHG Emission (Scope 1&2) in line with GRI standards

2016-17

- First step towards renewable energy “Installation of First Solar Plant at Alwar”

2017-18

- Published First BRR report under SEBI Listing regulations

2018-19

- Ranked 7th globally in Electrical category (Dow Jones)
- Started publishing Scope 3 GHG Emissions (Employee computing)
- First step towards environment sustainability “2 Lakh Trees Plantations carried out”

2020-21

- India’s Top 50 - Best companies to work certified
- All Havells operation sites are ISO 14001& 50001 certified

2021-22

- Published our First BRSR report (voluntarily)
- “A” rating by Morgan Stanley
- Member of FTSE4Good Indices family
- CRISIL rated us “highest in our sector”
- Installed capacity of 9 MW (Solar Energy)

ESG 2.0

** All our sustainability reports since 2012 has been independently by Big Four.*

Our 10 Year Performance (2012-13 till 2022-23)

Plastic and E-Waste Collection

- Collected ~ 12,264 mt of E-waste and ~ 7,117 mt Plastic waste till date
- Celebrated International E-waste Awareness day to raise awareness among employees

Greenhouse Gas (GHG) Emissions and Energy Intensity

- ~ 61% reduction in GHG emissions and energy Intensity
- ~ Mitigation of ~ 10% of all GHG emissions (8.08 Lakh MT) through various sustainable initiatives
- ~ 100% reduction in FO & LDO fossil fuel
- ~ 22% reduction in diesel consumption

Trees Plantation

- Planted more than 18 lakh trees till date and total amount of CO_2 sequestration potential of the plantation after 60 years would be 4.3 lakhs tCO_2e. (basis study carried out by Indian Institute of Forest Management Bhopal)

Solar Renewable

- ~ Installed capacity of 9 MWp
- ~ 37,964 MW of energy generated till date which has offset ~ 30,371 tCO_2 from atmosphere

FY 2022-23 PERFORMANCE

2,139 MWh Energy Saving through 40+ energy saving initiatives

307 MWh Renewable Energy generated from food waste to biogas plant

9,470 MWh Total Renewable Energy Generation

Total 1,711 CO_2 e Mt Mitigation in FY 2022-23 through energy saving

Total 7,331 CO_2 e Mt Mitigation through solar generated energy in FY 2022-23

Transition to PNG from HSD at the process level (furnace) which will offset ~ 550 MT of CO_2 in FY 2023-24

Achieved 100% target to collect and recycle 5,187 MT E-waste through EPR Programme

Achieved 100% target to collect and recycle 3,617 MT Plastic waste through EPR Programme

<1.3% Total Hazardous waste to Landfill

Zero Non-Hazardous Waste to Landfill

Roll out of ESG Scorecard to review the Plant ESG Performance

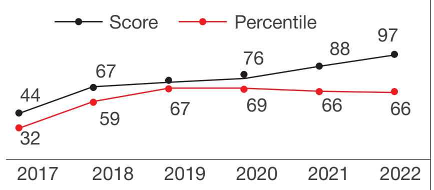
Inaugurated one of biggest brand stores pan India which is being managed and run by 100% female staff at Bhubaneswar

At our newly commissioned plant in Sri City, we are targeting to run the entire operations by 100% female workers

OUR STRUCTURED ESG EFFORTS HAVE BEEN CONSISTENTLY RECOGNISED BY REPUTED ESG RATING AGENCIES

We have been consistently ranked in the top 10 companies in the electrical equipment sector

DJSI Rating Y-O-Y



DJSI ESG Rating

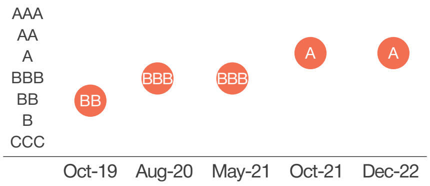
Rank	Company Name	Score
1	Schneider Electric S.E.	
2	Signify N.V.	
3	Prysmian S.p.A.	
4	Legrand SA	
5	TECO Electric & Machinery Co., Ltd.	
6	ABB Ltd	
7	Havells India Limited	66
8	OSRAM Licht AG	
9	WEG S.A.	
10	Fugi Electric Co., Ltd.	

MSCI (Global): Our Rating has improved to A

MSCI ESG RATING

A

ESG Rating history



FTSE4Good (Global)

The FTSE4Good Index Series identifies companies that demonstrate strong environmental, social and governance practices measured against globally recognised standards

CRISIL

ESG Score 64

CRISIL has rated "Havells" highest in its sector in the recently published Yearbook

Sustainalytics (Global)

ESG Risk Rating COMPREHENSIVE

21.0

Medium Risk

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

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ESG Goals Roadmap

ENERGY MANAGEMENT

Target Undertaken	Financial Year Performance 2012-13	Financial Year Performance 2022-23	Target F.Y.	Target Year Performance
Capacity enhancement up to "Permissible Limit Solar" Power Generation Capacity (In Mw)	-	30%	2025-26	100%
Energy Intensity (GJ/Cr) Reduction from base year	85.7	33.3 (61%)	2024-25	21.4 (75%)
All manufacturing operation related vehicles to be changed to EV / Battery Operated	-	45%	2025-26	100%

EMISSION MANAGEMENT

Target Undertaken	Financial Year Performance 2012-13	Financial Year Performance 2022-23	Target F.Y.	Target Year Performance
Reduction of our annual net GHG Emission (MT) compared to the Base year	59,542	93,545	2029-30	44,656 (25%)
Scope 3 Emissions Inventorisation	Not Measured	Refer Note-1	2023-24	Refer Note-1
Diesel Consumption (ltr) Reduction	22.3 Lakhs	17.5 Lakhs (22%)	2023-24	11.20 Lakhs (50%)

WASTE MANAGEMENT

Target Undertaken	Financial Year Performance 2012-13	Financial Year Performance 2022-23	Target F.Y.	Target Year Performance
Zero Waste to Landfill	70%	1.37%	2023-24	0%
Sustainable food waste management	-	20%	2024-25	100%
End user disposal authentication in all types of organic waste	-	80%	2023-24	100%

Note1: (Currently, we are covering employees commuting in scope-3. From FY 2023-24 we will reporting on both upstream and downstream emissions).
Note2: Base Year has been considered as FY 2012-13 in which we had published our first sustainability report.

WATER MANAGEMENT

Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
	2012-13	2022-23		
Reduction of Fresh Water Consumption (domestic)	-	-	2024-25	25%
Total water recycled to be increased	-	-	2024-25	25%
Water positive (2X)	-	-	2029-30	2X

BIODIVERSITY

Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
	2012-13	2022-23		
Nature positive - Zero Harm to biodiversity due to Havells operation	Not evaluated		2025-26	Positive

SUSTAINABLE SOURCING

Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
	2012-13	2022-23		
Assessment of ESG Risks of all critical suppliers	-	80%	2023-24	100%

PRODUCT

Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
	2012-13	2022-23		
Zero Ozone Depleting Substance (ODS) KG	600	269	2023-24	0

LCA

Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
	2012-13	2022-23		
High Revenue products - LCA Study	Not Carried out		2023-24	Refer Note-3

SUSTAINABLE PACKAGING

Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
	2012-13	2022-23		
Non-Recyclable plastic (KG) in product packaging	Not measured	2,293	2025-26	0

SOCIAL

Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
	2012-13	2022-23		
Providing meals to students on a daily basis for providing nutrition and eradicating hunger	30,000	70,000+	2026-27	90,000+

Note-3: LCA will be carried out for high revenue products

HAVELLS

Addressing the challenges of today and tomorrow

AT HAVELLS, WE FOLLOW A SYSTEMATIC PROCESS TO IDENTIFY, ANALYSE AND MANAGE PRIORITY MATTERS. IT ALLOWS US TO EFFECTIVELY COMPREHEND THE INFLUENCE OF OUR BUSINESS ON THE STAKEHOLDERS AND VICE-VERSA, AND TAKE NECESSARY ACTIONS FOR RELIABLE VALUE CREATION.

MATERIALITY DETERMINATION PROCESS

A list of material topics were shortlisted, each of which were assigned a framework score, industry score, survey score, risk score and management score. The frameworks considered included Business Responsibility and Sustainability Report (BRSR), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Dow Jones Sustainability Indices (DJSI), Morgan Stanley Capital International (MSCI) & Sustainalytics. To arrive at the industry score, international and Indian companies in the electrical equipment and appliances space were considered. An ESG materiality survey was rolled out in FY 2021-22 to 100+ participants, including the management and senior leadership team.

FIVE-STEP METHODOLOGY

Identify	Strategise	Manage	Score	Rank
• Used ESG frameworks and standards, ESG ratings, and peer benchmarking to recognise potentially relevant issues	• Incorporate these factors in the overall business strategy • Communicate the new strategy to all relevant stakeholders	• Recognise significant environmental, social and governance risks and opportunities • Determine areas for target setting to improve business and sustainability performance	• Fresh ranking of issues based on the weighted average score achieved by each issue • Separate score assigned to each material issue based on the response	• Issues ranked according to importance based on management and employee surveys • 100+ responses received from participants

MATERIAL TOPICS

In increasing order of priority

- E Climate Strategy & Action
- S Human capital development
- G Governance and ethical business conduct
- E Water stewardship and air quality improvement
- S Occupational health and safety
- E Product stewardship
- E Circular economy and waste management
- G Innovation R&D
- G Capacity Utilisation & Market Presence
- G Distribution Network & Channels

- G Sustainable sourcing and vendor management
- S Human rights and CSR
- S Responsible digitalisation & technology use
- G Customer and other stakeholders' delight
- G Brand Integrity & Salience
- E Sustainable packaging
- E Biodiversity
- E Sustainable manufacturing to achieve low carbon footprint product

E Environmental S Social G Governance

ENVIRONMENTAL

Climate strategy and action

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

Product stewardship

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

Water and air quality

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

Circular economy and waste management

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

HAVELLS

SOCIAL

Human capital development

Focus on employee engagement, learning & development, diversity & inclusion, fair treatment, leadership & succession planning etc.

Occupational health and safety

Ensuring safe, sound and healthy working environment for all employees

Responsible digitalisation and technology use

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

Human rights and CSR

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

GOVERNANCE

Governance and ethical business conduct

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

Brand integrity and salience

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

Innovation and R&D

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

Customer and other stakeholders' delight

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

Distribution network and channels

Diversifying distribution channels to reach all our customers and consumers

Capacity utilisation and market presence

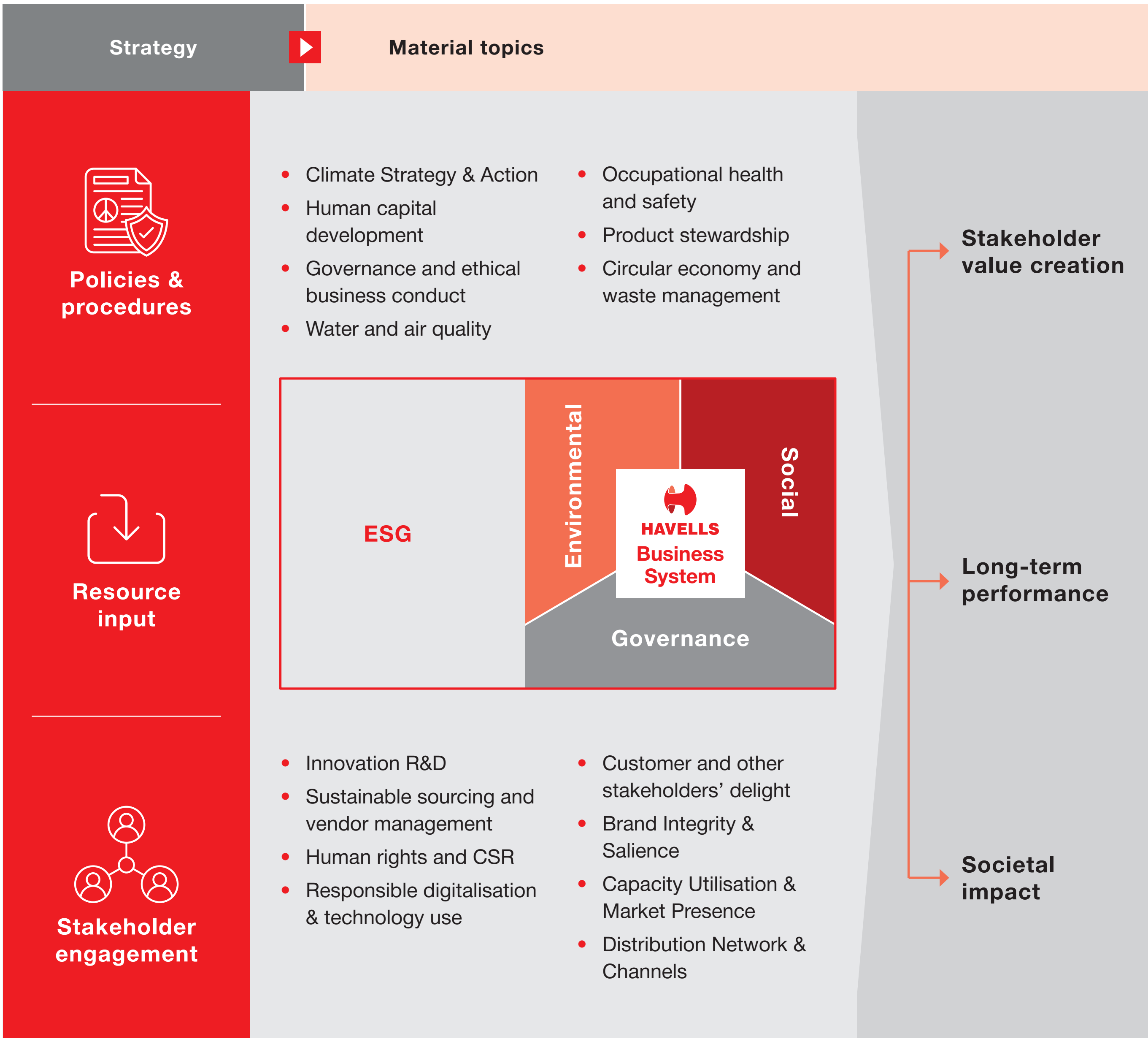
Capacity utilisation is associated with the amount that a plant can generate to the plant's actual output. It has a direct correlation to demand and market presence

Sustainable sourcing and vendor management

Sustainable procurement, supply chain resilience, local vendor management

SUSTAINABILITY MODEL

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



Our sustainability model considers stakeholder expectations and strategic business objectives.

We have arrived at the model through detailed consultation on our material topics with our diverse stakeholder groups. The model is based on the core foundation of corporate governance that is based on ethics, integrity and transparency.

FOCUS ON COMPLIANCE

We have strong compliance systems in place to ensure that we adhere to the relevant statutory regulations. We keep a constant check against discrimination, child labour or forced labour. During the year, no material fines or non-monetary sanctions were imposed on the Company for non-compliance with environmental laws and regulations. There were no incidents of non-compliance or fines levied with respect to the regulations or voluntary codes relating to the health and safety impacts of Havells' products and services, products-related communication and product information disclosure and labelling.

1 2 3
4 5 6

Financial Capital

Strengthening financial position through resilient performance

FY 2022-23 WAS CHARACTERISED BY RISING INPUT COSTS AND WEAKENING CONSUMER DEMAND. A COMBINATION OF PRUDENT FISCAL PRACTICES, OPERATIONAL EXCELLENCE, SOLID BRAND CREDIBILITY, AGILE AND FLEXIBLE BUSINESS MODEL ENABLED US TO DELIVER RESILIENT OUTCOMES. THIS IS FURTHER ENABLED BY OUR SOLID FINANCIAL POSITION WHICH ASSISTS IN EFFECTIVELY DEPLOYING CAPITAL IN GROWTH OPPORTUNITIES.

We invested in the following modules in our system to move towards the automation of workflows and increase process transparency

Implementation of VIM

- Vendor Invoice Management collaborates supplier invoices which enables us to improve cash flow by streamlining workflow and shortening the payment cycle.

Implementation of RPA

- Robotic Process Automation uses virtual software robots to perform manual, time-consuming work or tasks in order to mitigate the risk of human error and show clear and fair view of our books.

Implementation of IMPS

- Investment Module and Project System, the planning and execution of project plans for CAPEX have now evolved in terms of better planning and managing our overall estimation of budget and project quality.

Segment Performance

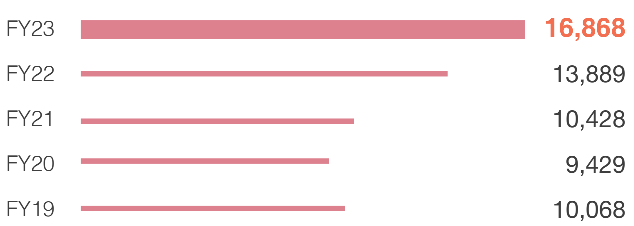
Particulars (Rs crores)	FY23			FY22		
	Segment Revenue	Segment Results	Segment Results (%)	Segment Revenue	Segment Results	Segment Results (%)
Switchgears	2,120	556	26.2%	1,786	491	27.5%
Cables	5,533	525	9.5%	4,645	540	11.6%
Lighting and fixtures	1,602	247	15.4%	1,371	258	18.8%
Electrical consumer durables	3,296	419	12.7%	3,067	458	14.9%
Lloyd Consumer	3,369	(221)	-6.6%	2,261	(71)	-3.1%
Others	950	35	3.7%	759	57	7.5%
	16,868	**1,561**	**9.3%**	**13,889**	**1,732**	**12.5%**

Economic value creation

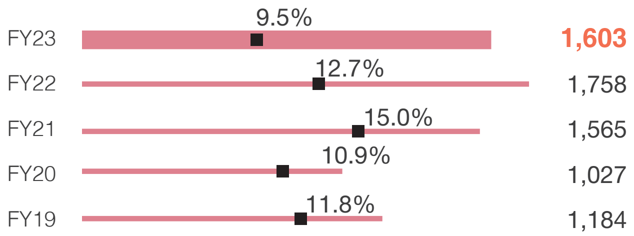
Particulars (₹ crores)	**FY23**	**FY22**
Revenue generated (includes other income)	17,045	14,049
Economic value distributed (i+ii+iii+iv+v)	16,457	13,266
Operating costs (i)	14,273	11,353
Employee benefits (ii)	1,262	1,015
Payments to providers of capital (iii)	504	461
Direct taxes paid (iv)	392	414
CSR expenditure (v)	27	24
Economic value generated	588	783

OUR PERFORMANCE

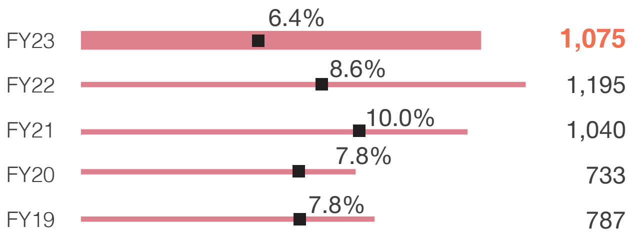
Revenue (in ₹ crores)



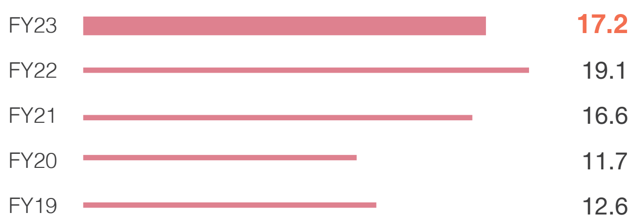
EBITDA (in ₹ crores) and EBITDA margin (%)



PAT (in ₹ crores) and PAT margin (%)



Earnings per share (in ₹)

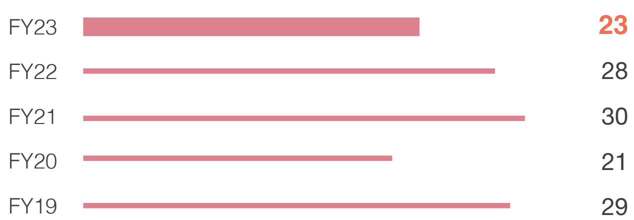


Dividend payout (%)

Net worth (in ₹ crores)

Debt:Equity

ROCE (%)*

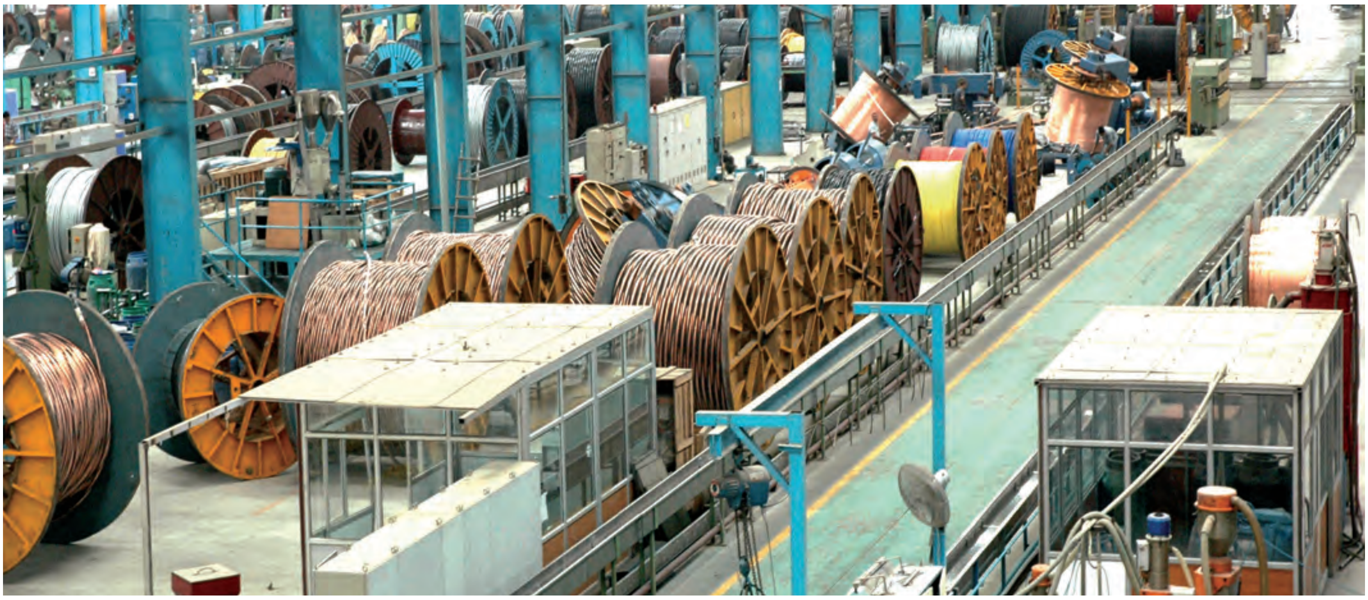


** ROCE (%) = EBIT / Average Capital Employed (Net Worth + Gross Debt)*

Manufactured Capital

Building competencies for the future

WE ARE CONTINUALLY INVESTING IN BETTER MANUFACTURING PROCESSES AND SYSTEMS TO CREATE A PORTFOLIO OF GLOBALLY BENCHMARKED PRODUCTS THAT CATER TO CUSTOMER REQUIREMENTS AND CREATE VALUE FOR THEM.



OPERATIONAL EXCELLENCE

DRIVERS OF OPERATIONAL EXCELLENCE

Improving plant and machinery equipment efficiency through Original Equipment Effectiveness (OEE) drive

Learning from each other in developing best practices across the plants

Digitisation

Improving workforce efficiency of operators through Maynard Operation Sequence Technique (MOST)

INTEGRATED MANUFACTURING OPERATIONS

Aligned with the 'Make in India' philosophy, we manufacture over 90% of our products in-house. We have fully integrated manufacturing set-up across all our plants. During the year, we invested in setting up a new greenfield manufacturing plant spread across 45 acres in the most modern industrial area of South India at Sri City near Chennai. With this, we now have 15 state-of-the-art manufacturing plants spread across 8 locations in India.

Each plant is equipped with high depth of in-house manufacturing with all major components being produced under the same roof. The "Quality first" is in-built in the operations which ensures production of a reliable product with a longer life and consistent performance. In addition, we are consistently investing in upgradation and establishment of the most modern manufacturing set-up and optimum level of automation. Across the plants, we have automatic high-tech machines procured from Japan, Europe and other leading manufacturers across the globe.

INDUSTRY 4.0

With more than 20,000 SKUs across the plants, we believe that Operational Excellence at the factory is paramount, and hence a roadmap has been drawn for implementation and strengthening of various key initiatives. Global benchmarking of manufacturing plants have helped us in continuous upgradation of manufacturing set-up to take it to Industry 4.0 standards. Across the plants, section-by-section analysis is done for promoting digitisation and use of Internet of Things (IoT).

We have undertaken several steps for enhancing operational efficiency, upgrading machines and processes and making them digitally connected. Our intent is to maximise the use of Artificial Intelligence (AI), Big Data, and Cloud Computing to raise the performance standards and drive the next chapter of Industry 4.0.

NEW MANUFACTURING PLANT AT SRI CITY NEAR CHENNAI, INDIA

Our new greenfield manufacturing plant at Sri City near Chennai adds to the AC manufacturing capacity to produce 1 million ACs per year. With this addition, we have now 2 million ACs per year capacity (including Ghiloth). It is a fully-integrated and best-in-class plant with majority of the parts produced in-house. It will facilitate production of ACs in every 20 seconds and will increase exports and sales to South Indian markets. We have in place a product testing laboratory, NABL accredited which allows us to make and test ACs for extreme test parameters. The use of robotic points and AGVs ensures deskilling of operation and lower manual dependence thereby delivering high productivity at global quality standards.

We make our own Heat Exchangers here both for the Evaporator and the Condenser. These are made on globally best standard Japanese machines. We make high class plastic moulded parts for Indoor units, produced on world best fully electric Japanese Moulding Machines. The copper tubing section produces 100% in-house parts helping in maintaining high quality standards.

This is a significant step and will reduce our dependence on the import of components in line with the Make in India vision of the Government of India.

1 2 3
4 5 6

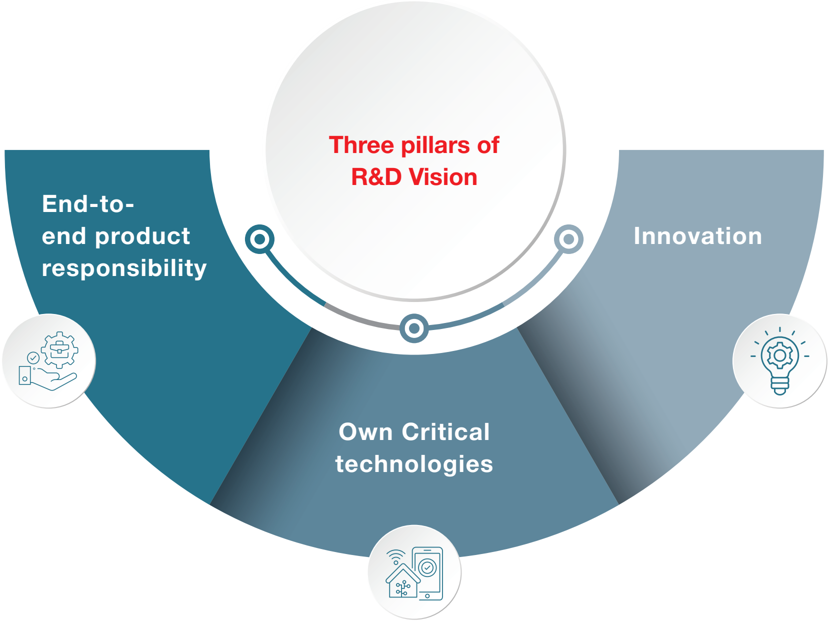
Intellectual Capital

Bolder innovations for a smarter and safer world

WE ARE FOCUSSED ON ENHANCING OUR INNOVATIVE CAPABILITIES TO BUILD SMART AND SUSTAINABLE SOLUTIONS FOR OUR CUSTOMERS' EVOLVING NEEDS. WE ARE EMBRACING BETTER TECHNOLOGIES, COMPETITIVE INTELLIGENCE, AND MARKET UNDERSTANDING TO STRENGTHEN OUR INTELLECTUAL CAPITAL AND COMPETITIVENESS.

RESEARCH AND DEVELOPMENT

Our dedicated, Centre for Research & Innovation (CRI) with NABL accredited labs enables us to be a unique and world-class R&D organisation. This centre houses more than 600 highly skilled and competent individuals constantly engaged in strengthening innovation and product development.

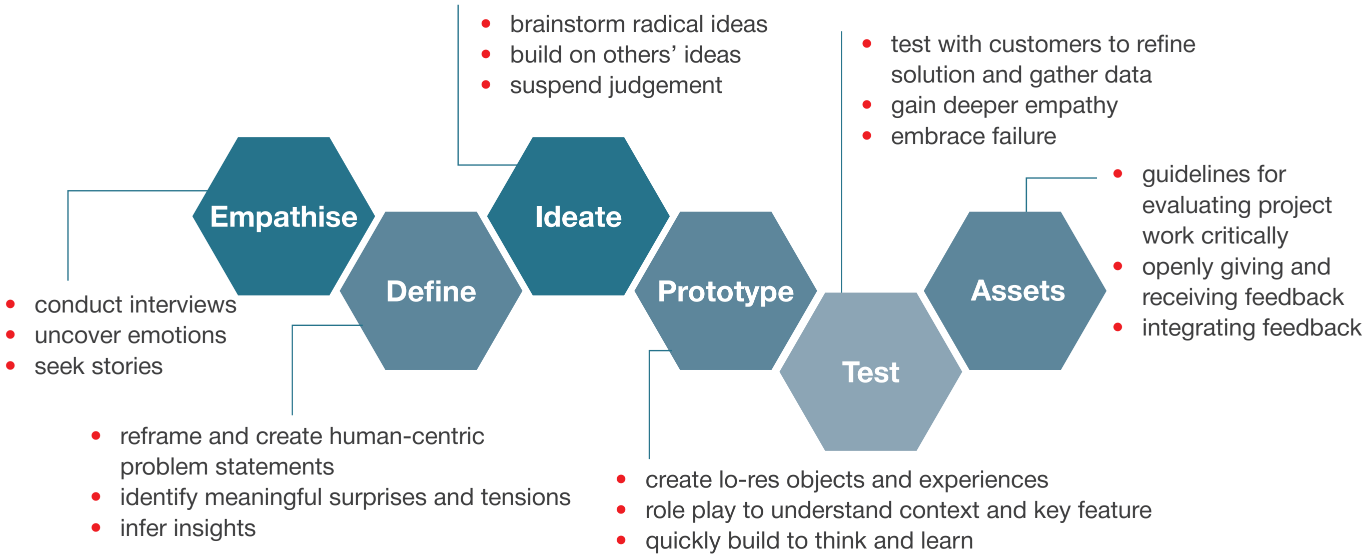


To understand customer needs and design breakthrough innovations, we have a state-of-the-art Customer Experience & Design (CXD) Studio at Noida. This centre is engaged in innovation and design development and develops products by understanding the social, emotional, and behavioural needs of customers. The CXD focusses on understanding consumer pain points and addressing them through novel and relevant product designs.

Our Bengaluru Innovation Centre housing Centres of Excellence (COEs) in the Internet of things (IoT), Software, Engineering Design, and Power Electronics is leading the way for our transformation to an electronic goods company and, more importantly, providing the technology leadership for many of the enabling technologies for our product segments. It leverages the Bangalore tech ecosystem and comprises 120+ software engineers having expertise in IoT, AI/ML and deep tech capabilities.

The R&D centre at Noida, forms the basis for Havells brand promise of quality and customer value proposition. Further, progressing our journey of digitising product development, use of digital twin and simulation methodologies are now used by more product categories augmenting the existing practices.

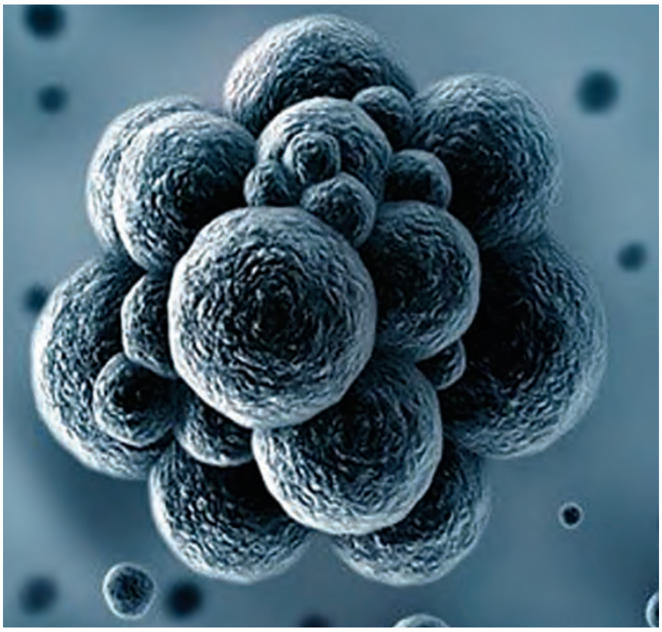
During FY 2022-23, our R&D spends stood at ₹ 163.18 Crores.



DEVELOPMENT OF SMART PRODUCTS

We continue to democratise cutting-edge technology to create innovative and consumer-centric products. During the year, we launched Meditate Air Purifier under the premium brand Havells Studio.

Case Study

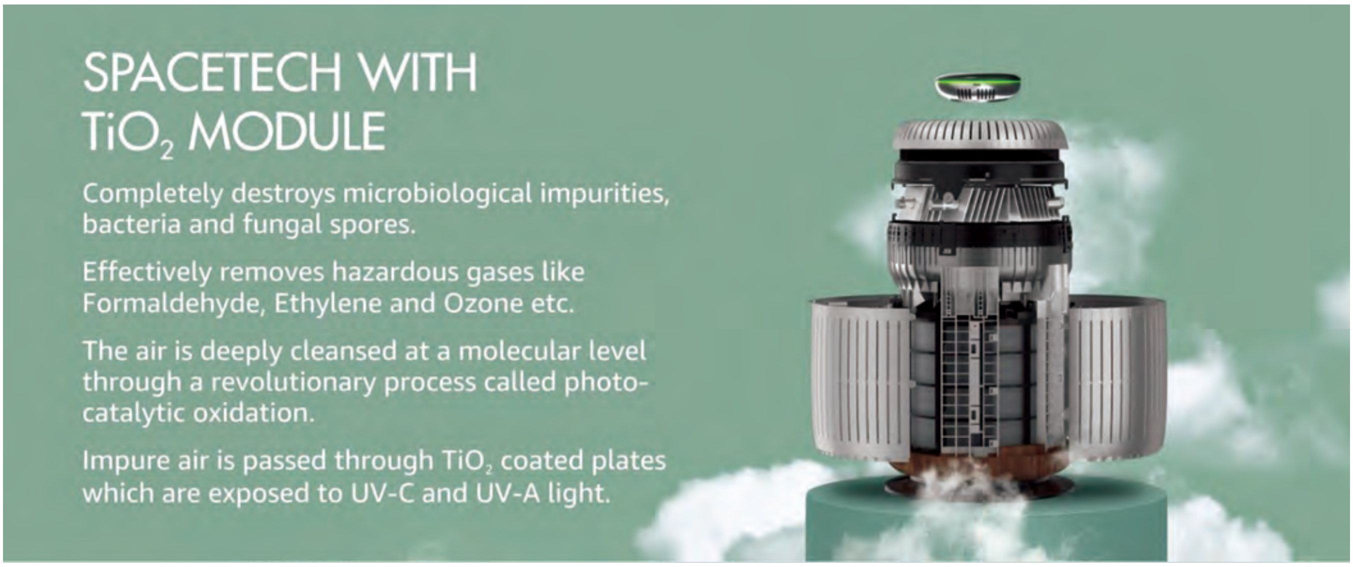


Context

- Indoor air pollution is the degradation of indoor air quality by harmful chemicals and other materials; it can be up to 10 times worse than outdoor air pollution
- This is because contained areas enable potential pollutants to build up more than open spaces
- Various studies in India have reported harmful effects of indoor air pollution

Solution

- To address this problem, Havells Studio Meditate Air Purifier is built on deep consumer insights with cutting-edge technology and design features
- Designed for India and the world, it is powered by pioneering SpaceTech air purification technology for efficacy against hazardous gaseous pollutants as well as pathogenic micro-organisms
- With its intelligent user interface and mobile AQI, Meditate is built to deliver sense of peace and comfort



Approach

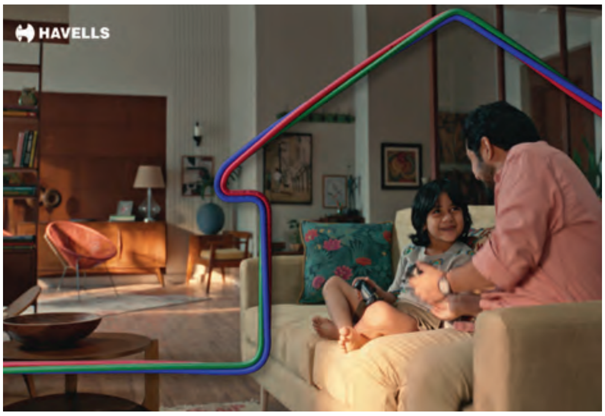
- Launch of Havells Studio Meditate was well thought through and meticulously planned from identifying the target consumer group, understanding their requirements, and selecting the right communication route
- Led by the digital-first approach, a key highlight of the launch plan was to collaborate with influencers from various industries to communicate diverse aspects of Meditate and highlight the benefits of this premium product and how it can fit into individuals' lifestyles

STRENGTHENING BRAND POSITIONING

Over the years, we have relentlessly invested in building our brand equity. This has significantly helped us in creating some iconic campaigns and transition from an industrial to a consumer-focussed brand and enabled growth. FY 2022-23 witnessed multiple new advertising campaigns along with leveraging our iconic platforms including “Wires that don’t catch fire” and “Hawa Badlegi”.

Key campaigns undertaken during the year include:

Wires that don’t catch fire



Havells LED Always a Better Idea

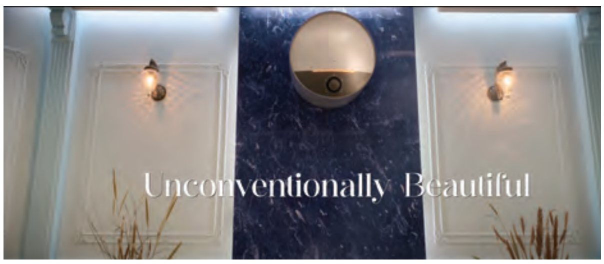
Lloyd: ‘Khayaal jo ghar ko ghar banaye’
(care that makes home, a home)

LLOYD
Khayaal jo ghar ko
ghar banaye

Continue to Look Up
(to Havells Fans)

New stunning range of designer
BLDC fans, call it FantasTECH.

‘UNCONVENTIONALLY BEAUTIFUL’ ....
with designs that make you say WHAT-a-HEATER



Havells Hexo – Kitchen Ka Bahubali

Havells Utsav | Khushiyon Ka Aarambh

Havells Studio Meditate

Performance Ka Higher Standard

Stay Warm Breathe Healthy
With India's No.1 OFR Brand

Glamour Comes Home with Glamtubes

Havells Personal Grooming:
#StopMeriGroomingPeAssuming

HAVELLS

1 2 3
4 5 6

Human Capital

Striving to be a great place to work and grow

OUR PEOPLE ARE AT THE CORE OF OUR BUSINESS AND THE REASON FOR OUR SUCCESS. OUR ROBUST POLICIES ARE AIMED AT PROVIDING AN INCLUSIVE WORK ENVIRONMENT AND IMBIBING A CULTURE OF TRANSPARENCY, INCLUSION, COLLABORATION, AND EXCELLENCE TO MEET THE ASPIRATIONS OF OUR PEOPLE WHILE ENSURING THEIR SAFETY AND WELFARE.

EMPLOYEE ENGAGEMENT

We strive to foster people empowerment and imbibe an entrepreneurial zeal amongst our employees. Our managers aim to build a strong culture of putting people first while also focussing on serving our customers and communities. The people engagement charter has both strategic as well as tactical initiatives which are deployed at all levels across the organisation.

The Great Place to Work, India, has recognised Havells as India's Best Workplaces™, Building a Culture of Innovation by All, among the Top 50 large organisations. This recognition identifies us as having successfully inspired our employees to innovate by fostering a culture that encourages and empowers them to try new and better ways of doing things. It is also a testimony, that we excel in people practices supporting innovation and creating a culture that nurtures innovation.

WORKPLACE SAFETY

The focus on employee safety continued with regular management reviews backed up with the rigorous regimen of safety drills, zone-wise daily audits, addressing fire safety using 247 check points, training, inter-plant safety assessments, third party audits, and strengthening of the infrastructure. There was a large-scale involvement of our employees in the safety agenda through dedicated Kaizen Safety months. The number of safety kaizens increased from 2,500 in FY 2021-22 to 3,131 in FY 2022-23. Workplace Safety & Implementation of Safety Culture is an ongoing journey and would continue to be our focus area.

TALENT DEVELOPMENT

We continuously promote learning and development in our organisation, and this year, there was a renewed focus on enhancing organisational capabilities for the future. We concentrated on hiring young people while also building capabilities of our existing talent pools.

From campuses, we made offers for about 212 final placements. We covered the best engineering, management institutes and polytechnics for campus selections to hire young Post-Graduate Trainees, Engineers, Management Trainees, and Diploma Engineer Interns. This is being done across functions viz. Sales & Marketing, E-Commerce, Manufacturing, R&D, Supply Chain, Packaging, etc. We also engaged 58 summer interns. The idea of taking interns is to give them projects and assess them for PPOs (Pre-Placement Offers) next year.

We have also created an organisation-wide Learning & Development (L&D) framework across every level of the organisation. A career development centre “Pragati’ was launched for our frontline salespeople to become first-level managers. For our first-level sales managers, a management development program called ‘Unnati’ was conducted. A learning and development roadmap has also been prepared for Plant Operations which would be rolled out next year. Our internal Learning Management System (LMS) ‘Saksham’ is being further augmented to meet the emerging learning needs and enhanced learner experience (LXP).

We completed a Talent Mapping exercise, for critical roles, so that we have a clear visibility of our internal talent, for meeting the Company’s future growth aspirations. To build leadership capabilities, a 360 degree feedback exercise was conducted covering multiple senior managers. This would be backed with individual feedback reports which would support their development plans.

We also executed our talent strategy by completing the target of building a whole new team for our green field project in Sri City, through a combination of internal talent movement and lateral hires. This was done in a short span of five months which has been one of the contributing factors towards the successful early commissioning of the project.

DIVERSITY AND INCLUSION

We have undertaken meaningful efforts to foster diversity in our workforce. We understand that diversity of thoughts, backgrounds, and experiences adds value to the Company. As a progressive step to maximise gender diversity, it is our vision to make our new Sri City plant a role model within the Company, by targeting close to inducting 100% women on the shop floor. Presently, women hold ~80% of the shop floor positions at this plant.

At Havells, we ensure that there is full adherence to the Code of Ethics and fair business practices. We follow a no-discriminatory policy, and the Company believes in creating workspaces where a diverse set of people can contribute and thrive. This will continue to be our thrust area as we continue responding to the changing needs of our customers and work towards providing a framework that is best suited towards creating long-lasting, collaborative relationships.

Social and Relationship Capital

Delivering superior experiences to customers

OVER THE YEARS, WE HAVE CONTINUOUSLY ENGAGED WITH ALL OUR STAKEHOLDERS INCLUDING CUSTOMERS, EMPLOYEES, SUPPLIERS, BUSINESS PARTNERS, AND COMMUNITIES TO CREATE SUSTAINED VALUE FOR ALL.

COMMUNITY DEVELOPMENT

Our Corporate Social Responsibility (CSR) initiatives are designed to support the nation's goal of inclusive growth and the United Nations Sustainable Development Goals (SDGs). Our sustainability ethos focusses on the welfare of the communities we work with, especially those linked with our manufacturing operations.

We have a powerful CSR framework comprising key areas of Health & Nutrition, Sanitation, Education, Environment, Skill Development and Heritage Conservation. With our sustainability agenda structured towards inclusive growth, we are continuously strengthening our CSR framework.

KEY INITIATIVES

Havells Focus Areas	FY 2022-23 (Performance)
Providing nutrition to eradicate hunger	Providing Mid-day meal to 70,000+ students on a daily basis at Alwar, Rajasthan
Health & Sanitation (WASH)	a) Maintenance of 4,000+ Bio-toilets in over 500 schools b) ~2 Lakh Sanitary napkins distributed in FY 2022-23 and till date, distributed to over 4 lakh girls
Promoting Education	a) 300+ students, researchers and faculty members have been using the Havells Research Building at Plaksha University (Reimagining Higher Education) b) Free coaching classes to underprivileged children at Govt. Schools
Environment Protection	Planted over 4 Lakh trees in FY 22-23 (18 Lakh trees planted from 2018 till date) at Bhopal (Madhya Pradesh Rajya Van Vibhag Nigam), Alwar and Neemrana plantation project

01

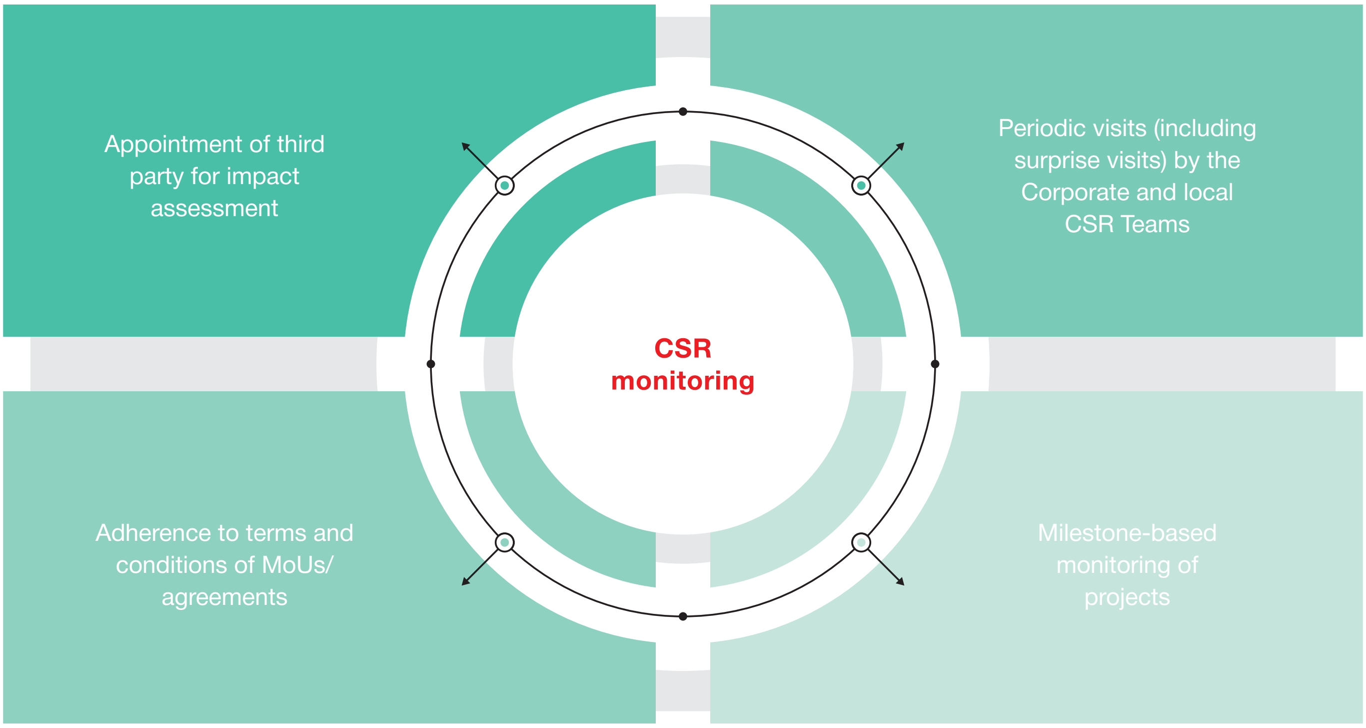
ENVIRONMENT

More than 18 lakh trees have been planted in Bhopal, Neemrana and Alwar till date. As a part of our overall commitment of giving back to the society, we are carrying out third-party assessment of our plantation project at Bhopal, Madhya Pradesh to ascertain the Biomass accumulation/carbon capture – Carbon sequestration of our plantation project through Indian Institute of Forest Management (IIFM). The survival rate of the plantation is more than 90% across the compartments, which is reflective of good management. The total amount of CO2 sequestration potential of the plantation after the final harvest (60 years) would be 430687 tonnes. Additionally, these plantations will also contribute to other ecological benefits during the entire silvicultural management.

02

We are also engaged in developing "Kanya Upvan" as joggers park for local community in the Alwar district of Rajasthan by planting a tree on the birth of every girl child in the district. Kanya Upvan (Bhugor) is being developed as a part of afforestation / water conservation programme through MJSI (Mukhya Mantri Swavlamban Abhiyan), a flagship program of Rajasthan Govt. which was started in 2018 with an area of 18,600 square metres. Nearly 1,800 saplings have been planted till date.

ROBUST REVIEW MECHANISM



03

MID-DAY MEAL PROGRAMME

A holistic initiative that started with serving just 1,500 children across 5 schools expanded to serve over 70,000 students across 700+ schools daily in the district. During the year, we organised a Quality Nutrition - FOSTAC (Food Safety Training & Certification) programme through FSSAI team for Mid-day meal food handlers & kitchen staff. This initiative was well received by all the staff.

04

Organised Drawing Competition for 06 Govt. Schools in MDM complex on Children's Day, November 14, 2022

05

Under Humanitarian causes, Havells distributed 09 Electric Tricycles to Retired Disabled Soldiers on March 9, 2023 at Alwar, Rajasthan

06

We also received "Bhamashah Award 2022" towards Mid-day meal programme from State of Education Department, Rajasthan.

07

EDUCATION

Talent Next

In 2021, we associated with Plaksha University to make a meaningful impact in technological change and evolution. This has been one of our biggest initiatives from CSR standpoint. Plaksha University, located in Mohali, Punjab, is one of India's largest collective philanthropy efforts to build a tech university of global eminence and aims to cover 1,500 students and more than 100 faculty on campus over the next five years.

On December 17, 2022, Plaksha University celebrated its first Founder's Day where "Havells Research Building" was inaugurated. The Havells Research Building spaces like the Makerspace, Physical World Lab, Nature Machines Lab, and others are being constantly leveraged by students for tinkering, innovation and enhancing their development capabilities. Since its launch in 2021, 300+ students, researchers and faculty members have been using the Havells Research Building. These students come from diverse backgrounds viz. 50% from tier 2/3 towns and 30% are female students. Many students come from underserved communities with limited resources to pursue technology education.

08

Plaksha's all-girls table tennis team - Avishi Rajgarhia, Khushi Goel and Japsahal Kaur (L-R)

09

PhD scholar Neelam Sarmah, exploring efficient methods for industrial wastewater treatment, participated in UNLEASH to work on real, scalable solutions to SDGs.

10

Women and girls championing the advancement of transformative technology and digital education were celebrated on International Women's Day on March 8, 2023 at Plaksha University.

11

PhD scholar Sarvnipun Kaur was invited to speak on a panel for Women's Economic Rights in Asia at the annual Asia Liberty Forum in Manila, Philippines.

12

As part of our sustained initiative towards gender diversity, we inaugurated "all female operated brand store" at Bhubaneswar. This is also one of our biggest stores pan India with a carpet area of around 3,500 sq. ft.

Ensuring responsible supply chain practices

WE INTEND TO MAINTAIN A ROBUST AND SUSTAINABLE SUPPLY CHAIN, ENGAGING AND SUPPORTING OUR SUPPLIERS AND VENDORS IN DRIVING THE GROWTH OF THE ORGANISATION. WE ALSO ENSURE THAT THEY MEET ALL REGULATORY COMPLIANCES AND UPHOLD BEST PRACTICES WHEN IT COMES TO SUPPLY CHAIN MANAGEMENT.

KEY INITIATIVES FOR GO-TO-MARKET (GTM) EXCELLENCE IN FY 2022-23

Upskilling professionals

During the year, we undertook initiative to train and upskill 5,000 in-store professionals in 45 cities across India with an objective to delight customers at the point of sales as well as improve employee productivity and build a reliable talent supply chain. Through this initiative, Havell's in-store sales professionals got the opportunity to learn innovative techniques and sales skills based on detailed on-field analysis involving technology and human interventions.

Retailer Direct Bank Transfer Process

We initiated settlement of retailer scheme through Direct Bank Transfer into the bank account registered with Havells. It eliminates the need for intermediaries in transferring the amount directly into the beneficiary accounts. It brings about transparency and reduces instances of pilferage.

Revamp of Dealer Portal

We believe in providing best-in-class experience to our stakeholders. Dealer portal has come a long way in making their journey simple and easy. The new, user-friendly interface provides easy functionalities with organised view and quick access menu bar. Any information needed is just a click away with faster and smoother access to all the functions of the portal. It allows the user to multitask and switch pages from anywhere on the dealer portal.

Havells Sync Mobile App

Consumer engagement and service is a top priority at Havells. In the beginning of the year, we launched Havells Sync App – a one-stop app for all consumer needs. It allows consumers to get a hassle-free experience with complete solutions to all their needs. Consumers can see the new products and features and shop for all their home appliances needs, register, operate and monitor products along with raise and track service requests on the app. It also allows consumers to operate IoT-based products from Havells.

Customer Service

Customer delight is a top priority at Havells and we have rolled out several initiatives to enhance customer experience. We are reaching out to customers and making our brand available wherever they are. Care360 is our unmatched post-sales support service with over 1,800 channel partners and more than 6,000 highly trained employees.

Our wide-ranging initiatives have resulted in achieving the industry highest Promotor Score of 74% & Field engineer rating of over 4.2. With our unique Khushiyo Ki Guarantee programme, the customer has full control over service request opening and closing.

MANTHAN STRATEGIC PARTNER MEET

In FY 2022-23, we invited around 120 strategic suppliers to Havells Manthan strategic partner meet where we showcased the strength and growth prospects of Havells. This event was a great opportunity to encourage the partners to engage with Havells on a strategic long-term partnership.

Aligned with the Make in India initiative, we prefer to buy from Indian sources and spend on Indian sources. In order to reduce carbon footprint and logistics, we conducted another initiative to source from near-to-factory suppliers. Nearly 44% of our sourcing is from suppliers located within 100 km. 100% of the domestic suppliers are registered on the vendor portal where they can access their schedules and payment status. Moreover, digitisation of supplier KYC and changes in master data is already done. We are powering the Source to Procure & Procure to Pay process by taking it to the next level of digitisation. 100% of the suppliers have signed the Code of Conduct and adhere to high standards of integrity and ethical practices in business.

Service Excellence – 5 Pillars

Customer Experience (CX)	Operation Excellence & Customer Delight
Excellence & Product Quality	Continuous improvement
Service Digitisation	Solution at Fingertips
Service Monetisation	Enhance the continuous connect with the consumers
People Excellence	Individual development

In FY 2022-23, we introduced several features to digitise our services such as:

Voice Bot

- AI powered, uniform experience
- Real-time sentiment analysis
- Resource optimisation

D-365 Ver 2.0

- New state-of-the-art mobile app with Geo-fencing, simplified view
- Improved UI/UX for ease of use
- End-to-End Spares visibility and management
- Consumer – Self-estimation of cost

Number Masking

To protect customer sensitive information

HAVELLS

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4	5	6

Natural Capital

Pioneering for a sustainable world

WE MAKE CONCERTED EFFORTS TO UPHOLD ENVIRONMENTAL RESPONSIBILITY AND REDUCE EMISSIONS BY PURSUING A LOW-CARBON GROWTH PLAN. INCREASING THE USAGE OF RENEWABLE ENERGY, CREATING ECO-FRIENDLY PROCESSES, AND REDUCING ENERGY AND WATER CONSUMPTION IN OUR ACTIVITIES ARE OUR FOCUS AREAS. WE HAVE ROBUST POLICIES AND PRACTICES IN PLACE TO SUPPORT RESPONSIBLE MANUFACTURING AND EFFICIENT RESOURCE MANAGEMENT WITH ADHERENCE TO ALL APPLICABLE LAWS AND REGULATIONS.

WE HAVE IMPLEMENTED QUALITY, ENERGY, ENVIRONMENTAL, OCCUPATIONAL HEALTH AND SAFETY (QEEHS) POLICY COVERING ALL OPERATIONS. OUR PLANTS ARE ISO 14001 AND ISO 50001 CERTIFIED.

8.1%
Share of renewable energy in total electricity consumed in FY 2022-23

9.0 MW
(30% of total contract demand) Solar power generation capacity In FY 2022-23

7,331 tCO_2e
Emissions mitigated with solar usage In FY 2022-23

7.5%
Reduction in specific energy intensity as compared to FY 2021-22 & 61% reduction in specific energy intensity as compared to Base FY 2012-13

72%
Reduction in Scope 1 intensity as compared to base year 2012-13

59%
Reduction in Scope 2 intensity as compared to base year 2012-13

61%
Reduction in total Scope 1 & 2 intensity as compared to base year 2012-13

1,711 tCO_2e
Reduction in GHG emissions through 42 electricity reduction initiatives In FY 2022-23

61%
Reduction in Energy intensity as compared to base year 2012-13

100%
Reduction in FO & LDO fossil fuel from base year

22%
Reduction in diesel consumption from base year

79,568 Mt
CO_2 mitigated through sustainable measures, which is equal to 10% of all GHG emissions from Base FY12 to FY22 (8.08 Lakh MT)

We continue to focus on the following areas in alignment with the Paris Agreement for climate change:

Key Focus Area

Climate Change Mitigation Strategy

Material Topics

GHG Emissions
Water Management
Waste Management
Energy Management
Raw Material Sourcing
Greener Manufacturing
Carbon Mitigation
Biodiversity

SDG Linkage

HAVELLS

ENERGY AND EMISSIONS MANAGEMENT

Energy efficiency and emissions reduction are the key drivers of our ESG strategy to combat climate change. We use technology-based innovations to reduce carbon footprint, enhance fuel efficiency, optimise electricity consumption, and deploy renewable and alternative clean energy sources to reduce indirect energy usage.

To reduce indirect energy consumption in FY 2022-23, we have undertaken several efforts including improving the operating efficiency of industrial machinery. We are putting in state-of-the-art equipment and upgrading older ones to make them more energy efficient. In the coming year, we intend to install additional 4.5 MW solar power plant in Alwar plant taking our overall solar capability to ~16 MW which will help to meet 67% electricity supply from renewable sources against contract demand in the plant. This will also help increase our renewable footprint and reduce Scope 2 emissions. Since FY 2012-13, we have offset around 31,115 MT of CO_2 through Renewable Energy Uses, 31,843 MT CO_2 Mitigation through Energy Saving initiatives, through 18 Lakh trees plantations, 16,610 MT CO_2 Mitigation through EPR implementation. We have mitigated a 79,568 MT of CO_2 (Eq. 10% of Overall GHG Intensity from FY 2012-13 to FY 2022-23) from the environment through our sustainable initiatives. The production units are designed to maximise the use of natural light and are equipped with a sensor-triggered automated lighting system.

We have implemented ISO:50001 energy management system and completed 42 energy-saving initiatives in FY 2022-23. This has resulted in total energy savings of 2,139 MWh and mitigation of 1,711 MT of CO_2. We had replaced all Light Diesel Oil (LDO) fuel in Alwar plant. From FY 2023-24, we have Transitioned from High Speed Diesel to Piped Natural Gas (PNG) in Haridwar Fan factory which will offset ~ 550 MT of CO_2 and ~ 5.5% scope 1 emission norms. ~5.5% Scope 1 emission norms. We are also exploring Bio-based fuels uses in our operation towards emission reduction strategy.

Green buildings

Our manufacturing facilities at Ghiloth and Alwar, Rajasthan, have been accorded the Indian Green Building Council (IGBC) Gold-rated certification, under the IGBC Factory Building Rating system. In the coming years, we are planning to certify more green buildings.

Reducing Greenhouse Gas (GHG) emissions

Direct (Scope 1) GHG emissions

Over the years, we have been working to reduce our carbon footprint and use of natural gas-based furnaces. In FY 2022-23, we had reduced Scope 1 Intensity by 72% compared to base year 2012-13.

Indirect (Scope 2) GHG emissions

We have implemented ISO:50001 energy management system and completed 42 energy saving initiatives, saving 1,616 tCO_2e of emissions in FY 2022-23 and 59% Scope 2 Intensity reduction from the base year 2012-13.

Direct GHG emissions (Scope 1 Intensity MT/crores)		Total Indirect GHG emissions (Scope 2 Intensity MT/crores)	
FY16	1.64	FY16	11.99
FY17	1.23	FY17	9.98
FY18	0.98	FY18	7.95
FY19	0.73	FY19	5.95
FY20	0.73	FY20	7.35
FY21	0.72	FY21	6.53
FY22	0.62	FY22	5.34
FY23	0.58	FY23	4.96

Efficient use of raw materials

We use a variety of raw materials including different metals, plastics, resins, and PVC, among others. We are constantly engaged in reducing consumption of these resources while looking at alternative sources. The value of packaging materials made using recycled paper (Cartons, Corrugated Shippers, Paper Pulp Moulded tray) for FY 2022-23 is ₹ 213 crores which is 3% of total buying material value.

Virgin raw materials used in FY 2022-23

Virgin raw materials used in FY 2022-23	
Parameter	**Units**
Raw materials	1,45,215 MT
Associated process material (varnish, paint, powder)	41,093 MT
Associated process material (Paint, thinner)	9,65,583 Litres
Semi-manufactured goods or parts	5,93,831 Nos.
Packaging material (Wooden items)	7,01,507 FT3 22,98,203 Nos.
Packaging material (Product packaging, label, thermocole, box, etc.)	61,63,97,607 Nos.
Packaging material (Adhesive tape, wax resin, PP strap, etc.)	2,16,33,495 Metres
Packaging material (Polybags, laminates, steel cable drum, bolts, etc.)	4,620 MT
Energy intensity GJ per crore of turnover	33.3

Circular economy

We are progressively including material circularity in our product design and processes while ensuring high quality and durability. We also undertake rigorous testing of our products and provide post-sales services to increase their shelf life, thereby reducing requirements for natural resources. Our all-plant production rejection material utilises in production with the help of own moulding facility and through circular economy with suppliers. We have developed a separate Waste Management wing which supervises the waste management process. All end-of-life products coming due to damage and warranty are dismantled and again reused and recycled in production with the circular economy infrastructure after passing several quality and product safety tests.

Water Stewardship

We believe that water usage sensitisation along with infrastructure that supports responsible water use is key to water conservation. We have set up dry powder-based paint shops instead of the conventional water-based paint shops, flow regulated taps, arrested water leakages and closed unnecessary water distribution points across plants. Pilot studies have been taken up to increase the use of recycled water for domestic use. Our fresh water consumption is for Utility and Domestic water consumption.
We are cognisant of our operational water economics and have undertaken responsible water management practices. In a bid to become 2x water positive organisation by 2030, we are committed to implement the 3R (Reduce, Reuse and Recycle) principle for conservation of water. Our initiatives are directed towards conservation and optimal use of water as well as its after use treatment, discharging and recycling. For this, we have equipped our units with systems and processes which reduce water consumption during manufacturing. As part of our efforts to continuously reduce usage of raw water, Digital Water Flow meters have been installed across all units, besides Piezometers to check the water level. This is augmented with several rainwater harvesting structures to meet the production water demands and recharge the aquifers and underwater table. Along with water conservation, we also inculcate water treatment, recycling, and reuse practices. Our effluent treatment systems comprise a reverse osmosis process to increase the water quality to make it ready for recycling. The level of effluents are maintained well under the prescribed regulatory requirements. The recycled water is then used for various unit-level operations.
We remain focussed on our goal of achieving resource-neutral operations and place a strong emphasis on water stewardship. We understand that water is a shared resource with surrounding communities, and we are committed to using it responsibly. Water is consumed in manufacturing operations that include process, domestic, and utility operations. We have deployed automatic water recirculation system in our factory kitchens for utensil cleaning in select plants to gauge water savings. All our factories are equipped with Sewage Treatment Plant (STP) and four of them are equipped with Effluent Treatment Plant (ETP) as well. Almost all of the treated water is reused within our premises to flush toilets or in developing greenbelt and

plantation. We follow all the necessary applicable guidelines and directions on maintaining the standards of STP and ETP required by CPCB and SPCBs. Rainwater harvesting structures are installed at all our facilities and the water harvested is used for ground recharge.

Water recycling

Parameter	Mega litres
STPs	55.00
ETPs	15.63
Total	**70.63**

Water consumption (In mega litres)		Fresh water intensity (KL/B crores turnover)	
FY23	211.49	FY23	12.6
FY22	217	FY22	10.6
FY21	164	FY21	10.2
FY20	135.3	FY20	14.3
FY19	158.2	FY19	15.7

Waste Management

Waste and plastic waste management is a crucial element of our sustainability practices. We perpetually strive to incorporate the principles of a circular economy as part of our waste reduction strategy. We have partnered with several Governmental and Non-Governmental organisations to develop integrated systems, processes, and controls to manage both hazardous and non-hazardous waste and comply with the national and state level waste regulations.

Extended Producer Responsibility

In terms of Extended Producer's Responsibility, we have taken a leadership position due to our efforts in plastic waste management. Havells is doing Extended producer responsibility in E-Waste and Plastic waste which means that we collect, process and recycle the desired amount of e-waste and plastic waste that we sell in product waste in a year as per E-waste and Plastic waste management rules in India, thereby complying with the Plastic Waste Management Rules, 2016. Our waste collection partners pick up plastic waste, thereby diverting them from reaching oceans and landfills.

We have collected a total of over 3,617 MT of plastic waste and 5,187 MT of E-Waste in FY 2022-23 directly from the end users and through tie-ups with waste management agencies.

We have collected 12,264 MT of E-waste from 2018-23 through 43 Collection centres pan India. Along with this, our plastic collection waste was 7,117 MT from FY 2021-22 to FY 2022-23. We have mitigated 16,610 MT CO_2 through our EPR Program.

Hazardous & Non-Hazardous Waste

We have implemented waste segregation at sources. We have a stringent waste management system for hazardous and non-hazardous waste generated. We are strengthening our environmental protection policies by focussing on specific issues such as effective storage, handling, transportation, and disposal of hazardous waste generated at our units. Currently, all such waste is disposed of only through dealers authorised by Central/State Pollution Control Boards. During the year, we recycled 15,383 MT and reused 2,422 MT of non-hazardous waste including metal, rubber, and plastic scrap. During the year, there were no significant spills to be reported. We disposed 593 MT of hazardous waste.

Zero

Non-hazardous waste to landfill during FY 2022-23

<1.37%

Total hazardous waste sent to landfill during FY 2022-23

Reduction of plastic use in packaging

- Removal of metallised PET film from our packaging
- Removal of Plastic Strips
- Motor Packaging introduction in Honeycomb Packaging replacing EPS
- Exploring the feasibility of bio-degradable plastic bags for our packaging
- Using pulp-moulded trays for our water heater packaging to replace thermocol
- Using paper-based tapes to replace BOPP tapes in lighter weight packaging
- Using recycling bins instead of plastic packaging for some of our raw materials to be used in production
- AC – sustainable Packaging solution in implementation stage
- Laminate replacing with Paper Bag in implementation stage

Biodiversity Management

We do not conduct any business activity which has an irreversible or negative impact on biodiversity. Also, we do not have any operational sites near high biodiversity value areas or protected areas. We have been proactively working to preserve ecosystems and reduce the accelerated loss of biodiversity through various programmes. 1.8 million trees were planted in Madhya Pradesh, Development of Kanha Upvan land park in Alwar. We are also planning to perform a detailed biodiversity study of our all operations and locations to check the minimal impacts and prepare a roadmap towards becoming nature positive.

HAVELLS

Governance

Board of Directors

Anil Rai Gupta
Chairman and Managing Director

4

Surjit Kumar Gupta
Non-Executive Non-Independent Director

3 5

Ameet Kumar Gupta
Whole-Time Director

1

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

3

Siddhartha Pandit
Whole-time Director

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

4

Puneet Bhatia
Non-Executive Non-Independent Director

2

Committees

Audit Committee	1
Nomination and Remuneration Committee	2
Corporate Social Responsibility & Environmental, Social and Governance Committee	3
Enterprises Risk Management Committee	4
Stakeholders Relationship/Grievance Redressal Committee	5

Member

Chairman

Jalaj Ashwin Dani
Independent Director

3 4 5

Upendra Kumar Sinha
Independent Director

1

Subhash S. Mundra
Independent Director

4 5

B. Prasada Rao
Independent Director

1

Vivek Mehra
Independent Director

3

Namrata Kaul
Independent Director

1 2

Ashish Bharat Ram
Independent Director

2

BOARD SUMMARY

Board Independence

Chief Executive Officer	1
Non-executive Non-Independent Director	3
Whole-time Director	3
Independent Director	7

11+ years

Average tenure of Board members

HAVELLS

Corporate Information

COMPANY SECRETARY

Sanjay Kumar Gupta

AUDITORS

Statutory Auditors

Price Waterhouse & Co
Chartered Accountants LLP

Internal Auditors

Ernst & Young LLP

Cost Auditors

Chandra Wadhwa & Co
Cost Accountants

Secretarial Auditors

Balika Sharma and Associates
Company Secretaries

BANKERS

Yes Bank Limited
HSBC Limited
Citi Bank
Standard Chartered Bank
DBS Bank Limited
HDFC Bank Limited
IDBI Bank Limited
ICICI Bank Limited
IndusInd Bank Limited

REGISTRARS AND SHARE TRANSFER AGENT

Link Intime India Private Limited

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

Listed on

National Stock Exchange of India Ltd.
BSE Limited

REGISTERED OFFICE

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

CORPORATE OFFICE

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

Directors' Report

To
The Members

Your Directors take pleasure in presenting the 40th Annual Report (Integrated) on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2023.

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:

Financial Summary

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	16,868	13,889	16,911	13,938
Other Income	177	160	178	160
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	1,780	1,918	1,777	1,921
Less: Depreciation and amortisation expenses	296	261	296	261
Finance Cost	34	53	34	53
Profit before Tax and Exceptional Expenses	**1,450**	**1,604**	**1,447**	**1,607**
Exceptional Items				
a) Loss due to fire	113	-	113	-
b) Insurance claim receivable	(113)	-	(113)	-
Profit before Tax	**1,450**	**1,604**	**1,447**	**1,607**
Less: Tax	375	409	375	410
Profit for the year	**1,075**	**1,195**	**1,072**	**1,196**
Other Comprehensive Income	(8)	6	(8)	6
Total Comprehensive income for the year, net of tax	**1,067**	**1,200**	**1,064**	**1,203**

Financial year 2022-23 was the first year post COVID-19 disruptions with a stable business environment. We recorded revenue for FY23 at ₹ 16,868 crores, higher by 21.5% over the previous year's revenue of ₹ 13,889 crores.

FY23 profit was at ₹ 1,075 crores as against ₹ 1,195 crores in FY22. Profit margin was at 6.4% in FY23 as against 8.6% in FY22.

Disruptions in the global supply chain with the geopolitical disturbances led to steep run-up in commodity prices. The impact of the same was witnessed on the Company margins as the entire cost escalation could not be passed on to the customers.

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

Havells performance during the year was backed by strong growth across the product verticals. Over the years, Havells has evolved into a formidable FMEG and consumer durable player by seeding new categories and scaling them to create reasonably sized revenue pools.

Switchgear segment reported 18.7% revenue growth supported by pickup in the construction cycle. While the sudden & sharp movements in commodity prices impacted the market sentiments in cables segment, Havells grew the segment revenue by 19.1%. Lighting segment grew by 16.8% with healthy growth from both consumer and professional lighting. Professional lighting accelerated its growth with pickup in industrial and commercial sector.

Despite witnessing a major transition in the fans category during the year, the Electrical Consumer Durables (ECD) segment reported a 7.5% revenue growth. Havells continue to focus on premiumisation of the fan portfolio. The "others" segment which includes motor, solar, pumps, personal grooming and water purifier grew by 25.2%.

Lloyd demonstrated encouraging performance with strong revenue growth of 49% and continued its journey to be a meaningful player in the consumer durable industry. The profitability of the segment was impacted given commodity prices pressures and continued hyper competition in the market. During the year, we commissioned Lloyd Air-Conditioners plant in Sri City (Chittoor District in the State of Andhra Pradesh).

We stayed focussed on innovating, investing in our brands, expanding omni-channel presence, enhancing our digital capabilities and nurturing a strong talent pool. Continuous investment in the latest technology and innovation has helped the organization to stay ahead in a highly competitive landscape. In addition to multiple patents being filed during the year, we launched many new products including Havells Glamtubes and Meditate Air Purifier. Brand remained a key focus area during the year with significantly higher advertising and sales promotion expenditure vs FY22. We ensured that we are reaching out to the customers and making our brand available wherever they are. While steadily growing our distributors/ dealers network vertically and horizontally, we expanded our presence in emerging channels. E-commerce channel grew with a strong product portfolio and deep digital engagement with our consumers. Modern Format Retail (MFR) continues to emerge as a key channel with expanding shelf space at the counters. With emerging rural opportunity, we cemented our position of most penetrated FMEG brand in rural markets.

Backed by revenue growth and strong financial discipline, we continued to generate healthy cash flows. The balance sheet was further strengthened by pre-paying the outstanding borrowings during the year.

Subsidiary Companies, Joint Venture and Consolidated Financial Statements

As on 31st March, 2023, the Company has one direct overseas subsidiary namely Havells Guangzhou International Limited based at China.

The Consolidated Profit and Loss Account for the period ended 31st March, 2023, includes the Profit and Loss Account for the subsidiary Havells Guangzhou International Limited for the complete Financial Year ended 31st March, 2023 and Profit and Loss Account for the subsidiary Havells Holdings Limited for the period upto 27th October, 2022.

The Board of Directors of the Company has, by Resolution passed in its Meeting held on 3rd May, 2023, given consent for not attaching the Balance Sheet of the subsidiary concerned. The Consolidated Financial Statements of the Company including the subsidiary duly audited by the statutory auditors are presented in the Integrated Annual Report. The consolidated financial statements have been prepared in strict compliance with applicable Accounting Standards and wherever applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India. A Report on Performance and Financial Position of the subsidiary included in the Consolidated Financial Statements is presented in a separate section in this Integrated Annual Report. Please refer (Form No. AOC-1) annexed to the Financial Statements in the Integrated Annual Report.

The standalone annual accounts of the subsidiary company and the detailed related information shall be made available to Shareholders of the Company and of its subsidiary company upon request and it shall also be made available on the website of the Company i.e. https://www.havells.com/en/discover-havells/investor-relation/financials/balance-sheet.html

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

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

Havells Holdings Limited (HHL) a wholly owned subsidiary of Havells India Limited (Havells) was incorporated in Feb 2007 in Isle of Man for the purpose of acquiring global lighting business of Sylvania. Since Havells has exited the Sylvania business and all the related obligations have been met, the entity was no longer required. Accordingly, it was decided in a meeting of shareholders held on 18th May, 2022 that HHL be voluntarily wound-up. The due process, as applicable in Isle of Man was followed and winding up of HHL was completed on 27th October, 2022.

Besides, there are no companies which have become or ceased to be subsidiary and/ or associate of the Company during the Financial Year 2022-23.

4. Reserves

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

5. Dividend

In line with the Dividend Policy of the Company which is available in the "Codes & Policies" section in the Investor Relations section on the website of the Company and can be accessed at https://havells.com/content/dam/havells/Corporate_Governance/Dividend_policy.pdf, the Board of Directors, in its Meeting held on 19th January, 2023, declared an interim dividend of ₹ 3.00/- per equity share of face value of ₹ 1/- each, to all the shareholders who were recorded on the register of members as on 28th January, 2023, being the record date fixed for this purpose.

In addition to the Interim Dividend, your Directors are pleased to recommend a Final Dividend @ ₹ 4.50/- per equity share of face value of ₹ 1/- each for the financial year 2022-23.

The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹ 281.93 crores (inclusive of TDS). The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Book Closure Date. The Register of Members and Share Transfer books shall remain closed from 5th June, 2023, Monday to 9th June, 2023, 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 these financial statements relate and the date of this Report.

However, in terms of the Employee Stock Purchase Schemes of the Company, which are administered by Havells Employees Welfare Trust, 2,86,307 Equity Shares of ₹ 1/- each, were approved for Grant on 2nd May, 2023 and Vested (pursuant to the respective Employee Stock Purchase Plan as hereunder) to the eligible employees, which, if exercised, shall result in an equivalent no. of Equity Shares of ₹ 1/- each to be allotted/ transferred to the eligible employees under the respective schemes.

A summary is given below:

	No. of Shares Granted	No. of Shares Vested
Havells Employees Stock Purchase Plan 2014	51,376	51,376
Havells Employees Stock Purchase Scheme 2015	1,35,000	1,35,000
Havells Employees Stock Purchase Scheme 2016*	34,303	20,627*
Havells Employees Stock Purchase Scheme 2022**	65,628	9,043**

* *11,424 Shares vested as 1st tranche out of a total of 34,303 Shares granted for financial year 2022-23; 7,159 Shares vested as 2nd tranche out of a total of 24,942 Shares granted for financial year 2021-22 and 2,044 Shares vested as 3rd tranche out of a total of 8,454 Shares granted for financial year 2020-21.*

** *6,497 Shares vested as 1st tranche out of a total of 65,628 Shares granted for financial year 2022-23; 2,546 Shares vested as 2nd tranche out of a total of 17,733 Shares granted for financial year 2021-22.*

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, 2023.

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

During the financial year 2022-23, no changes took place in the composition of the Board of Directors of the Company.

Further, pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Rajesh Kumar Gupta (DIN: 00002842), Shri T.V. Mohandas Pai (DIN: 00042167) and Shri Puneet Bhatia (DIN: 00143973), are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Shri Anil Rai Gupta (DIN: 00011892), was last re-appointed by the Shareholders of the Company in the Annual General Meeting held on 27th July, 2019 for a period of 5 (Five) years with effect from 1st April, 2019. His term is due to expire next year on 31st March, 2024.

Accordingly, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 3rd May, 2023, approved the re-appointment of Shri Anil Rai Gupta, as the Chairman and Managing Director and the CEO of the Company for a period of another 5 (Five) years to take effect from 1st April, 2024 to 31st March, 2029. The re-appointment is subject to approval of the shareholders in the ensuing Annual General Meeting.

The details of Directors being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by ICSI are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval to the re-appointment of Directors are also included in the Notice.

9. Number of Meetings of the Board of Directors

During the Financial Year 2022-23, the Board of Directors of the Company, met 5 (Five) times on 4th May, 2022, 20th July, 2022, 19th October, 2022, 19th January, 2023 and 25th March, 2023.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Meeting of the Independent Directors of the Company was also held on 25th March, 2023, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

10. Directors' Responsibility Statement

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

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

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

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

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

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

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

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

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

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

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

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its Meeting held on 22nd December, 2014, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **ANNEXURE – 1** and forms part of this Report. The Policy is also available in the Investor Relations section, under the "Codes & Policies" tab, on the website of the Company and can be accessed at the weblink https://havells.com/content/dam/havells/Corporate_Governance/Nomination%20and%20Remuneration%20Policy.pdf

13. Formal Annual Evaluation

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

(i) the Board as a whole,

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

(iii) various Committees of the Board.

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

The Board evaluation exercise for financial year 2022-23 was carried out by way of internal assessments done based on a combination of detailed questionnaires and verbal discussions.

Performance evaluation of the Board and Committees

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

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

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

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

Performance Evaluation of Individual Directors

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

- Display of effective leadership qualities and skill;
- Implementation of observations/ recommendations of Board Members;
- Effective and timely resolution of grievances of Board Members;
- Ability to bring convergence in case of divergent views and conflict of interest situation tabled at Board Meetings;
- Sufficient knowledge of Company strategy and objective;
- Understand their role as Director, as distinct from management;
- Adequate and productive use of knowledge and experience of the Independent Directors for the functioning of Board;
- Efforts for professional development to enable better fulfilment of their responsibilities;
- Ask questions/ critique proposals with confidence;
- Open and effective participation in Board discussions;
- Keep stakeholder interest as the touchstone in endorsing decisions.

Evaluation Outcome

The evaluation brought to the notice that there is adequate flow of information from Company to the Board and the suggestions and recommendations given by the Board are considered for follow up action. The Board Committees are well-managed and functioning excellently. The Committee meetings are held timely with thorough discussions on agenda items and excellent follow up.

The assessment exercise also brought out that all the Directors are excellently contributing in the functioning of the Board. The Chairman well balances the functioning of the Board demonstrating effective leadership. The Board has functioned well and has rigorous discussions. The Board is open and receptive and the members are fully committed to high standards and are transparent.

14. Annual Return

Pursuant to Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company at https://havells.com/en/discover-havells/investor-relation/disclosures.html

15. Auditors

1. Statutory Auditors

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

Statutory Auditors' Report

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

Details in respect of frauds reported by auditors

There were no instances of fraud reported by the auditors.

2. Cost Auditors

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

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Chandra Wadhwa & Co., Cost Accountants (Firm Regn. No. 000239) were appointed as the Cost Auditor of the Company for the year ending 31st March, 2023.

The due date for filing the Cost Audit Report of the Company for the financial year ended 31st March, 2022 was 2nd June, 2022 and the same was filed in XBRL mode by the Cost Auditor within due date.

Disclosure on maintenance of Cost Records

The Company made and maintained the Cost Records under Section 148 of the Companies Act, 2013 (18 of 2013) for the Financial Year 2022-23.

3. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Balika Sharma & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2023.

Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **ANNEXURE – 2**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2023 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s Balika Sharma & Associates, Company Secretaries, Secretarial Auditors.

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

The particulars of loans given, investments made and guarantees provided by the Company, under Section 186 of the Companies Act, 2013, as at 31st March, 2023, are furnished in **ANNEXURE – 3** and forms part of this Report.

17. Particulars of contracts or arrangements with Related Parties

The particulars of every contract and arrangement if entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 in **ANNEXURE – 4** and forms part of this Report.

18. Contribution to Exchequer

The Company is regular in payment of taxes and other duties to the Government. During the year under review your Company paid ₹ 395.84 crores towards Corporate Income Tax as compared to ₹ 426.85 crores paid during the last financial year. The Company has also paid an amount of ₹ 3,618.55 crores on account of GST and Custom duty without any government assistance and support during financial year 2022-23 as compared to ₹ 2,849.67 crores paid alongwith government assistance and support of ₹ 1.02 crores claimed during last Financial Year.

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

The Shareholders vide their Special Resolution dated 9th June, 2014, passed by way of Postal Ballot, have approved inviting/ accepting/ renewing deposits, in terms of the provisions of the 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)

Havells over the years have built a culture where CSR has been deeply integrated with our business philosophy which is reflected in our business accountability and our commitment to the wellbeing of communities and society through our various environmental and social measures. This has led to targeted efforts by the organization for the communities revolving around eight strong pillars of Health and Nutrition, Education, Skill and Development, Sanitation, Environment, Heritage Conservation, Health Care and other Humanitarian Causes.

Some of the key initiatives include:

Meals Distribution (Mid-Day Meal Programme) – A humble beginning that started with serving just 1,500 children across 5 schools increased to serving over 70,000 students across 700+ schools daily in the district. This program has shown a positive impact in the lives of school children which in turn has resulted in increased attendance & enrolment and a reduction in drop-out rates in Govt. Schools wherever mid-day meals are being served. Another impact of this project has been an increase in enrolment of girl child and reduced discrimination, casteism and inequality amongst society.

Hygiene and Sanitation (Distribution of Re-usable Sanitary Napkins) – Over the past few years the Company has played a pivotal role in the areas of hygiene and sanitation. In FY 22-23, we have distributed ~2 Lakh sanitary napkins to adolescent girls. This has resulted in improved attendance, health and cognitive development, increased girls' participation, established positive hygiene behaviour among girl students.

Societal Education and Infrastructure – Education has been one of our focus areas from Corporate Social Responsibility (CSR) standpoint. Havells association with Plaksha University as part of our CSR initiatives started in the year 2021 to make a meaningful impact in technological change and evolution. Infact now our association with Plaksha is one of the biggest from CSR contribution standpoint.

On December 17, 2022, Plaksha University celebrated its first founder day where "Havells Research Building" was inaugurated. This research building will house four cutting-edge research centres – Centre for Clean Energy & Climate, Centre for Digital Agriculture, Centre for Digital Health and Centre for Water Security.

Trees Plantation - Tree plantation has been a regular activity at Havells with the twin purpose to save endangered environment and to preserve flora and fauna. Havells has planted over 18 Lakhs trees in last 5 years in Bhopal, Madhya Pradesh and Neemrana, Rajasthan. The Survival rate of the trees is more than 85% as per the survey conducted by MPRVVN (Madhya Pradesh Rajya Van Vibhag Nigam) on account of regular monitoring, ensuring availability of water supply, involvement of local administration and Panchayat.

Further, the Company has in place CSR & ESG Committee and Policy as per the applicable laws and regulations. The disclosures on the same as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed herewith as **ANNEXURE – 5** to this Report in the prescribed format.

21. Audit Committee

As at 31st March, 2023, the Audit Committee of the Board of Directors of the Company comprised of 4 (Four) Members, namely Shri Upendra Kumar Sinha, Smt. Namrata Kaul, Shri B Prasada Rao and Shri Ameet Kumar Gupta, majority of them being Independent Directors except Shri Ameet Kumar Gupta, who is a Whole-time Director. Shri Upendra Kumar Sinha, an Independent Director, is the Chairman of the Audit Committee. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

22. Enterprises Risk Management Framework

Integrated Risk Management Framework

The Board of Directors of the Company has formed an Enterprises Risk Management (ERM) Committee to frame, implement and monitor the risk management plan for the Company. The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ERM Committee oversees the Company's risk management process and controls, reviews strategic plans and objectives for risk management, risk philosophy, risk optimisation, reviews compliance with risk management policies implemented by the Company and procedures used to implement the same. ERM Committee overviews various risk categories like Strategic risk, Compliance risk, Financial risk, Reputational risk, Operational risk & Reporting risk.

Havells Risk Management & Governance Framework is based on Internationally accepted framework. Our sustainable focus on next Generation Technology, supports an enterprise wide view of risk and their compliance, enabling more holistic approach towards productivity, efficiency and informed decision-making process, within acceptable risk appetite & culture of no surprise.

Company's ERM Coverage includes critical risks relating to entity level, business vertical, functional & process level at all locations across the organisation. ERM Coordinator works closely with business & functional team for identification, monitoring & execution of agreed risk responses. Evaluation of Risk Maturity level & identification of the emerging business challenges are performed under the guidance of ERM Council & Leadership Council. Risk response against the identified risks (including emerging risks) are presented before ERM Committee on a half yearly basis.

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

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

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The company's internal control systems are commensurate with the nature & size of its' business considering both financial & non-financial controls.

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

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

Our IFC process, supports orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Our internal financial control system facilitates in optimum utilization of available resources and protect the interests of all stakeholders.

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

The Company has established a Vigil Mechanism under the name of "Satark" for its Directors and employees to report their genuine concerns or grievances and provides for adequate safeguards against victimization of persons who use such mechanism.

Vigil Mechanism is available for all Employee(s), business associate(s) engaged with the Company, who can report any fraud, irregularity, wrongdoing and unethical behaviour. Designated team investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld. Complaints received under Satark policy are even mapped to the Chairman of the Audit Committee. This Satark policy is also available on the website of the company at https://havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/VigilMechanism_Satark%20Policy.pdf

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

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

26. Compliance with Secretarial Standards

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

27. Employee Relations

The past year the Havells family surged ahead confidently, leaving behind the experiences of the pandemic, but keeping the learning intact in term of speed and agility.

There was renewed focus on enhancing organizational capability for the future. We have created an organization wide Learning & Development (L&D) framework, to cater to the L&D needs across every level in the organization.

To illustrate, we have launched a career development center **'Pragati'** for our frontline salespeople to become first level Managers. We have launched a management development program called **'Unnati'**, for our first level sales managers. Similar initiatives are under progress for mid and senior management. India is a young country and a sizeable future employee base, will be Gen-Z. Hence, we have a very robust program of engaging with campuses for our future young talent requirements. This is being done across functions i.e. Sales & Marketing, E-Commerce, Manufacturing, R&D, Supply Chain, Packaging, etc. From campuses we have made offers for about 212 final placements and 58 summer interns. The idea of taking interns is to give them projects and assess them for PPOs (Pre-Placement Offers) Next Year. The gender diversity in our campus offers is about 24% and overall in the Company, the gender diversity in the Gen-Z community is about 21%.

There is a focused effort on ongoing learning & development of our frontline sales, by leveraging technology, so that we can do this with 'speed & scale'. Our internal Learning Management System (LMS) 'Saksham' is being further augmented to meet the emerging learning needs and enhanced learner experience (LXP).

We completed a Talent Mapping exercise, for critical roles, so that we have clear visibility of our internal talent, for meeting the organization' future growth aspirations.

We have put together a whole new team for our Green Field Project in Sri City, through a combination of internal talent movement and lateral hires. In this plant, we are targeting to maximize gender diversity on the shop floor. Our vision is to make this a role model plant for gender diversity within the Company, by targeting close to 100% women on shop floor.

For the fourth year in succession, we are recognised among 'the Great Place to Work 2023'. Our scores have consistently improved over the years.

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

Nirbhaya

As a responsible employer, Havells has always been conscious of its duty towards prevention and control of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the POSH Act) and has in place a "Nirbhaya" policy for women employees. The Committee conducts interactive sessions, from time to time, to sensitize female employees about the provisions of the POSH Act. The Committee submits an Annual Report to the Audit Committee of the Board of Directors on the complaints received and action taken by it during the relevant financial year. During the Financial Year 2022-23, no complaint was lodged with the Internal Complaints Committee (ICC).

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

Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and are annexed herewith as **ANNEXURE - 6**.

29. Employees Stock Option Plans

The Company has in place 4 (Four) employee benefit schemes, namely, Havells Long Term Incentive Plan 2014 (LTIP 2014), Havells Stock Purchase Scheme 2015 (ESPS 2015), Havells Stock Purchase Scheme 2016 (ESPS 2016) and Havells Stock Purchase Scheme 2022 (ESPS 2022).

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

Promoters, Independent Directors, Directors directly or indirectly holding 10% or above of the equity share capital of the Company, Employees not residing in India or Non Resident Indians (NRIs) are not eligible for the grant of options/ issue of shares under any of the Schemes.

The Company has received a certificate dated 1st May, 2023 from the Secretarial Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Guidelines and the Resolutions passed by the shareholders dated 9th June, 2014 (further amended on 8th July, 2022), 4th December, 2015, 13th July, 2016 and 8th July, 2022 in respect of LTIP 2014, ESPS 2015, ESPS 2016 and ESPS 2022 respectively. The Certificate will be placed at the Annual General Meeting for inspection by Members. There has been no material change in any of the subsisting Schemes. Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, in respect of LTIP 2014, ESPS 2015, ESPS 2016 and ESPS 2022 as at 31st March, 2023 are available on the website of the Company at https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/dislosure_pdf/Disclosures_Pursuant_to_SEBI_Regulations_2021_as_at_31st_March_2023.pdf

30. Credit Ratings

CARE Ratings

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

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

CARE has also reaffirmed the CARE A1+ [A One Plus] rating assigned to the Commercial Paper.

The Corporate Governance practices of the Company are also rated by CareEdge Advisory Research and Training (CART) as **CG2+**. Grading is assigned on a six-point scale with CG 1 being the highest and CG 6 being the lowest. CART's CG grading is a measure of overall performance of the corporate governance on a broad range of parameters such as Board Composition and Functioning, Ownership Structure, Organization Structure and MIS, Shareholder Relationship, Disclosures and Transparency, Financial Prudence and Statutory & Regulatory Compliance.

31. Global Certifications

The list of certifications in FY 22-23 for international markets are given below:-

Certifications received during the Financial Year 2022-23

- BS 7835 BS 6622 BS 7870-4.10 for 11 KV Cables & BS 6724 for 0.6/1 KV Cables
- UL 44 for Thermoset-Insulated Wires and Cables & UL 4703 for Photovoltaic Wire
- BS 7846 (F2 & F120) LV LSZH Sheathed Cable & LV FS Cables

Renewals of Certifications during the financial year 2022-23

- CB certification in accordance of IEC 60335-2-40:2018 in conjunction with IEC 60335 1:2010, IEC 60335-1:2010/AMD1:2013, IEC 60335-1:2010/AMD2:2016 for Large household appliances
- KEMA/ DEKRA certifications in accordance with IEC 60898-1, IEC 60898-2, IEC 60947-3 & IEC 60947-2 for MCB's and Isolators and IEC 61008-1 for RCCB's.

32. Corporate Governance

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

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

33. Environment, Health and Safety

Environment, Health and Safety (EHS) has always been an integral part of the larger ambit of Havells ESG initiatives. Havells Environment, Health & Safety (EHS) strategies are directed towards achieving the greenest and safest operations across all Manufacturing units by optimising the usage of natural resources and providing a safe and healthy workplace.

To address the broader agenda of ESG, during the year Havells had set up a board level ESG Committee led by independent director who along with other key stakeholders will pave the way forward from an ESG standpoint. In addition, Havells has formulated a corporate ESG-CFT under its ambitious Manufacturing Excellence 2.0 Programme Initiatives.

As part of our commitment towards environment, health & safety (EHS) Management, we have implemented a fully integrated EHS Management system at all our manufacturing sites, which are certified by the internationally recognised ISO 14001 & ISO 45001 Standards. The Health and Safety of employees is paramount and Havells stand on Environment, Health and Safety of its employees is clearly outlined in Havells EHS Policy. We also regularly conduct Fire Safety Audits carried out by specialized Third-Party agencies to maintain the requirements of Fire & life Safety Protocols at our manufacturing sites. We have implemented EnMS (ISO 50001), thus achieving improved operational efficiencies.

Safety remains a top priority for Havells and we are committed to providing a safe and productive environment for our workforce and we continue to maintain best health and safety measures across all our manufacturing locations. We strive to upgrade our workforce skills levels through various learning & development programmes throughout the year. Further, at the time of induction, basic Safety trainings are given to all employees and workers at all our manufacturing sites.

Even though our Company does not fall under energy intense sector, we are still mindful of our impact on the environment and are taking progressive steps to minimise the same. Our commitments towards environment protection helps us to improve the company environment footprint examples of activities include 9MW Solar installed capacity, plantation of over 18 Lakhs trees saplings in the last five years. We are continuously exploring opportunities to increase use of recycled water & reduce water consumption across our sites, all our manufacturing plants are equipped with roof top rainwater harvesting system.

Havells was ranked 7th in the electrical equipment section globally in Dow Jones Sustainability Index (DJSI) Assessment. Havells has been consistently ranked in the top 10 global companies for ESG performance in the electrical sector for last four years, in addition to be featured in S&P Global Sustainability Yearbook. Havells has maintained its 'A' rating in Morgan Stanley formulated MSCI ESG Rating. MSCI ESG methodology is formulated to evaluate a company's resilience in the long-term and gauge companies' exposure to ESG risks.

34. Research and Development

We continue to make good progress in R&D transformation with a focus on consumer centricity, critical technology ownership and Innovation leadership. During the financial year 2022-23, our R&D spending was ₹ 163.18 crores, which is 0.97% of total revenue. The key areas for the spending continue to be on people competency, process maturity and infrastructure build-up to be a world-class R&D organization.

Our state-of-the-art Customer Experience and Design (CXD) studio forms the core of understanding the social, emotional and behavioural needs of customers through design thinking and co-creation methodologies, involving our dealers, business teams, industry thought leaders, potential customer groups and design houses around the globe. During the year, our CXD team enabled product innovations like unconventionally beautiful water heaters, LED Glamtubes and Havells studio Meditate air purifiers. All these product launches pushed the current boundaries of design providing consumers with a refreshing and aesthetically superior experience. Throughout the year, CXD won several prestigious and acclaimed products and UX design awards like the Golden pin product design award (for Freedom architectural light), the DIA Design intelligence award (for Freedom architectural light and Vogue Highbay), CII Design excellence award (for Lloyd Elante washing machine and Zella immersion rod), European product design award (for Meditate air purifier UX) and a very special India's Best In-house design studio award.

Our Bengaluru Innovation Centre housing Centers of Excellence (CoEs) on the Internet of Things (IoT)/ Smart Products, Software Engineering, Power Electronics and Engineering Design is leading the way for our transformation to an electronic goods company and more importantly, providing the technical leadership for many of the enabling technologies required for our product segments. The key highlights in this regard include in-house design and development of electronic controllers/ drivers for ACs and LED lights; introduction of IoT-enabled products in AC, fans, water heaters, switches, air purifiers and lights categories; and in-house IoT platform enabling our Smart Products strategy accessed by in-house developed Havells Sync app. With Havells Studio Meditate air purifier, we introduced the first successful application of OTA (Over-The-Air updates) and predictive analytics in products. Our Bengaluru Innovation Center in a short span of time has grown to 115 members and a new floor of office and lab space is added to accommodate the expansion.

The R&D center at Noida forms the basis for Havells brand promise of quality and customer value proposition. Recently, working in collaboration with our Faridabad plant, our Electrical testing/ validation lab was granted accreditation from NABL (National accreditation board of Testing & Calibration Laboratories) - a unique achievement among peer FMEG groups and adding to the tally of our state-of-art labs. We made good progress in the journey of self-sufficiency and ownership of critical technologies with many more product lines in domestic appliances localized to reduce import dependence (like hair dryers, room heaters, hand blenders, toasters, etc.); in-house manufacturing of washing machines starting with semi-auto version; and own designed, developed and manufactured Havells studio Meditate air purifier that uses a technology adapted from Space stations. Our strategic push towards leadership in Industrial Switchgear products has started to deliver now - with the launch of our own designed, developed and manufactured Q-Tron range of circuit breakers. From the onset, the Q-Tron range is benchmarked with the global gold standards and is realized by the strong collaboration of our R&D, manufacturing and vendor ecosystem. Further, progressing our journey of digitizing product development, the use of digital twin and simulation methodologies are now being successfully deployed across most of our product categories augmenting the robustness of our designs.

Overall, we are promoting a culture and mindset of intellectual asset creation. During 2022-23, we applied 38 new patents and 213 new design registrations taking our cumulative tally to 150 and 985 respectively. Our journey of intellectual property protection has started to show results with Havells having a grant of 21 patents. As the disruption is becoming the new normal our strong resolute in R&D has helped to navigate many challenges like materials supply disruptions, cost escalations and changes in customer preferences. The wealth of knowledge and infrastructures that we have created over the last few years will stay with us and will continue to be a source of competitive advantage.

India's Best In-house design studio to Havells CXD


National Accreditation Board for Testing and Calibration Laboratories

CERTIFICATE OF ACCREDITATION

HAVELLS RESEARCH AND DEVELOPMENT LABORATORY

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2017

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

14/3, MATHURA ROAD, FARIDABAD, HARYANA, INDIA

in the field of

TESTING

Certificate Number: TC-10621

Issue Date: 18/05/2022 Valid Until: 17/05/2024

This certificate remains valid for the Scope of Accreditation as specified in the annexure subject to continued satisfactory compliance to the above standard & the relevant requirements of NABL.
(To see the scope of accreditation of this laboratory, you may also visit NABL website www.nabl-india.org)

Name of Legal Entity : Havells India Limited

Signed for and on behalf of NABL

N. Venkateswaran
Chief Executive Officer

NABL accreditation to Havells Faridabad electrical Lab

Havells Meditate Air purifier

Havells QTRON MCCB Range

35. Transfer to Investor Education and Protection Fund

(A) Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred ₹ 65,22,372 during the year to the Investor Education and Protection Fund.

These amounts were lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Final Dividend for FY ended 2014-15 and Interim Dividend for FY ended 2015-16.

(B) Transfer of Shares underlying Unpaid Dividend

During the Financial Year, the Share Allotment and Transfer Committee in its Meeting held on 26th August, 2022, also transmitted 18,006 Equity shares on account of Un-claimed Dividend for FY 2014-15 into the DEMAT Account of the IEPF Authority. These Equity Shares were the Shares of such 30 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2014-15 had been transferred into the IEPF and who had not encashed their dividends for 7 (Seven) years.

The Share Allotment and Transfer Committee, in its Meeting held on 20th March, 2023, also transmitted 8,447 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such 17 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2015-16 (Interim) had been transferred into IEPF and who had not encashed their dividends for 7 (Seven) years.

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

With the transfer of abovesaid shares into IEPF, a total of 2,46,171 Shares of the Company (after taking into account the shares claimed back out of IEPF) were lying in the Demat A/c of the IEPF Authority, hereinabove mentioned, after considering the valid claims made therefrom.

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

36. Shares lying in unclaimed suspense account in electronic mode

As at 31st March, 2023, total 1,72,100 Shares were lying in the Unclaimed Suspense Account in dematerialised form in the Havells India Limited Unclaimed Suspense A/c held with IDBI Bank Limited (DP). The voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares. The rightful owner can still claim his/ her shares from the suspense account after complying with the procedure laid down in the statute regarding the same. The Company had so far transferred 2,27,100 (Two Lakhs Twenty Seven Thousand and One Hundred Only) Equity Shares into Unclaimed Share Suspense Account in terms of Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, 57,000 Shares of ₹ 1/- each were transferred to the rightful owners as approved by the Share Transfer and Allotment Committee. Further, the payment of unpaid/ unclaimed dividend for the last 7 (Seven) years has also been made to the said shareholders.

37. Listing of shares

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2023-24 has already been paid to the credit of both the Stock Exchanges.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE - 7** and forms part of this Report.

39. Business Responsibility and Sustainability Report (BRSR)

As environmental, social and governance (ESG) issues become increasingly important for Companies, the way in which they report on these issues has also progressed. As the world becomes increasingly aware of the impact of business on society and the environment, the concept of ESG reporting warrants significant attention. Over the years Havells always believed in communicating its ESG performance in a transparent manner and in line with global standards to our stakeholders.

Last year i.e., FY 2021-22, we had published our First BRSR report of the Company ahead of the mandate. We are proud to publish our 2nd BRSR of the Company for the year 2022-23. The BRSR would follow the format detailed in the amendment to Regulation 34(2)(f) of SEBI LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and will form a part of this Integrated Annual Report. The BRSR for Financial Year 2022-23 is aligned with the nine principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India. We have further enhanced our existing strong reporting structure and mechanisms to ensure we capture reliable and accurate data for the requirements of BRSR disclosures. We will from this year also get the key BRSR indicators (aligned with GRI standards) validated as part of our sustainability assurance framework. Havells strongly believes that resilient and inclusive growth is only possible on strong pillars of environmental and social responsibility balanced with good governance. The report is a testimony to our continuous efforts towards embracing and implementing balanced approach to ESG parameters in our business operations that are communicated to the stakeholders in addition to our annually published voluntary sustainability disclosures based on globally accepted Global Reporting Initiative (GRI) standards and six capitals-based Value Reporting Foundation's framework on Integrated Reporting that is available on our website at www.havells.com.

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

40. Acknowledgements

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

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

Anil Rai Gupta
Noida, May 3, 2023 Chairman and Managing Director

ANNEXURE – 1

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

Principle and Rationale

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

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

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

Company Philosophy

Havells is an equal opportunities employer. The 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 endeavoured to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and the section on Responsibilities of Board under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the Companies Act, 2013.

Appointment and Remuneration of Managing Director and Whole-time Director

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

In terms of the provisions of the 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;

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

(v) such other officer as may be prescribed.

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

Apart from the directors, the remuneration of

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

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

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

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

Remuneration of other Employees

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

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

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

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

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

General

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

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

ANNEXURE – 2

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HAVELLS INDIA LIMITED [CIN L31900DL1983PLC016304]** (hereinafter called "the Company"). Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 commencing from April 1, 2022 and ended on March 31, 2023 ("Audit Period") complied with the statutory provisions listed hereunder 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 March 31, 2023 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified and came into force;

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

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

4) Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

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

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Not applicable to the Company during the Audit Period

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

Not applicable to the Company during the Audit Period

6) The Employees State Insurance Act, 1948;

7) Employees Provident Fund and Miscellaneous Provisions Act, 1952;

8) Employers Liability Act, 1938;

9) Environment Protection Act, 1986 and other environmental laws;

10) Air (Prevention and Control of Pollution) Act, 1981;

11) Factories Act, 1948;

12) Industrial Dispute Act, 1947;

13) 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 BSE Limited and National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit Period under review, the Company has complied with the provisions of the Acts, Laws and Regulations and guidelines, to the extent applicable, as 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 and Committees thereof 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.

I further report that 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.

All decisions were carried out with unanimous consent and therefore no dissenting views were captured and recorded as part of the minutes.

We further report that 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 as stated above.

We further report that during the period under review:

- The Company has issued and allotted 41,415 Equity Shares for Financial Year 2021-22 to Havells Employees Welfare Trust under the Havells Employees Long Term Incentive Plan 2014.
- The Company has issued and allotted 1,50,000 Equity Shares for Financial Year 2021-22 to eligible Employees under the Havells Employees Stock Purchase Scheme 2015.
- The Company has issued and allotted 13,534 Equity Shares for Financial Year 2021-22 to eligible Employees under the Havells Employees Stock Purchase Scheme 2016.
- The Company has issued and allotted 1,722 Equity Shares for Q4 Financial Year 2021-22 to Havells Employees Welfare Trust under the Havells Employees Stock Purchase Scheme 2022.

For **Balika Sharma & Associates**
Company Secretaries

Place: Delhi
Date: 01.05.2023

Balika Sharma
Proprietor
FCS No: 4816
C P No: 3222
UDIN: F004816E000230756

Note: This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

ANNEXURE – 1

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations & happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company not the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Balika Sharma & Associates**
Company Secretaries

Place: Delhi
Date: 01.05.2023

Balika Sharma
Proprietor
FCS No: 4816
C P No: 3222
UDIN: F004816E000230756

HAVELLS

ANNEXURE – 3

Details of Investments as on 31st March, 2023

Name of Company	Amount (₹ in crores)
Singularity Furniture Private Limited	20.00
Havells Guangzhou International Limited	0.45
TOTAL	**20.45**

Details of Loans as on 31st March, 2023

As at 31st March, 2023, the Company has not given any loan.

Details of Guarantees as on 31st March, 2023

As at 31st March, 2023, the Company has not given any guarantee.

ANNEXURE – 4

Form No. AOC-2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year a) exceeds 1,000 Crore or b) 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.)

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

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

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

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

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

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

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

Anil Rai Gupta
Chairman and Managing Director

Noida, May 3, 2023

HAVELLS

ANNEXURE – 5

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

The CSR programmes and pursuits of the Company are illustrated in the Social & Relationship Capital section of the Integrated Report on page no. 45-48

1. Brief outline on CSR Policy of the Company

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

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

The Corporate Social Responsibility Policy of the Company is available on the website of the Company at https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/CSR_Policy.pdf in the 'Investor Relations Section' under "Codes & Policies".

2. Composition of CSR & ESG Committee

As at 31st March, 2023, the Corporate Social Responsibility & Environmental, Social and Governance Committee comprised of 4 (Four) Members of the Board, 2 (Two) of which were Independent Directors, 1 (One) Non-Executive and 1 (One) was Executive. The Chairman of the Committee is an Independent Director.

S. No.	Name and Designation/ Nature of Directorship	Total No. of CSR & ESG Committee Meetings held during the year – 2	
		Attendance in CSR & ESG Committee Meetings held on	
		4 May 22	19 Oct 22
1	Shri Vivek Mehra,* Independent Director, Chairman	NA	✓
2	Shri Jalaj Ashwin Dani, Independent Director, Member	✓	✓
3	Shri Surjit Kumar Gupta,** Non-Executive Director, Member	NA	✓
4	Shri Rajesh Kumar Gupta, Executive Director, Member	✓	✓
5	Shri B Prasada Rao,*** Independent Director, Member	✓	NA
6	Shri Anil Rai Gupta,*** Executive Director, Member	✓	NA

** Appointed as Member and Chairman w.e.f. 5th May, 2022*

*** Appointed as Member w.e.f. 5th May, 2022*

**** Ceased to be Members w.e.f. 5th May, 2022*

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

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

CSR Policy – https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/CSR_Policy.pdf

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

4. Provide the executive summary along with web-link(s) of Impact Assessment of

CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable.

An executive summary of the Impact Assessment Report is attached as an annexure to this Report and the complete Impact Assessment Report can be accessed at https://havells.com/HavellsProductImages/HavellsIndia/HavellsCSR/Executive-Summary-IAS.pdf

5. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 1,333.98 Crores

   (b) Two percent of average net profit of the company as per sub-section (5) of Section 135: ₹ 26.68 Crores

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (d) Amount required to be set off for the financial year, if any: ₹ 0.72 Crores

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 25.96 Crores

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 26.79 Crores

   (b) Amount spent in Administrative Overheads: Nil

   (c) Amount spent on Impact Assessment, if applicable: ₹ 0.10 Crores

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 26.89 Crores

   (e) CSR amount spent or unspent for the financial year:

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

   (f) Excess amount for set off, if any

S. No.	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	26.68 Cr
(ii)	Total amount spent for the Financial Year (including amount required to be set off for the financial year as referred in Pt No 5(d) above)	27.61 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.93 Cr
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.93 Cr

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ In Crores)	Balance Amount in Unspent CSR account under sub-section(6) of section 135 (₹ In Crores)	Amount Spent in the Financial Year (₹ In Crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ In Crores)	Deficiency, if Any
					Amount (₹ In Crores)	Date of Transfer		
1	2021-22	12 Cr	12 Cr	4 Cr	0.09	29.09.2021	8 Cr	Nil
2	2022-23	-	8 Cr	4 Cr			4 Cr	Nil

Note: The company had earned an interest of ₹ 0.41 crores in FY 2022-23 (0.48 crores in FY 2021-22) on the funds in CSR unspent bank account during the year, which is proposed to be spent in FY 2023-24 on ongoing project.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

Yes

If Yes, enter the No. (amount) of Capital assets created/ acquired ₹ 14.55 Crores

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of Creation	Amount of CSR Spent (₹ in crores)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	CSR Registration Number, if applicable
(1)	(2)	(3)	(4)	(5)	(6)		
1	Building Infrastructure (Work-in-Progress) Plaksha University, Block B, Sector 101, Alpha, SAS Nagar, Punjab	140306	01.04.2022	4.68	CSR00002211	Reimagining Higher Education Foundation	302, Gopal Heights, Netaji Subhash Place, New Delhi - 110034
2	Building Infrastructure (Work-in-Progress) Plaksha University, Block B, Sector 101, Alpha, SAS Nagar, Punjab	140306	01.04.2022	7.67	CSR00002211	Reimagining Higher Education Foundation	302, Gopal Heights, Netaji Subhash Place, New Delhi – 110034
3	01 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	08.04.2022	0.01	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
4	01 Office Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	20.07.2022	0.01	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
5	01 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	24.08.2022	0.01	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
6	05 Bolero Pick Up QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	03.09.2022	0.51	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
7	16 Bolero Pick Up QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	13.03.2023	1.53	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
8	70 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	28.03.2023	0.04	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
9	180 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	30.03.2023	0.09	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 - **NA**

Anil Rai Gupta
Chairman and Managing Director

Vivek Mehra
Chairman CSR & ESG Committee

Noida, May 2, 2023

IMPACT ASSESSMENT STUDY OF CSR PROJECTS OF HAVELLS INDIA LIMITED

Prepared by: RRCO Consulting Private Limited

HAVELLS CSR

Terms of Reference, Objective & Approach to IAS

- Social and environmental responsibility has always been at the forefront of Havells India Limited (HIL) operating philosophy and as a result HIL consistently contributes to socially responsible activities and has taken up multifarious initiatives and implemented several projects in the eight pillars.

Eight pillars of HIL's CSR

- HIL has appointed our company "RRCO Consulting Private Limited" to conduct the Impact Assessment Study (IAS) of its following CSR Projects for the FY 2020-21 ('the Study/ Review Period').
    - Distribution of re-usable sanitary pads (hereinafter referred to as "Project 1")
    - Trees Plantation work (hereinafter referred to as "Project 2") in Bhopal (Madhya Pradesh)

Objectives of IAS

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

Approach to the Study

1. Initial Discussion with management of HIL to obtain an understanding of project & objectives envisaged →
2. Data requirement checklist shared with HIL and Implementing Agency (IA) in line with the study scope/ objectives →
3. Discussion with the management of IA/ Partners and/ their team implementing the project →
4. Review of documents provided by HIL & IA for carrying out participatory assessment comprising of various stakeholders →
5. Project site visit to obtain an understanding of implementation process and interaction with beneficiaries →
6. Assess the present and probable impact of the project

HIL's CSR Projects – Overall assessment

PROJECTS	DISTRIBUTION OF REUSABLE SANITARY NAPKINS - PROJECT 1	TREES PLANTATION (BHOPAL) – PROJECT 2
KEY EVALUATION PARAMETERS/ CRITERIA		
Relevance	Project was found to be relevant and addressing a felt need in the desired area.	Project was found to be relevant and addressing a felt need in the desired areas.
Effectiveness (Objective Achieved)	• Self Confidence and Increased Awareness levels including pain management • Improvement in Attendance • Shifting from Cloth/ Expensive pads to Reusable Sanitary Napkins	Short Term (Project is in nascent stage)
Efficiency (Fund Utilization)	Funds utilized for the Purpose envisaged	Funds utilized for the Purpose envisaged
Efficacy (Interactions with Stakeholders to assess their satisfaction levels	189 Beneficiaries (116 Girls & 73 Women), QRG Foundation & Implementation Partners (Baala Triple E Care LLP & 3 NGOs)	20 Stakeholders -14 Employees (comprising Project Ranger Officers, Assistant Project Managers, Forest Guards & Watch and Ward staff), Village Sarpanch & 5 labourers.
Documentation Accessibility	MoUs, Fund Utilization details, Publicity, Feedback letters, Media Report, List of NGOs/ Agencies/ Schools wherein reusable sanitary pads distributed, Site Visit	MoU, Annual Appraisal Reports, Soil Testing Report, Training Certificate, Utilization details, Newspaper clipping, Site Visit
Sustainability	• Till now more than 4,00,000 Reusable Sanitary Pads kits have been distributed. Further, mechanism for distribution through Agencies/ NGOs & infrastructure is in place for enabling scalability. Volunteers have been adequately trained for conducting/ handling workshops. • Pads are considered to be expensive and people are shifting to reusable sanitary napkins & in this way attendance is also improving but still there are social taboos in the mind of people which need to be changed so the program will be sustainable.	Basis our naked eye assessment and that of villagers, survival rate of plants is around 75%-80% and density of forest has increased. Therefore, long term targets need to be discussed and defined post interaction with MPRVVN as to whether 80% would be sustained. In case, the plants get destroyed in the year of plantation, the same are replanted in the next year and this process is possible in the initial 1 to 2 years. It is therefore essential to look at sustainability of survival rate in the medium term at the end of 5/6 years post plantation to understand the overall impact.
Overall Impact	Though Self Confidence and awareness level have increased & people have shifted from cloth/ expensive pads to reusable sanitary napkins, still there exist challenges to be addressed like religious taboos which is most strongly observed, women in slum areas don't take medicine for pain management and don't discuss about menstruation. Need felt for spreading increased awareness through periodic workshops/ programs.	Short term objective of providing employment and enhancing the livelihoods for people met (16,00,000 teak saplings planted since 2019 till 31st March 2023 under Vidisha - Raison Project Board/ Division). However, overall socio economic impact can be assessed in long term in terms of soil fertility, creation of carbon sink and economic viability. Further, survival rate needs to be visited.

ANNEXURE – 6

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

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration (excluding Commission) of each director to the median remuneration of the employees of the Company for the financial year	- Ratio of the remuneration of Shri Anil Rai Gupta, Chairman and Managing Director to the median remuneration of the employees – **74:1** - Ratio of the remuneration of Shri Ameet Kumar Gupta, Whole-time Director to the median remuneration of the employees – **29:1** - Ratio of the remuneration of Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO – **66:1** - Ratio of the remuneration of Shri Siddhartha Pandit, Whole-time Director – **11:1**
(ii)	Percentage increase in remuneration (excluding Commission) of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	- Shri Anil Rai Gupta, CMD – **11 %** - Shri Ameet Kumar Gupta, WTD – 1**0.84 %** - Shri Rajesh Kumar Gupta, WTD (CFO) – **11.11 %** - Shri Siddhartha Pandit, WTD – **6.29 %** - Shri Sanjay Kumar Gupta, CS – **7.55 %**
(iii)	Percentage increase in the median remuneration of employees in the financial year	**4.58 %**
(iv)	Number of permanent employees on the rolls of company	**6,822** Employees
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	- Average increase in remuneration of Managerial Personnel – **10.55 %** - Average increase in remuneration of employees other than the Managerial Personnel – **9.80 %** The top-level compensation is linked to Profit Before Tax.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

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

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

ANNEXURE – 7

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

At Havells, our continuous approach is towards achieving maximum energy efficiency in our operations and products. We do it through implementing one of the best Energy Management Systems (ISO 50001-EnMs), Cutting Edge Technology and dedicated Research & Development Centres. During 2022-23 Havells undertook 42 projects towards conservation of energy. For optimising the energy requirement, replacing the motors and pumps with energy efficient motors is one of the key element. Also, initiatives are taken up for saving energy through control of idle running of machines and conveyors. Through our initiatives, we were able to mitigate 1711 tons of CO_2 emissions thereby contributing to combatting climate change. Details for the projects is given below:

Description of the project	Energy saved per year (kWh)	Capital Expenditure incurred in purchase of energy conservation equipment (₹)
Energy Saved due to Optimization of motors and pumps	0.79 Lakhs kWh	8.00 Lakhs
Process Optimization and Elimination of Ideal running of machines and equipment	0.01 Lakhs kWh	Nil
Savings through Installation of New machines, technology (dryer installation, energy efficient fans, etc.)	20.59 Lakhs kWh	144.83 Lakhs
TOTAL	**21.39 Lakhs kWh**	**152.84 Lakhs**

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

Energy saving using Solar Energy is another important drive Havells has taken. Through this addition of solar power, at present solar power generation capacity is 9.0 MW, which is about 8.1 % of total electricity consumption. Through our initiatives, we were able to offset 7331 tons of CO_2 emission by Solar. Projects are identified to add solar panels during 2023-24 and to enhance the operating efficiency of existing solar generation system.

(iii) Capital Investment on Energy Conservation Equipments

During the financial year the Company has invested ₹ 152.84 Lakhs for alternate sources of energy and new technology. A focused action is on to identify opportunity for identifying all such equipment and machinery wherever new technologies are available which can help in optimizing energy requirements.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

Havells R&D Commitment:

Havells is leading the benchmark among FMEGs (Fast Moving Electrical Goods) in India with its well-established R&D capabilities. With the focus on Innovation as one of the main pillars for growth, we are investing significantly in R&D competency and infrastructure build-up. Our efforts are centered around the three Research and Innovation centers:

1. Havells Customer Experience and Design (CXD) studio based out of Noida which plays the vital role of understanding evolving consumer needs and key factors driving their preferences through advanced design thinking and research methodologies paving the way to consumer-centric product and user experience designs.

2. Bengaluru Innovation Center continues to lead the ownership of critical and future technologies delivering specific platform-based solutions that are applied across multiple business segments, thus enabling our products to maintain a competitive edge and gain from the synergies of the underlying technology platforms.

3. The R&D center at Noida powers the quality and reliability core of Havells brand promise with state-of-the-art facilities for prototyping, endurance testing, materials characterization and advanced methods like simulations-based designs across the complete product portfolio.

The Company's emphasis is on nurturing an Innovation culture and building long-term intellectual assets. A year-on-year increase in the number of IP filings and prestigious awards from domestic and international accredited bodies is a living testimony of these efforts.

Basic Tenets of Technology Absorption:

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

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

SMART Connected Products

Havells R&D vision is focused on going deeper into consumer life and homes in smart, healthy and intelligent ways. This year we expanded our range of smart products to include the Glamax light range providing connected and customizable mood lighting options, Smart IoT pump and Smart Monoblock switch panel for home automation. Beyond products, our own IoT platform continues to power the Havells Sync app for a seamless consumer experience from purchase to usage. Our IoT platform supports multiple communication protocols like Wifi, Bluetooth mesh, Zigbee topology and even ODV (On Device Voice) for direct voice commands.

Havells Glamax Smart Bulbs

Adherence to Regulations and Standards:

We are addressing the ever-increasing drive toward energy efficiency for electrical and electronic products.

The Bureau of energy efficiency (BEE) introduced mandatory Star ratings for ceiling fans from 1st January, 2023. From the release of this mandate in June 2022, with a well-coordinated effort between business, R&D and manufacturing teams we managed updates and registration of our Fans portfolio within the stipulated timeline.

Another key BEE mandate this year was an increase in the energy efficiency index for AC Star ratings. All AC SKUs are upgraded to keep up with a more stringent requirement, specifically for 5-Star variants, it meant major upgrades in terms of updated compressor design, change to BLDC motor, electronic valve controls and chassis design changes.

Specific Efforts of Technology Absorption

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

- **Democratizing technology for seamless consumer experience:** Havells Studio Meditate air purifier with Space tech. is a great testimonial of our efforts towards in-house designed, developed and manufactured air purifiers. Apart from being aesthetically superior, it hosts many industry-first features like TiO2-based photocatalytic disintegration of VOCs (Volatile Organic Compounds like microbes, etc.), a mobile AQI unit for real-time air quality check across the space and an intelligent user interface with predictive analytics.

Havells Meditate Air purifier

Our in-house designed and developed Q-Tron industrial circuit-breaker range sets up a benchmark with global standards, driving us ahead of domestic players, a feat achieved by a relentless pursuit of excellence over the last couple of years, well supported by our manufacturing and vendor ecosystem.

Havells QTRON MCCB Range

Our current tally of highly energy-efficient BLDC fans stands at 22 models (vs 2 models in 2020) and we expect this range of fans to increase share in our total portfolio in the coming years.

Havells Bianco Bronze Astura BLDC

- **Pushing design boundaries with new forms and features:** For long, light battens have followed the conventional linear shape with opaque end caps. With LED Glamtubes, we broke this monotonicity by introducing aesthetically superior designs with endless glow achieved by new manufacturing processes. Another breakthrough along the same lines is the Nimbus bezel glow downlights presenting differentiated aesthetics (compared to the conventional downlights) with higher lumen output. This has been achieved through innovative play of light optics to create a reflection of the emitted LED light through the bezel to give the effect of "illuminated bezel" or "rim-less panels".

Glamtubes

Nimbus Light

In water heaters, Havells launched an unconventionally beautiful range of storage water heaters- Otto and Orizzonte with unique circular designs and AC-type space-saving designs respectively along with features like digital display, color-changing LED and remote control. All these products have been extremely well-received by our consumers.

Otto and Orizzonte Storage water heater

- **Reduction in import dependence and contribution towards Make in India:** In domestic appliances, we are on a path of self-reliance by reducing our import dependence. This year we have localized Hair dryers, Hand blenders, Toasters and Radiation type room heaters. This is being done in close collaboration with our local vendor base thereby pushing the "Make in India" proposition to newer heights.

- **Lloyd Consumer Goods:** Lloyd ACs introduced ODV (On Device voice) feature allowing direct voice commands by users without the need for any Wifi or Bluetooth connection delivering the ultimate hassle-free experience. Other key features of ACs introduced this year include AQI (air quality indicator) and a 5-Star variant of hot and cold AC with an operating temperature range of -10 to 52 degree Celsius.

Heavy Duty AC IAQ

- **Pumps and Motors:** We expanded our product lines by introducing Sewage submersible pumps and multi-stage booster pumps. Our complete motors portfolio is now IP66 certified.

Submersible pump

- **Solar products:** This year we have launched a range of Solar Power conditioners that provides consumers with solar and grid preferential usage modes with Maximum power point tracking (MPPT) Battery charger that reduces switching losses and better energy harvest.

Havells 1KW Solar PCU

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

With our R&D endeavour of democratizing technology through customer-centric innovations, in FY 2022-23, we have completed 342 NPD (New Product Development) projects.

To further augment our product development capabilities newer Simulation methodologies related to drop-tests for physical products, packaging validations and plasma-arc physics are in the advanced stages of deployment. With these interventions, we aim at reducing the cycle time of product development along with increased feature iterations to deliver highly optimized and superior products.

Our focus continues to be on long-term IP creation. During FY 2022–23, we have added 38 new patent applications and 213 new design registrations increasing our cumulative tally to 150 and 985 respectively. Our journey of intellectual property protection has started to show results with Havells having a grant of 21 patents.

Throughout the year we have received awards and recognitions from acclaimed local and global bodies in the fields of design, technology and Innovation. The following is to list of the major awards and grants:

- India's Best Design In-house Studio Award 2022 to Havells CXD
- National accreditation board of Testing & Calibration Laboratories (NABL) accreditation to Havells Faridabad plant electrical lab
- Consumer survey of Product Innovation, Product of the year 2022 to Lloyd Elante washing machine
- European product design award to Meditate UX
- Golden Pin design award to Freedom architectural light
- DIA Design Intelligence award to Freedom architectural light and Vogue Highbay
- CII Design Excellence award to Vogue Highbay and Lloyd Elante washing machine

Indias Best In-House Design Studio Trophy

National Accreditation Board for Testing and Calibration Laboratories

CERTIFICATE OF ACCREDITATION

HAVELLS RESEARCH AND DEVELOPMENT LABORATORY

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2017

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

14/3, MATHURA ROAD, FARIDABAD, HARYANA, INDIA

in the field of

TESTING

Certificate Number: TC-10621

Issue Date: 18/05/2022 Valid Until: 17/05/2024

This certificate remains valid for the Scope of Accreditation as specified in the annexure subject to continued satisfactory compliance to the above standard & the relevant requirements of NABL.
(To see the scope of accreditation of this laboratory, you may also visit NABL website www.nabl-india.org)

Name of Legal Entity : Havells India Limited

Signed for and on behalf of NABL

N. Venkateswaran
Chief Executive Officer

NABL Certificate

Various product and design awards

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

(iii) Technology import and absorption (imported during the last three years reckoned from the beginning of the financial year)

Arc Fault Detection: This technology for fault detection and protection in electrical circuits was imported from Western Automation, Ireland in the year 2019. It was fully absorbed and used in the AFDD range of circuit breakers during the previous financial year ended on 31st March, 2022.

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

The expenditure incurred on Research and Development

(₹ in Crores)

Particulars	2022-23	2021-22
(a) Capital	15.09	6.28
(b) Recurring	148.09	103.98
TOTAL	**163.18**	**110.26**
Total R & D expenditure as % of Total Turnover	**0.97%**	**0.79%**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

We are continuing our investments on People, Certifications & Product Development with a deeper focus on the developed markets. We are also strengthening our efforts on Brand Building at focused geographies and building new channel partners across different geographies.

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

(₹ in Crores)

Particulars	2022-23	2021-22
Foreign Exchange earned	364.58	455.47
Foreign Exchange used	2,937.63	2,334.85

For and on behalf of

Board of Directors of Havells India Limited

Anil Rai Gupta

Noida, May 3, 2023 Chairman and Managing Director

Business Responsibility & Sustainability Reporting

FOREWORD

The world faces a set of risks that feel both wholly new and eerily familiar. The ongoing decade will be characterized by environmental and societal crises, driven by underlying geopolitical and economic trends. The recently published Global Risks Report 2023 by the World Economic Forum emphasizes that environmental risks will dominate the top 10 risks over the current decade. Failure to address this risk could result in severe consequences for the economy as a whole. Companies, at large, need to focus not just on integrating ESG strategy into their value story but also on communicating this strategy and vision to its stakeholders. The past year, Havells continued to focus on the aspects of Environment, Social and Governance (ESG) that would work towards an inclusive society, which is stronger and more resilient.

Our business sustainability is the key metric for our entry and expansion into any new category. Sustainability is not confined to Environment, Social and Governance, it is in each aspect of the organization whether it is quality of the product or efficient utilization of resource in the manufacturing process. Energy efficiency and emission reduction are our key drivers in our overall ESG strategy to increase resilience towards climate change. During F.Y. 2023, we had undertaken multiple key energy efficient measures such as:

- Launching of fans with BLDC motor technology which saves ~ 50% power consumption in comparison to traditional fans.
- In Washing Machines category ~ 90% of our products are energy efficient and BEE star rated. Further, we have reduced water consumption during water testing in manufacturing by usage of re-cycled water.
- In Desert cooler category, design optimized for reduced power consumption by ~15%. Further, developed BLDC motor for air cooler resulting in power consumption saving by ~ 40%.

In the fiscal year 2022-23, we eliminated ~ 9,042 tC02 on account of implementation of over 40 energy conservation projects and through green electricity usage (solar renewable energy). Over the years, we have been working persistently towards reducing our carbon footprint and use of natural gas-based furnaces. In FY 2023, we had reduced Scope 1 Intensity by ~ 72% and Scope 2 Intensity by ~ 59% from the base year i.e., FY 2013.

We are progressively including material circularity in our product design and processes while ensuring high quality and durability. We also undertake rigorous testing of our products and provide post-sales services to increase their shelf life, thereby reducing requirements for natural resources. Being an industry leader in our business, we have a responsibility to think ahead of the curve and provide stewardship in the way we serve our customers and consumers. On the social front, we inaugurated one of biggest stores pan India which is being managed and run by 100% female staff at Bhubaneshwar. Further, at our newly commissioned plant in Sri City, we are targeting to run the entire operations by 100% female workers.

Havells strongly believe reporting company's performance on environmental and social aspects is as vital as reporting on financial and operational performance. At Havells, Social and Environment responsibility has always been at the forefront of our operating philosophy. Havells has been consistently ranked in the top 10 global companies for ESG performance in the electrical sector for last four years, in addition to be featured in S&P Global Sustainability Yearbook.

From this fiscal year i.e., 2022-23, compliance with Business Responsibility & Sustainability Report (BRSR) requirements is mandatory for the top 1,000 companies. In order to provide disclosures on Havells' ESG Practices and priorities in fiscal year 2022-23, we will be reporting on key leadership indicators voluntarily in addition to mandatory essential indicators. With a commitment to set standards for our business, transactions based on mutual trust and building long-term relationships with all our associates, customers, partners, and employees, we present our 2nd BRSR for the financial year 2022-23. Havells has widened the scope of its limited assurance on key non-financial sustainability indicators to include assurance on quantitative indicators of BRSR principles in addition to GRI indicators as per ISAE 3000 (Revised).

Regards,
Ameet Kumar Gupta
Whole Time Director

HAVELLS

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. **Corporate Identity Number (CIN) of the Listed Entity -** L31900DL1983PLC016304
2. **Name of the Listed Entity -** Havells India Limited
3. **Year of incorporation -** 1983
4. **Registered office address -** 904, 9th Floor, Surya Kiran Building, KG Marg, Connaught Place, New Delhi – 110001
5. **Corporate address -** QRG Towers, 2D, Sector – 126, Expressway, Noida – 201304
6. **E-mail -** sustainability@havells.com
7. **Telephone -** 0120-3331000
8. **Website -** www.havells.com
9. **Financial year for which reporting is being done -** FY 2022-23
10. **Name of the Stock Exchange(s) where shares are listed -** (a) The National Stock Exchange of India Limited (b) BSE Ltd.
11. **Paid-up Capital -** ₹ 62,65,09,738 as of 31st March 2023
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report –**
    Shri Nitin Singh –
    Telephone no.: 0120-3331000
    e-mail id: Nitin.Singh@havells.com
13. **Reporting boundary -** Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) –
    The disclosures are made on Standalone basis

II. PRODUCTS / SERVICES

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Switchgears	Switches, Domestic Switchgears, Industrial Switchgears, Capacitors, Automation and Control	12.6
2.	Cables	Power Cable and Flexible Cables	32.8
3.	Lighting and Fixture	Professional Luminaires and Consumer Luminaires	9.5
4.	Electrical Consumer Durables	Fans, Small domestic appliances and Water Heaters	19.5
5.	Lloyd Consumer	Air Conditioners, Refrigerator, Washing Machine Televisions, and other domestic appliances	20.0
6.	Others	Motors, Solar, Pump, water purifiers and Personal Grooming Products	5.6

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Cables	27320	32.8
2.	Switchgears	27103	12.6
3.	Electronic Consumer Durable	27501, 27502, 28132, 27503, 25931, 27504 & 28195	19.5
4.	Lighting and Fixtures	27400 & 43213	9.5
6.	Lloyd Consumer	28192, 27501 & 26401	20.0

III. OPERATIONS

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

Location	Number of plants	Number of branch offices	Total
National	15	35	50
International	0	3	3

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	70+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Havells International Business contributes approximately 2.9 % of the Company's overall business. Our vision is to increase this contribution with accelerated growth in products including air conditioners, cables, fans and switchgears. We are presently supplying to more than 70 countries across the globe. During the past years, we have invested heavily on HR resources, products, and channels to achieve the accelerated growth in International Business and currently developing a road map to enter the developed markets including Europe, US and Australia.

c. A brief on types of customers

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

Havells is now the most penetrated FMEG company in rural markets also, where we have gained market share across categories along with increased distribution penetration under "Rural Vistaar" initiative. We have launched over 380 exclusive stores "Havells Utsav" for reaching towns with population of less than 10,000. Over the years, we have evolved keeping pace with the changing consumer preference and multiplied our GTM into a multi-channel offering. Our channels for urban markets comprise of Dealers, Distributors, E-commerce, Brand Shops, Modern Format Retail, CSD/CPC canteens, and Projects.

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	6,090	5,820	95.57%	270	4.43%
2.	Other than Permanent (E)	7,224	6,530	90.39%	694	9.61%
3.	Total employees (D + E)	13,314	12,350	92.76%	964	7.24%
	WORKERS					
4.	Permanent (F)	443	409	92.33%	34	7.67%
5.	Other than Permanent (G)	17,101	16,002	93.57%	1,099	6.43%
6.	Total workers (F + G)	17,544	16,411	93.54%	1,133	6.46%

Note:- The figure of permanent employee (6,090) does not include 6 directors and 283 apprentices.

b. Differently abled Employees and workers:

We have 11 differently abled male employees accounting for 0.17% of employee strength and 2 differently abled male in contractual workforce.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFRENTLY ABLED EMPLOYEES					
1.	Permanent (D)	6	6	100%	0	0%
2.	Other than Permanent (E)	0	0	0	0	0 %
3.	Total employees (D + E)	6	6	100%	0	0 %
	WORKERS					
4.	Permanent (F)	5	5	100%	0	0 %
5.	Other than Permanent (G)	2	2	100%	0	0 %
6.	Total workers (F + G)	7	7	100 %	0	0 %

19. Participation/Inclusion/Representation of women

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

**Excluding BOD*

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

In FY 2023, a lot of initiatives have been taken on talent retention and engagement at the company level. For retention of existing talent under managerial level, we have introduced a Talent Mapping exercise and identified employees who can be given larger roles in future to create career paths. We have launched a career development center "Pragati' for our frontline salespeople to become first level Managers and a management development program called "Unnati", for our first level sales managers. 360-degree survey has been launched for senior leaders.

We have a very robust program of engaging with campuses for our future young talent requirements. In line with the organizational growth aspirations and to ensure that our people are constantly in a state of future readiness, though we have developed an L&D strategy, to address the learning needs at every level of the organizational hierarchy. All of these has helped us to decrease our attrition rates as compared to last year. Some of initiatives are delivered through instructor lead training and others through online portal using our LMS platform - Saksham. For the fourth year in succession, we have been recognized as "Great Place to Work' in India and our scores have consistently improved over the years, which has led to, Havells India Limited being recognized as India's Best WorkplacesTM, among Top 50 large organizations. This recognition identifies us as having successfully inspired our employees to innovate, by fostering a culture that encourages and empowers them to try new and better ways of doing things. Please find the trend for last 3 years below:

Particulars	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.67%	1.20%	17.87%	15.73%	0.92%	16.65%	9.41%	0.64%	10.05%
Permanent Workers	3.16%	0.67%	3.83%	3.99%	0.22%	4.05%	5.99	0.31%	6.31%

Note:- In calculation of attrition rate for permanent employee, total permanent employee (6,090) numbers does not include 6 directors and 283 apprentices.

V. HOLDING, SUBSIDARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURE)

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

No material subsidiary is present.

VI. CSR DETAILS

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

(ii) Turnover (in ₹): ₹ 16,868 crores

(iii) Net Worth (in ₹): ₹ 6,614 crores

VII. TRANSPARENCY AND DISCLOSURE COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2023			FY 2022		
	(If yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	YES	-	-		-	-	
Investors (other than shareholders)	YES	-	-		-	-	
Shareholders	YES	3	0	Source: Stakeholder Relationship Committee	2	0	
Employees and workers	YES	10	0	Concerns and suggestions received through various formal and informal modes	16	0	
Customers*	YES	7,701	0	Concerns and suggestions received on social media, Consumer email id and central feedback number	6,741	0	Concerns and suggestions received on social media, Consumer email id and central feedback number
Value Chain Partners	YES	2	0		8	0	
Other (please specify)	-						

** Number includes only grievances / escalations.*

Customer Service and satisfaction are the focus areas of Havells, and we truly believe in providing best service to our customers. We aim at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. Havells has established a structured grievances redressal mechanism. We are committed to encouraging openness, promote transparency and to report improvements without fear of rebuttal. Havells follows 'Zero Tolerance' Policies w.r.t non-compliance and committed to creating a culture that encourages high standards of ethics and upholds decent and safe working conditions for all workforces. There is a defined mechanism to protect our intellectual property such as trademarks, logos, patents and design of our products by registering under relevant acts. We also have a process of reporting the whistle blower complaints under "Satark" to the Board on an annual basis and to our external auditors on a quarterly basis. Please refer page no. 136 of the IAR for detailed information on grievance redressal.

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

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

Please refer to the materiality page and risk management page in IAR (page no. 28 & 67)

HAVELLS

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	c. Web Link of the Policies, if available	https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Organization wide the below ISO certification has been taken up ISO 9001, ISO 14001, ISO 50001, ISO 45001, ISO 27001. We are BIS compliant.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to IAR, page no. 26								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) - Please refer to IAR Chairman Message, page no. 10									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Shri Ameet Kumar Gupta Designation: Whole Time Director DIN: 00002838								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Name: Shri Ameet Kumar Gupta Designation: Whole Time Director DIN: 00002838								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	On periodic basis the ESG performance of the company is reported to the executive committee of Board and follow up actions are mapped out								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Compliance report across all statutory requirement is submitted to the Directors on monthly basis and to audit committee on quarterly basis. In addition, Control Manager tool is used to track and enforce 100% compliance								

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

P1	P2	P3	P4	P5	P6	P7	P8	P9
Y	Y	Y	Y	Y	Y	NA	Y	Y

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness Programs
Board of Directors	6	Familiarization programs are carried out by way of exhaustive presentations on various topics/ areas such as Enterprise Risk Management, Cybersecurity and Information Security, Brands and Marketing Strategy etc.	100 %
Key Managerial Personnel	6		100%
Employees other than BoD and KMPs	1	All employees are required to undergo and sign off the Code of Conduct, Anti-Corruption and Anti-Bribery Policy, Idea (Innovative thinking and creativity in the group / for any suggestions), Satark (for Right Doing under Vigil Mechanism) and Nirbhaya training (under POSH)	100%
Workers	1	Workers are required to undergo training on the Safety and Code of Conduct	100%

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

   There were no material fines/ penalties/punishment/ award/compounding fees/ settlement amount of material paid in proceedings by the directors/ KMPs to regulators/ law enforcement agencies/ judicial institutions during FY 2023.

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

   Not applicable

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

   Yes, Havells has policy for anti-corruption or anti-bribery policy. Please refer to link: https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html. Havells India Limited does not tolerate corruption or bribery in any form and expects its employees to fully comply with requirements of all applicable anti-corruption laws, Havells' Code of Conduct and that of this Policy. We expect strict adherence to ethical and transparent actions from all our employees and have zero tolerance to violations. The employees are forbidden to accept donations, discounts, favors, or services from an existing or potential client, competitor, supplier, or service provider. In addition, every employee has to provide an annual declaration of adherence to the policies.

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

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

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

   No complaints received in relation to issues of Conflict of Interest of the Directors in FY 2023.

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

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

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total Number of awareness programmes held	Topics/Principle covered under the training	% of value chain partner covered (by value of business done with such partners) under the awareness programs
Multiple training/Awareness sessions carried out during the year	P1, P2, P3, P4, P5, P6, P7, P8, P9	100% of upstream, downstream value chain partners and employees have been covered.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Yes. The company has various codes and policies in order to avoid/manage conflicts of interest, involving members of the Board. Havells obtains a mandatory declaration from its Board members. The declaration ensures that the members of the Board are in compliance with the Code of Ethics and the same is applicable to all the Directors, Senior Management and all employees of the entire Havells Group. It helps in maintaining and following the standards of business conduct of the Company. The purpose of the Code is to deter wrongdoing and promote ethical conduct in the Company. Refer to this link: https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html.

PRINCIPLE 2

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

Essential Indicators

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

   Havells India has a systematic approach w.r.t product stewardship and our R & D team is dedicated to design and develop product to safeguard environment by improving energy efficiency, reducing water uses, minimizing waste generation, adopting Lean manufacturing with reduced material use apart from continuous quality improvement, durability, and performance of our products. Havells India has a focused approach with respect to usage of clean tech in process and product stewardship in design phase. Key focus areas of our R&D are energy efficiency, quality, durability and usage of sustainable material in our products. In FY 2023, R&D Expenditure was INR148.09 Cr and Capital Expenditure was INR 15.09 Cr .Out of Total INR 163.18 Cr expenditure approximately 41% of our R&D expenditure was invested in improving the environmental and social impacts of our products and processes. This is in addition to the capex investment to improve our technology and build capacity for Innovation.

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

   If yes, what percentage of inputs were sourced sustainably?

   Yes, Havells India Limited is committed to have sustainable supply chain on social, ethical and environment aspects and established sustainable practices for our suppliers. This year, we organized a strategic partners meet "MANTHAN" where ESG guidelines and expectations were shared with all strategic suppliers. We have established a procedure to follow Sourcing agreement and Vendor Code of conduct, in addition to contractual ESG obligations to encourage vendors to adhere to ESG guidelines. A stringent process is put in place to evaluate all new suppliers on ESG parameters such as Statutory and Regulatory compliances under Environment, Energy, Waste Management, Health and Safety working conditions etc. 80% of our sourcing was through sustainable sourcing in FY 2023 which will be continuing to improve further.

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

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

   We urge our channel partners/consumers/bulk consumers to contribute towards the preservation of environment by the simple action of properly disposing of their old consumer durable products, its accessories or defective spares. We have implemented multiple avenues for customer to reach us for end-of-life disposal such as a dedicated customer care number (1800 1020 666) or website visit or mail at ewaste@havells.com. After receipt of end-of-life products at our collection center, we channelize it to e-waste recyclers authorized by Central Pollution Control Board / State Pollution Control Board for further processing.

   In FY 2023, we reclaimed 5,187 MT of e-waste and 3,617 MT of plastic packaging waste.

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

   Yes, we have submitted Extended Producer Responsibility plan as per government norms and the same is available in the public domain. During FY 2023, we had completed 100% EPR Target of plastic waste through collection and sustainable disposal of 3,617 MT plastic waste in pan India. Under our E Waste EPR obligations, we have completed 100% Target through collection and recycling of 5,187 MT e-waste.

HAVELLS

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

   We are planning to conduct Life Cycle Assessments (LCA) of its key high revenue contributing products in FY 23-24.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same

   Target action plan will be defined basis LCA assessment to be carried out (as mentioned in Q1)

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Recycled or reused input material to total material	
Current FY	Previous FY
2.46 % Recycled Paper Used	2.19% Recycled paper Used
10% Thermoset Recycled Plastic Used	4% Thermoset Recycled Plastic Used

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed

Particulars	FY 2023			FY 2022		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging	-	3,617 MT	-	-	3,087 MT	-
E-Waste	-	5,187 MT	-	-	902 MT	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   Please refer to responses to Question 3 and 4 above

PRINCIPLE 3

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

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	5,820	5,472	94.02%	5,820	100%	-	-	5,820	100%	5,820	100%
Female	270	230	85.19%	270	100%	270	100%	-	-	270	100%
Total	**6,090**	**5,702**	**93.63%**	**6,090**	**100%**	**-**	**-**	**-**	**-**	**6,090**	**100%**
Other than Permanent employees											
Male	6,530	1,923	29.44%	6,530	100%	-	-	-	-	-	-
Female	694	107	15.41%	694	100%	694	100%	-	-	-	-
Total	**7,224**	**2,030**	**28.10%**	**7,224**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	409	81	19.80%	-	-	-	-	-	-	409	100%
Female	34	1	2.94%	-	-	34	100%	-	-	34	100%
Total	**443**	**82**	**18.51%**	**-**	**-**	**-**	**-**	**-**	**-**	**443**	**100%**
Other than Permanent employees											
Male	16,002	-	-	-	-	-	-	-	-	16,002	100%
Female	1,099	-	-	-	-	1,099	100%	-	-	1,099	100%
Total	**17,101**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17,101**	**100%**

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	7.27%	Y	100%	8%	Y
Gratuity	100%	7.37%	N	100%	8%	N
ESI	2.67%	4.45%	Y	2%	6%	Y
Others – please Specify- NPS	4.15%	-	N	5%	-	N
LTRI	2.38%	-	N	3.23%	-	N
ESOP 2014	1.97%	-	Y	1.66%	-	Y
ESOP 2016	0.57%	-	N	0.40%	-	N

Most of the workers are covered under ESI. Those who are out of ESI, have medical insurance policy voluntarily.

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

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

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

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

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	The paternity leave at present does not cover the male workers	
Female	0%	100%	None of the female workers availed maternity benefit	
Total	-	-	-	-

We believe in instilling work-life balance in our work environment. In FY 2023, 180 male employees and 8 female employee availed paternity leave and maternity leaves, respectively. In case of female employees, all 8 employees are eligible to return in FY 2023-24.

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

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

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

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

8. Details of training given to employees and workers

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (X)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (Y)	% (Y / X)	No. (Z)	% (Z / X)
Employees										
Male	5,754	3,855	67.0%	5,754	100.0%	5,131	5,131	100.0%	5,131	100.0%
Female	262	201	77.0%	262	100.0%	222	222	100.0%	222	100.0%
Total	**6,016**	**4,056**	**67.5%**	**6,016**	**100.0%**	**5,353**	**5,353**	**100.0%**	**5,353**	**100.0%**
Workers										
Male	413	413	100%	413	100%	418	418	100%	418	100%
Female	24	24	100%	24	100%	24	24	100%	24	100%
Total	**437**	**437**	**100%**	**437**	**100%**	**442**	**442**	**100%**	**442**	**100%**

Note: For more details on our training programs and human capital development initiative, please refer to Human capital section in IAR page no. 42

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

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	5,820	5,035	86.65%	5,131	4,428	86.29%
Female	270	208	77.03%	222	191	86.03%
Total	**6,090**	**5,243**	**86.09%**	**5,353**	**4,619**	**86.28%**
Workers						
Male	409	402	98.28%	418	418	100%
Female	34	21	61.76%	24	24	100%
Total	**443**	**423**	**95.48%**	**442**	**442**	**100%**

10. Health and safety management system:

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

Yes. The Company has implemented ISO 45001 for the health and well-being of its employees. Various awareness sessions/trainings are conducted on safety related aspects for the employees. Training related to Hazard Identification and Risk Assessment (HIRA) and Total Productive Maintenance are also provided. Back to basics initiatives with respect to the coverage of safety parameters have been initiated to maintain safe workplace culture. Fire and Electrical Safety audit has been conducted in our manufacturing units by Independent Third-Party Agencies. Scheduled Medical Examinations has been conducted for workers engaged in Hazardous work activities. Monthly Safety Review has been facilitated by HO and Chaired by Manufacturing Site Head/Plant Head on rotation basis and learning has been implemented across all units to avoid the reoccurrence of any incidents. The Company is focused on both, the physical and mental well-being of its employees and has organized various programs and discussions with well-being experts and medical practitioners.

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

To identify work-related hazards and evaluate risks on a routine and non-routine basis, Havells has implemented following measures / initiatives:

- Gemba walk
- Hazard identification and Risk assessment with Shop floor people
- Internal and External audit
- Why-why analysis
- Work permit system
- Near miss reporting system
- Work zone monitoring, analysis of Noise assessment

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

Yes, the Company has processes for workers to report the work-related hazards and to remove themselves from such risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. There is nothing more important than the health and well-being of our employees. We want to ensure our workplace is the healthiest, happiest selves where everyone feels supported. We have created an ecosystem of healthcare providers across India for providing quality, 24*7 healthcare services to our employees and their dependents. The arrangement with the empanelled hospitals is to cover OPD, Health check-up, Hospitalization services at discounted rates. All our empanelled hospitals have agreed to provide a SPOC for each hospital to provide priority services and to address any query in case of any hospitalization.To promote health and wellbeing of our workers and employees, we provide access to various wellness workshops in addition to medical check -up which is rolled out on all plant locations (including HO). The wellness program “referred as Wellness Wednesday” is focused on making healthier, balanced, and purposeful life. We have developed a structured, strategic wellness approach with our empanelled hospitals and partners who have agreed to provide wellness services such as Gynaecology, Cardiology, Orthopaedics, Gastroenterology etc

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.684	0.328
	Workers	0.109	0.219
Total recordable work-related injuries	Employees	2	1
	Workers	4	7
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Yes, we have numerous measures in place to establish a safe workplace and culture. Please refer to our IAR page no. 42 for more details

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Please refer to our IAR page no. 42					
Health and Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the plants were assessed by company and 3rd party Internal auditors
Working Conditions	100% of the plants were assessed by company and 3rd party Internal auditors

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

A. We have Safety Command centers established at each plant to track and raise awareness on safety culture.

B. Root Cause Analysis (RCA) are conducted for all the safety related incidences and suitable corrective actions are taken. Safety Inspections and Safety Audits are also being done periodically. Corrective actions are being taken for all the observations given by the auditors (internal as well as external).

C. Safety Reviews conducted by rotation by Site Heads and Plant Heads in once a month. Key learning points shared by site implemented horizontally. In addition, PPE Matrix revised, and plant-wise PPE training modules has been deployed. A system of Safety challans and Surprise checks are used to strengthen the culture of safety.

D. Increased the number of targeted safety placards and poster and signboards, placed at strategic places for raising awareness as well as to reinforce that safety is everyone's responsibility.

Please refer to our IAR page no. 42

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. Havells believes health as most integral part of life. Having good health is directly related to a productive workforce. There is nothing more important than the health and well-being of employees and their families. We ensure all our permanent employees, and their declared dependents are covered in medical health Insurance, Accident Insurance and Group Term Life Insurance from day 1 of their joining Havells family.

In order to educate and support our employees to keep themselves fit, we have engaged with reputed doctors in various medicine areas and arrange for their visit and free consultation in Head Office under 'Live Healthy' program. We have tie ups with various renowned hospitals and health labs in the country on tests, treatment, and health checks for our employees. Our employees can avail discount on Annual Health Check by way of their medical insurance card.

During the recent unfortunate pandemic time, Havells ensured that all Covid protocols are adhered at all our locations. We not just organized free vaccination camps for our employees and their families but also made 'Oxygen concentrators' available at our most location offices in order to support our employees and their families.

In the untimely demise of our employee, we extended following support to immediate family –

- Mediclaim benefits to continue for Dependent Family for 5 years from the year of demise of the employee.
- Education Fee Reimbursement on actual basis or up to ₹ 1 Lac per year per child (max 2 child), till his/her graduation or 5 years, whichever is earlier.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All the Havells' value chain partners come under PF act and ESI act which makes them liable to deduct and deposit statutory dues. In addition to this, the service contract between Havells and service provider also contains clause under 'payment terms' for necessary statutory payments like PF, ESI etc. by service provider.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total Number of affected Employee/Worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023	FY 2022	FY 2023	FY 2022
Employees	0	0	0	0
Workers	1	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Havells provides transition assistance to facilitate continued employability and the management of career endings resulting from retirement or termination viz. we provide tax and investment guidance to the separating employees.

5. Details on assessment of value chain partners:

	% of value chain partner (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100 %

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The company has adopted a structured approach towards adopting a proactive safety program and establishing a strong safety culture in the company. Some of progressive actions are as follows: -

i. Management Safety Review Team constituted: Site Heads/ Plant Heads/ Factory Safety Officers/ Factory HR Heads/ Engineering team members. Guidance received from Director on a regular basis.

ii. Safety metrics finalized for review along with definition through Site Heads. 5 lagging indicators: Lost time incident, Reportable Accident, Lost Time Incident Rate, No Lost Time Injury and Fire Incident. 2 leading indicators of Near Miss and Unsafe Acts and Unsafe Conditions.

iii. Review template has been finalized and once a month review held since December 2021. Reviews conducted by rotation by Site Heads and Plant Heads

iv. "One Point Lesson" accident investigation format introduced. Horizontal deployment being implemented on all lessons.

v. PPE Matrix revised, and plant-wise PPE training modules prepared. Training programmes are on. Safety challans being introduced. Surprise checks being conducted by shop floor supervisors.

vi. Approval matrix being changed in the Compliance Manager to regularize the approval authority following the change in the reporting of the safety function from the HR function to the Plant Heads.

vii. Central repository of resources on Safety placed on Share Point which is accessible across the network.

viii. Inter-plant safety assessment exercise by the Factory Safety Officers initiated.

ix. 3 months (May – July 2022) observed as Safety Kaizen months.

x. Learning Safety Training programmes through Tata Steel Digishala

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PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   We have based our stakeholder identification process on the fundamentals of inclusivity, materiality, and responsiveness. Our stakeholder groups are those which are directly or indirectly impacted by the Havells. It also includes stakeholders identified to which Havells has a legal, financial or moral responsibilities. In addition, we have evaluated from the perspective of a stakeholder having an influence or impact on Havells strategy and decision making as well. All this stems from our belief of building mutual trust-based relationship with our stakeholders and understanding their priorities in creating shared value for all.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

   Please refer to the stakeholder engagement page 22 and risk management page 16 in IAR.

Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The strong foundation of governance with ethics, integrity, transparency help us steer our way forward. Havells Board of Directors committees are charged with monitoring and reviewing the company's Sustainability strategy and Climate Action Plan. The organization's governance around the material ESG aspects including climate-related risks and opportunities is disbursed through two Board level committees that evaluate and provide oversight on ESG related matters and risk exposures including climate-related aspects i.e. CSR and ESG Committee / Risk Management Committee. Havells India has reconstituted its CSR committee to address the broader agenda of ESG along with its CSR responsibility. The CSR and ESG Committee will support Havells India Ltd. commitment to sustainable, inclusive progress that enhances HIL's core value proposition by mainstreaming ESG considerations into decision making of the Company. 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.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   As per stakeholder section of essential indicator 2 in this principle are systematically engaged by various functions of the Company. Our sustainability model focuses on stakeholder value creation through identification of the Havells' material topics, developed in consultation with the stakeholders. With the intention of aligning long-term thinking and goal orientation - Environmental, Social, Governance (ESG) related KPIs have been identified for the process of inclusion of ESG metrics in performance linked compensation measurement of senior management.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

   Havells CSR ethos are motivated by the belief that small steps lead to meaningful change in people's lives "Chhote Kadam Badi Soch". This belief has led to targeted efforts by the organization for the communities revolving around six strong pillars of Health and Nutrition, Education, Skill and Development, Sanitation, Environment, Heritage Conservation and other humanitarian causes. These pillars not only move hand in hand with the ones envisioned by the government but are also aligned to United Nations Sustainable Development Goals. Havells has been transforming communities across India through their Corporate Citizenship initiatives. Now, communities and poor children have access to hunger and nutrition, healthcare, sanitation, quality education and livelihood.

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023			FY 2022		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	6,090	6,090	100 %	5,355	5,355	100 %
Other than permanent	7,224	7,224	100 %	5,182	5,182	100 %
Total	**13,314**	**13,314**	**100 %**	**10,537**	**10,537**	**100 %**
Workers						
Permanent	443	443	100 %	442	442	100 %
Other than permanent	17,101	17,101	100 %	13,946	13,946	100 %
Total	**17,544**	**17,544**	**100 %**	**14,388**	**14,388**	**100 %**

Note: For company policy related program, only HR related policies are considered here

Havells India Limited has established a Code of Conduct (COC) and Human rights policy to uphold human rights and right to proper working conditions. Awareness session on the same is conducted on regular basis such as in induction training, annual declaration to COC and other discussion platform. In addition, special classroom training on Human rights is imparted to all security staff to ensure adherence to human rights even in high pressure situations. The training and policy are also applicable to third party security guards working on our premises. In FY 2022 – 427 security guards were trained on human rights.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023									
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	5,820	0	0	5,820	100%	5,131	0	0	5,131	100%
Female	270	0	0	270	100%	222	0	0	222	100%
Total	**6,090**	**0**	**0**	**6,090**	**100%**	**5,353**	**0**	**0**	**5,353**	**100%**
Workers										
Permanent	443	0	0	443	100%	442	0	0	442	100%
Male	409	0	0	409	100%	418	0	0	418	100%
Female	34	0	0	34	100%	24	0	0	24	100%
Total	**443**	**0**	**0**	**443**	**100 %**	**442**	**0**	**0**	**442**	**100%**

On-roll workers and contractual workers are paid in compliance with the minimum wage act. We have implemented programs where in recognition of good efforts, workers are paid additional through special component and benefits. Our employees are paid as per industry standards and do not fall in the hourly wages category.

3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category *	Number	Median remuneration/ salary/ wages of respective category*
Board of Directors (BoD)	13#	₹ 4,50,50000/-	1^	-
Key Managerial Personnel	1	₹ 92,06,112/-	0	-
Employees other than BoD and KMP	5,819	₹ 10,42,800/-	270	₹ 8,56,734/-
Workers	409	₹ 2,71,680/-	34	₹ 2,26,728/-

** Annual Median Fixed Salary*

^ We have only one female independent director, who is paid sitting fee and annual commission. Please refer corporate governance report for details

 # We have 4 executive directors who are paid compensation, rest are independent directors who only receive sitting fee and annual commission.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the management committee over sees the HR function covering the afore mentioned aspects.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues. -

Havells is committed to prevent any human rights violation and ensures the compliance of the Policy through a mechanism implemented by the HR Department and regularly monitored by Internal committee. The HR departments at plants and the HO conducts a regular human rights risk assessment. All stakeholders also have a secure and 24x7 access to raise grievances and to report anonymously any breach with respect to the Human Rights Policy through the Vigilance and the mechanism of 'Satark' which provides anonymity.

6. Number of Complaints on the following made by employees and workers:

Complaint Type	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL			NIL		
Discrimination at workplace	NIL			NIL		
Child Labour	NIL			NIL		
Forced Labour/Involuntary Labour	NIL			NIL		
Wages	NIL			NIL		
Other human rights related issues	NIL			NIL		

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Havells is committed to developing an organizational culture which implements a policy of support for the internationally recognized human rights contained within the Universal Declaration of Human Rights and seeks to avoid complicity in human rights abuses. Our Whistle blower policy has clearly laid down the guidelines to prevent adverse consequence to a complainant. A complainant has the right to complete anonymity unless required by law enforcement agencies.

The organization prohibits retaliation against a complainant such as threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages. A complainant who believes that they have been retaliated against; may file a written compliant with the chairman of the Audit committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, we are committed to developing an organizational culture that upholds universally recognized human rights. We also enforce social well-being and human rights culture through contractual obligations and supplier code of conduct. Our company directive on human rights is diligently followed and relevant awareness sessions are conducted at regular frequency. All our manufacturing sites undergo human rights assessment at regular frequency with different function heads held responsible for different aspects of human rights.

9. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 % of our plant sites were assessed by the company
Forced/involuntary labour	100 % of our plant sites were assessed by the company
Sexual harassment	100 % of our plant sites were assessed by the company
Discrimination at workplace Wages	100 % of our plant sites were assessed by the company
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

One of the key action point that arose as a part of the assessment was lack of awareness about the law among the workers and contractors and subcontractors . As a part of this, in FY 2023, we intend to roll out increased awareness session for contractual workers and suppliers on relevant topics.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Havells is committed to prevent any human rights violation and ensures the compliance of the Policy through a mechanism implemented by the HR Department and regularly monitored by Audit committee (at the board level). The HR departments at plants and the HO conducts a regular human rights risk assessment and generates a monthly report and shares it with the Audit Committee on a half yearly basis. All stakeholders also have a secure and 24x7 access to raise grievances and to report anonymously any breach with respect to the Human Rights Policy through the Vigilance and the mechanism of 'Satark' which provides anonymity. Refer to our Human Rights Policy: https://www.havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/Human_Rights_Policy.pdf

2. Details of the scope and coverage of any Human rights due-diligence conducted.

100% scope and coverage has been conducted for all value chain partners.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premises and offices of Havells are designed with keeping in mind to accessibility of differently abled visitors. Ramps for easy movement and separate washrooms, separate Vehicle Parking space designed for differently abled people have been created in all our offices to improve usability and access.

4. Details on assessment of value chain partners: -

Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NIL

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

   As a growing company we are very conscious of our carbon footprint and strongly believe in responsible growth which is reflected in our specific CO2 intensity metric. During F.Y. 2023 our revenue grew by 21.5 % however, due to our energy management programs, our energy usage has only grown by 12.8 %. Our diligent planning in resource optimization has led to an 8 % reduction in our energy intensity from 35.83 GJ per crore to 33.29 GJ per crore.

Parameter	FY 2023	FY 2022
Total electricity consumption (A) in GJ	4,09,566	3,64,101
Total fuel consumption (B) in GJ	1,51,971	1,33,609
Energy consumption through other sources (C)	Not applicable	Not applicable
Total energy consumption (A+B+C)	5,61,538	4,97,710
Energy intensity per rupee of turnover GJ per Crore ₹ (Total energy consumption/turnover in rupees)	33.29	35.83

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No, we don't fall under PAT scheme of Government of India.

3. Provide details of the following disclosures related to water, in the following format:

   Environment conservation through resource management is not just a business practice but also something that drives us to challenge ourselves every day to deliver our value with increased efficiency and quality across every aspect of manufacturing. In spite of the fact that we are not water intensive industry and we do ground aquifer recharge of approximately twice our water withdrawal, we are aware that India is a water stressed region. So, we place high importance on water balance and responsible use of water as illustrated by our specific water consumption metric.

   Our water intensity has been slightly increased due to increased consumption in domestic usages.
   Please find below the trend for the last two years

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	1,55,059	89,273
(iii) Third party water	40,981	34,115
(iv) Seawater / desalinated water	0	0
(v) Others – Municipal Supply	15,449	24,364
Total volume of freshwater consumption (in kilolitres) (i + ii + iii + iv + v)	**2,11,488**	**1,47,752**
Total volume of water consumption (in kilolitres)	**2,97,856**	**2,17,077**
Water intensity in KL per Crore turnover (Water consumed / turnover)	17.66	15.63

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes an independent assurance has been carried out by KPMG.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

At present we don't have Zero Liquid Discharge mechanism however all our facilities, except Faridabad, use 100% of the treated water from STP and ETP within premises for horticulture and flushing of toilet. Our Faridabad unit is the only one which discharges treated water (after maintaining the minimum discharge standards) into municipal sewage line with consent from the concerned authorities during the reporting period. We follow all the necessary applicable guidelines and directions on maintaining the standards of STP and ETP required by CPCB and SPCBs.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Our NOx and SOx emission are predominantly generated from our fossil fuel consumption especially diesel in manufacturing process and genset. While our emission is inherently of small quantum and well within permissible limits, we are still keen to improve our performance. Towards this, we are exploring by replacing diesel genset with other cleaner fuels gensets, install additional filtration systems at our stack emission outlets to capture emissions or replacing diesel with PNG where there is steady PNG infrastructure installed by government.

Another approach adopted by us is moving to a stable electricity connect with minimum power cuts and load shedding so that Genset are not used often.

Parameter	Please specify unit	FY 2023	FY2022
NOx	Metric Tons	6.29	5.56
SOx	Metric Tons	0.27	0.22
Particulate matter (PM)	We undertake third party lab testing for each of these air emission parameters including NOx and SOx on as defined schedule at all our 7 plant locations to ensure the parameters are within permissible limits. This is done in addition to our internal monitoring systems. We also submit the reports to the concern authority and pollution board.		
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please Specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Combating Climate Change is a top priority for Havells India ltd. As a growing company in emerging market, while our absolute emission has risen by 12 % our specific emission intensity has reduced by 7%. In our total GHG Emission mix, 90% of our emission stems from our scope 2 emission which is reliance on the grid electricity. In the forth coming years, we are looking to use open access and long-term power purchase agreements to increase our renewable energy mix leading to substantial reductions in our absolute emissions.

Parameter	Unit	FY 2023	FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	9,861	8,599
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	83,684	74,211
Total Scope 1 and Scope 2 emissions	Metric tons of CO2 equivalent	93,545	82,810
Total Scope 1 and Scope 2 emission intensity per crore rupee of turnover	Metric tons of CO2 equivalent/Cr.	5.55	5.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

We have taken up a 4-pronged approach to reduce Green House Gas emission.

1. Renewable Energy in our Energy mix – Our renewable energy installed capacity is 9 MW. We mitigated 7,331 tCO2 through green electricity usage in FY2023.
2. Implementation of Energy Conservation measures - We undertook 42 initiatives of electricity reduction leading to a mitigation of 1,711 tCO2 and reduced energy of 21,38,949 KWh.
3. We are switching to cleaner fuels for better efficiency such as switching to Natural Gas, Biogas or renewable electricity supply where feasible.
4. We are continuously improving our products for better energy efficiency in usage and reduced energy consumption.

Category	Key Energy Efficiency features
Fans	1. Launched 9 New models in FY 2023 under ceiling fan category with BLDC motor technology to save approx. 50% power consumption per fan. 2. Mandatory star rated for ceiling fan started from 1st Jan 23. Till date we have 137 models approved (87%) out of 158 models for applicable sweep size in Star rating for HAVELLS, STANDARD and REO BRAND. 3. Energy saving though 5 star is approx.3 Megawatt (Volume is appx.2.16 lakh).and through rest of the star rating is approx. 19 Megawatt (Volume is appx.7.5 lakh) 4. Two New fans with BLDC technology launched. 1 wall and 1 pedestal under TPW category. 5. Manufacturing steps has been reduced by optimizing number of stator SKU from 22 SKU to 10 SKU. 6. Power consumption reduction during testing of fan after conversion of fans to star rating, approx. saving of power consumption per fan is 25 W. Electricity saving 50KW per annum.
Motor and Pump	16,58,000 KWH/ annum energy saving by efficiency improvement and low power consumption in V3~V4~V6 bore well submersible, Open well 1.5HP, Mini monoblack pumps.
Air-condition	All products are energy star rated as per BEE regulation (3-star, 4 star and 5 star rated products).
Refrigerators	BEE star rating, Air deflector technology for energy and power saving, (3 start fixed speed, new 4star model developed and it will save 20% energy w.r.t existing model. BEE certificates done
LED TV	Enhanced energy efficiency in the product - 100% HD and Full HD LED TV are BEE certified.
Washing Machine	1. About 90% of our products are energy efficient and BEE Star rated, efficiency in usage of water apart from Wash, rinse and Spin performance. 100% BEE compliance achieved and is mandatory 2. Energy efficient injection molding machines with servo motors installed in factory. 3. Water consumption is reduced by usage of re-cycled water during water testing in manufacturing 4. Manufacturing steps are encouraged by In-house sub-assemblies encouraged wherever possible.
Small Domestic Appliances	1. In Desert cooler category, Design optimized for reduced Power Consumption by 15%. 2. Developed BLDC motor for air cooler. Saving power consumption by 40%. 3. 5% energy saving through optimization of molding parameters during manufacturing. 4. Enhancing consumer comfort and ease of operation by introducing Smart mode IOT Air cooler which maintains human comfort under all weather conditions.
Switch Gear (DP/IP)	Our Export Products are RoHS Compliance and using approx. 8% less energy as compared to competitors based on less material consumption during production.
Lighting	1. BEE 4-star rating for LED Lamps (5 W to 23 W) with total number 30 million. 2. Introducing RoHS compliance in LED bulb and batten categories.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023	FY 2022
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Hazardous Waste		
(i) Recycled	246.064	168.323
(ii) Re-used	13.15	11.45
(iii) Other recovery operations	8.821	6.11
Total	**268.035**	**185.890**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Hazardous Waste		
(i) Incineration	317.64	215.97
(ii) Landfilling	8.09	8.28
(iii) Other disposal operations	0.00	0.00
Total	**325.74**	**224.24**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste – Non-Hazardous Waste		
(i) Recycled	15,382.157	12,089.483
(ii) Re-used	2,421.821	1,497.322
(iii) Other recovery operations (composting, energy recovery)	12.726	4.86
Total	**17,816.704**	**13,591.669**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Non- Hazardous Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Please refer to Natural capital section of the IAR pages no. 52 for detailed description of our waste management practices.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No, we do not have any office or plant location around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    No material fines were paid in FY 2023.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023	FY 2022
Total Electricity consumption (A)	32,988.35	30,149.60
Total fuel consumption (B)	1,103.99	2,086.18
Energy consumption through other sources (C)	32,988.35	30,149.60
Total energy consumed from renewable sources (A+B+C)	34,092.35	32,235.78
From Non-renewable sources		
Total electricity consumption (D)	**3,74,161.81**	**3,33,951.33**
Total fuel consumption (E)	**1,50,867.14**	**1,31,522.62**
Energy consumption through other sources (F)	0.0	0.0
Total energy consumed from non-renewable sources (D+E+F)	**5,25,028.95**	**4,65,473.96**

2. Provide the following details related to water discharged:

Parameter	FY 2023	FY 2022
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment	8,088	7,362
(ii) To Groundwater		0.0
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		0.0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		0.0
- With treatment – please specify level of treatment		
(v) Others		0.0
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**8,088**	**7,362**

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

    For each facility / plant located in areas of water stress, provide the following information:

    (i) Name of the area - Sahibabad, Faridabad, Alwar, Neemrana, Ghiloth, Noida

    (ii) Nature of operations - Manufacturing location and Head Office

    (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	82,869	23,547
(iii) Third party water	40,981	34,115
(iv) Seawater / desalinated water		
(v) Others (Municipal Water Supply)	15,449	24,364
Total volume of water withdrawal (in kilolitres)	**1,39,299**	**82,026**
Total volume of water consumption (in kilolitres)	**1,39,299**	**82,026**

Parameter		FY 2023	FY 2022
Water intensity per rupee of turnover (Water consumed / turnover)		**8.26 KL/Cr**	**5.91 KL/Cr**
Water intensity (optional) – the relevant metric may be selected by the Entity			
Water discharge by destination and level of treatment (in kilolitres)			
(i)	Into Surface water	8,088	7,362
-	No treatment		
-	With treatment – please specify level of treatment	Tertiary treatment	Tertiary treatment
(ii)	Into Groundwater		
-	No treatment		
-	With treatment – please specify level of treatment		
(iii)	Into Seawater		
-	No treatment		
-	With treatment – please specify level of treatment		
(iv)	Sent to third-parties		
-	No treatment		
-	With treatment – please specify level of treatment		
(v)	Others		
-	No treatment		
-	With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		**8,088**	**7,362**

4. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2023	FY 2022
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	1,028	853
Total Scope 3 emissions per rupee of turnover		0.06	0.06
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

We, at Havells do not perform any business activity which has an irreversible or negative impact on biodiversity. Also, we do not have any operational sites near high biodiversity value area or protected area.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Replacement of diesel fuel in all burners in baking oven by PNG fuel	Haridwar Fan plant was largest in terms of Diesel consumption amongst the group (536 KL/annum i.e., ~ 50% of total group's diesel consumption). This was largely due to the traditional Diesel fired processes like paint shop and varnishing. In the FY 2023, we have successfully converted the process from Diesel to LPG.	Reduced carbon emission approx. 550 Mt. Auto leak detection system – safer operations lesser maintenance deskilling and de-risking of operations

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   In order to provide acceptable continuity of service, Havells has defined IT Continuity Policy for its IT services.

   The objectives of the policy are: -

   a. To establish business contingency of operations of critical IT processes and deploy appropriate resources;
   b. To train IT personnel on handling disaster recovery scenarios.
   c. To provide information to all stakeholders about the ability to continue IT operations in case of disaster.

   We have Information Security Management System (ISMS) that is ISO 27001 certified which demonstrates our commitment to continual improvement, development, and protection of information assets/sensitive data. We have implementing appropriate risk assessments, appropriate policies and controls. We conduct Information security/cybersecurity awareness training at regular intervals across various topics. We have a clear escalation process for employees to follow in the event an employee notices something suspicious is in place. Our business continuity / contingency plans and incident response procedures which is tested periodically, helps us further strengthen our digital infrastructure. Our risk management committee oversees the management and strategy of the Information Technology function to protect the confidentiality, integrity, and availability of computer systems, networks and data, against cyber-attacks or unauthorized access.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   100 %

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. (a) Number of affiliations with trade and industry chambers/ associations

   17

1. (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Electric Lamp and Component Manufacturers Association of India	National
2	Indian Fan Manufacturers Association	National
3	The Associated Chamber of Commerce and Industry of India	National
4	Consumer Electronics and Appliances Manufactures Association	National
5	Refrigeration and Airconditioning Manufacturers Association	National
6	PHD Chambers of Commerce and Industry	National
7	Confederation of Indian Industry	National
8	Indian Electrical and Electronics Mfrs' Association	National
9	Faridabad Industries Association	State
10	Alwar Chamber of Commerce and Industry	State

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain yes/no	Frequency of review by board (annually/half yearly/quarterly/ other)	Weblink
1	The Company has advocated on adoption of environmental standards relevant to its solutions in the areas of electronic waste and plastic waste management, renewable energy business ethics and skill development. The Company continuously makes efforts to further contribute on specific sustainable business issues.	Through membership with trade and industry associations the Company shares its feedback on matters as mentioned in the adjacent cell. Also, as and when the government seeks inputs from Industry the Company provides feedback on these issues through Industry Associations.	This is part of Stakeholder consultation by the respective Industry Associations.	Reviewed by relevant business management on as and when basis	Not applicable

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Same as Principle 4 – Leadership Indicator 2

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

   Not applicable.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

   Not Applicable.

3. Describe the mechanisms to receive and redress grievances of the community.

   Havells has multiple modes of communications where a community can air its concerns and present its needs and requirements. Please refer to our social capital section in the IAR (Refer page no. 13 & 67) for more details on our CSR activities and interaction with community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023	FY 2022
Directly sourced from MSMEs/ small producers*	30%	21%
Sourced directly from within the district and neighboring districts*	57%	58%

** The calculation has been done boundary of within 300Km from the plant site*

HAVELLS

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable as per Question 1 in Essential indicators	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (In Cr)
1	Madhya Pradesh	Vidisha	3.23

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   No

   (b) From which marginalized /vulnerable groups do you procure?

   Not applicable

   (c) What percentage of total procurement (by value) does it constitute?

   Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit Share (Yes / no)	Basis of calculating benefit share
Havells do not own or acquired intellectual property based on traditional knowledge				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective actions taken
NA		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Refer to Annexure - 6 to Annual report			

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Havells believes in putting customer at the center of its value proposition. In order to ensure customer can easily reach us, we have established multiple lines of communications such as online service request, central helpline, whatsapp support, App based interaction and email- id. We also monitor and receive customer feedback through the social media such as Facebook and Twitter on real time basis. We have established a structured data management system and SLA to ensure every query is responded within a specified period of time. In case of escalation, a nominated grievance officer takes up the case and communicates with the customer on closure of the complaint.

HAVELLS SUPPORT

WhatsApp Support
9711773333

Havells Sync App
Download: Android | iOS

Online
Service Request

Email-ID
customercare@havells.com

Customer Care No.
08045 77 1313

For post sales issues and request such as Lloyd products, we have also launched Khushiyon Ki Guarantee (KKG) initiative. The KKG process starts off at the customer's very first call to our service center. When the customer calls us for any service, It provides an KKG (Khushiyon Ki Guarantee) Number. On completion of the service, this number is provided to the service engineer. If the number is not provided, we will know that more effort has to be made to make the customer happy. Thereafter our special KKG Cell at Head Office will take over and do every possible ways to satisfactorily close the service request. Thus, closing the loop on the interaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	40.80%
Safe and responsible usage	100 %
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

We have received nil complaints in the aspects of Data privacy, Advertising, Cyber-security Restrictive Trade Practices and Unfair Trade Practices in FY2023 and FY2022. Our products and services do not fall under delivery of essential services. Most of our complaints are product performance related queries.

For more details on our customer interactions, please refer to our IAR .

4. Details of instances of product recalls on account of safety issues:

There has been no instance of product recall on account of safety issues. Our product undergoes rigorous testing and quality assurance from safe usage and handling perspective. In addition, our product information such as manual, leaflet and product packaging carry safe usage instructions.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, we have Enterprise Risk Management Policy, which includes risks to Cyber threats and data protection/ Privacy. Company's Integrated Risk Management Framework is in accordance with Globally accepted COSO (Committee of Sponsoring Organizations of the Treadway Commission) Framework. Roles based access rights are given to the users, in addition to this various next Gen solutions like (Data Leakage Protection (DLP), Advance Email threat Protection, Data and End Point encryption, Privileged Identity Management (PIM), SIEM etc. are in place. Data privacy policy is also displayed on company's websites page, wherever applicable. The relevant policy can be found at:- https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information on Havells products and services can be assessed at www.havells.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   We provide manuals with products and installation services to train the consumers on product usage and do's and don'ts. The usage of products and services are exhibited in User manuals and video available on the Havells platform (www.havells.com). We also provide QR code for product details in some of the product and DIY (Do it yourself) installation video to service the product better.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Havells maintains continuous connect with its customers which ensures smooth running of operations through Havells Customer Care No. (08045771313), Email, Watsapp, Havells Sync Mobile App.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   As an integral part of Havells consumer satisfaction focus, attention is paid to product information and labelling and consumer engagement by the Businesses Yes, we provide manuals with products and installation services to train the consumers on product usage and do's / don't. Havells Digital Marketing team carried out continuous monitoring of Online Reputation Management (ORM); Feedback, post and complaints, etc., are tracked and responded on real time across key online platforms (Twitter, Facebook, Instagram, Linked-in, etc.). More than 1mn+ customer comments are being examined every year w.r.t. we ensure every query is responded within a specified period of time.

5. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact

      NIL

   b. Percentage of data breaches involving personally identifiable information of customers

      NIL

Management Discussion and Analysis

Context

Financial year 2022-23 witnessed a mixed operating environment as it had a healthy business outlook while at the same time faced challenges around commodity price fluctuations, rupee depreciation and accelerated inflation rates. In the backdrop of global challenges, India continued its strong growth with a rebound in private consumption and increase in government capital expenditure. During the year, India became the world's fifth largest economy and its GDP is estimated to grow at 6.8% in FY23 (IMF World Economic Outlook). India is expected to maintain leading growth in coming years.

The consumer electricals and durables industry continues to perform well with demand expanding on the back of increasing penetration, urbanisation, electrification and higher share of wallet for homes.

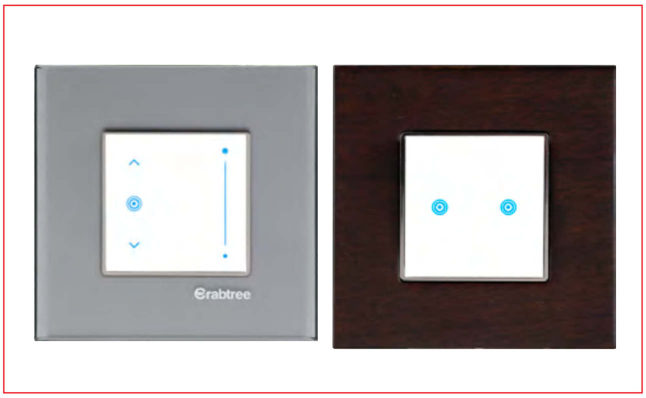
The megatrends shaping the business landscape include consumers becoming more informed, demanding and aspirational. Internet of Things (IoT) and smart connected homes are on the rise with the younger population contributing to buying decisions in the home. There is a clear preference for brands of trust and reliability as well as those ensuring deep engagement with consumers using an omni-channel approach.

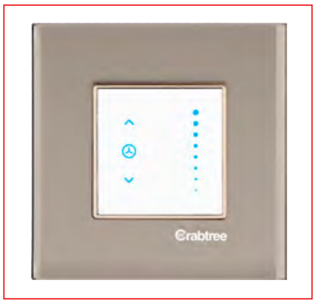
Segment-wise overview including industry structure, developments and outlook

Switchgear

The Strategic Business Unit (SBU) comprises Building Circuit Protection (BCP) equipment,, switches and automation solutions, also called Electrical Wiring Accessories (EWA) and industrial switchgear. Havells is a pioneer in understanding changing customer requirements and filling any vacuum with well thought through advanced products that offer the latest technology and deliver best value to customers. The focus remained on developing and launching new products and offerings. We introduced downstream protection devices that offer protection from current leakage and voltage surges, reflecting our customer first approach. These devices ensure circuit protection at the socket level, and safeguard user equipment. The latest offerings from Havells switchgear—ST^Dx range of MCBs, RCCBs, are intuitive and performance driven innovative protection devices.

In the switches category, the growing acceptance of smart and connected technologies is driving the transition towards smart homes. We are also expanding our smart portfolio and adding new product lines. Our new range of Signia smart products that was launched during the year has already proved successful by demonstrating rapid growth in the retrofit modular products segment.





Besides smart switches, we are also focused on the affordable segment with our REO Brand. We have added Matt Black switches to this portfolio to offer customers more variety with availability of choice even at the entry level.

The Switchgear segment registered net revenues of ₹ 2,120 crores during FY 2023 with contribution margins at 38.4% compared with net revenues of ₹ 1,786 crores with contribution margins at 38.6% during FY 2022. Our contribution margin continued to remain resilient despite raw material cost increases and inflation, achieved through effective price increases to market and alignment in product mix.

Electrical consumer durables (ECD)

This SBU comprises fans, small domestic appliances and water heaters. With effect from January 1, 2023, the fan industry moved to BEE rated energy efficient fans with all manufacturers phasing out non-rated fans by end of calendar year 2022. In the pre-transition phase there was initially some uncertainty with significant destocking in the channel, but just before the transition, there was healthy pickup by channels. Havells continued to focus on mass-premium offerings in the fans segment with a complete portfolio of decorative and designer star-rated fans. With the rating transition, Havells bolstered its range with a new range of designer BLDC fans. In 2023, Havells is set to offer the widest range of star rated and BLDC fans to Indian consumers.

During the year, Havells unveiled a new advertising campaign under its iconic 'Hawa Badlegi' advertising platform. In addition, we kicked off 2023 summer season with Brand Standard new brand promise of "Performance Ka Higher Standard" and Havells fans campaign "Look up to great designs, wider range and energy savings" presenting widest range of star rated designer fans.

Driven by strong research on changing consumer needs and subsequent innovative offerings to cater to those needs, Havells has been among the top three players in most of the key categories in the appliance space in across different states in India.

The industry continues to witness higher demand for premium offerings across all sub-segments. The growth was also seen in deeper markets i.e., Tier 2 and Tier 3 cities and beyond. Even specific channels like MFR, e-commerce showed promising growth.

While large categories like mixer grinder (MG) and juicer mixer grinder (JMG) are already flag bearers of the Make in India movement, other key categories like induction cooktops, steam iron and toasters, room heaters, hand blenders etc. have followed suit. Steps to indigenise these product categories were initiated to cut down reliance on imports. Capabilities are being developed for in-house manufacturing in order to achieve design, innovation and cost advantage in the market. We witnessed 37 new launches across different channels and geographies to cater to customised demand in the appliances segment.

The electronic consumer durables (ECD) division registered net revenues of ₹ 3,296 crores during FY 2023 with contribution margins at 23.3% compared with net revenues of ₹ 3,067 crores with contribution margins at 23.3% during FY 2022.

Cable

The category experienced stable growth in FY 2023 inspite of decreasing metal prices for the major part of the year and copper price volatility. The industry continued its transition from the unorganised to the organised segment with increased consumer focus on buying branded and reliable products for homes and workplaces. Channel expansion and focus on semiurban and rural markets helped the business to register volume growth despite a high base.

Increased government spending and focus on infrastructure development, educational institutes, health institutes, development of manufacturing hubs, expansion of 5G network etc. were some of the growth drivers in FY 2023. There is a strong demand visibility across all industrial segments which led to an overall improved environment for the industrial cable sector. Various sectors like renewable energy, data centres, metros, 5G, airports and defence, digitilisation are expected to provide the levers for sustained growth in coming years.

With increased consumer awareness about safety, the industry is focused on sales of specialised cables like the heat resistant flame retardant (HRFR) cables, the , flame retardant and low smoke halogen (FRLS-H) cables and the halogen free flame retardant (HFFR) cables. This year our new TV ad campaign focused on 'halogen free flame retardant wires' that has worked to clearly highlight the importance of safety in consumer minds.

The cables division registered net revenues of ₹ 5,533 crores during FY 2023 with contribution margins at 12.9% compared with net revenues of ₹ 4,645 crores with contribution margins at 14.6% during FY 2022.

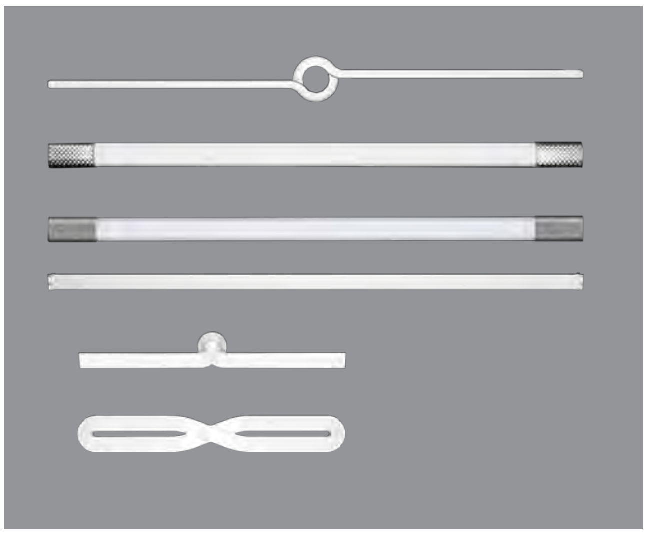
Lighting

Havells Lighting business comprises of two business units (BU) – consumer lighting and professional lighting. Both these BUs experienced strong performance during FY 2023 thereby strengthening Havells positioning as a leading lighting brand in India. With a wide variety of product offerings, innovative solutions, performance reliability, easy availability, and after-sales service, Havells Lighting has evolved as a brand of choice for customers across segments and categories.

With our economy emerging stronger post-Covid, the professional lighting business too experienced a strong demand environment in many customer segments. Havells new streetlight offerings achieved increased spacing between poles while still meeting stringent light requirements, thereby maximising value for all stakeholders. We also introduced sensor based street lights that automatically switch ON and OFF based on daylight sensing, thus saving energy. For offices and modern workspaces, aesthetically designed luminaires were launched during the year.

We have developed a competent team to engage with customers and understand their need for automation. Our smart solutions can deliver significant features such as human-centric lighting, daylight saving, colour tunability, multi-sensor functionality, standalone and cloud-based working, etc.

In the consumer lighting business, Havells has established itself as a leading innovative lighting brand through a series of differentiated product launches. One such highlight was the launch of Glamtubes that offer a single light solution to consumers, thus making battens look glamorous and beautiful yet perform the best! Glamtubes are based on industry best technology. on performance and elegant aesthetic designs.



Today's consumers, embracing their own uniqueness, have a choice of designs that reflect their personalities and match their decor, whether at home or work. The demand for premium lighting is on the rise. Havells Home Art Light is a one-stop shop for all things lighting – from basic to high-end, from minimalistic to opulent or ornate, as well as luxury lighting solutions. We have 30 Home Art Light Brand stores with experiential zones that provide consumers an opportunity for the real light experience.

The Lighting division registered net revenues of ₹ 1,602 crores during FY 2023 with contribution margins at 29.8% compared with net revenues of ₹ 1,371 crores with contribution margins at 31.3% during FY 2022.

Lloyd

Following two years of disrupted summer sales for air Conditioners and refrigerators due to COVID-19, this year witnessed a good summer with a full season on the market. Backed by strong in-house manufacturing, Lloyd capitalised on the opportunity, gained market share and cemented its position of being a meaningful player in the AC market. While increasing share of premium products in the portfolio, the Company strengthened the product portfolio with range completion to achieve its positioning of a full stack consumer durable player. Additionally, channel focus over the years has enabled Lloyd to achieve a meaningful presence in the market across traditional and emerging channels.

The continued hyper competition in the market and commodity price volatility created some margin pressures for Lloyd. Despite that, we continued our accelerated investment in the brand, R&D, manufacturing and talent. With a strong R&D focus, we developed and brought to market differentiated offerings for our customers with new product feature additions. We launched the New Lloyd Grande Heavy Duty AC with superior features like powerful cooling (even at 60 degrees) and indoor air purification technology. We kicked off the summer of 2023 with Lloyd's new brand promise of 'Khayal jo ghar ko ghar banaye' which captures the role of Lloyd products as an enabler of love and care at home. We commissioned the new Lloyd air-conditioner plant at Sri-City in Chittoor District in the state of Andhra Pradesh during the year. This plant will not only double the AC production capacity but also augment the GTM with manufacturing presence in the southern part of the country, besides unlocking export opportunities and better inventory management during the peak season.

The Lloyd consumer division registered net revenues of ₹ 3,369 crores during FY 2023 with contribution margins at 4.4% compared with net revenues of ₹ 2,261 crores with contribution margins at 6.9% during FY 2022.

Opportunities

A. **Industry growth and under penetration:** Electricals and consumer durables categories are still under penetrated and poised for strong growth on the back of increasing urbanisation and personal disposable income.

B. **Increasing electrification:** Government efforts towards enhanced power availability is continually increasing electrification in semi-urban and rural areas, along with stable electricity supply in urban areas. This has translated into better demand for electrical and consumer durable products in new and existing markets.

C. **Infrastructure expansion:** The government's strong focus on infrastructure expansion including highway construction, railway modernisation and airport additions is expected to create demand for electrical goods.

D. **Favourable demographics:** While the world is rapidly aging, India's population is among the youngest globally. With a median age of less than 29 years and 67% of the population in the working age group of 15-64 years this is a key demographic dividend for India.

E. **Exports:** A sizeable global market is looking to diversify its supply chain in order to tide over any probable regional challenges or geopolitical issues. With a strong business environment and enhanced ease of doing business, India is emerging as a strong country and as a manufacturing alternative to other Asian countries.

F. **Product Portfolio:** With a strong full stack product portfolio across electricals and durables, industrial and infrastructure, consumer and residential segments, the Company is well-positioned to capitalise on a great opportunity to increase shelf space at the retail counter and share of wallet of the consumer. Alongside providing a natural hedge in case of an economic downturn, a complete product portfolio enhances the opportunity to cross sell with channel partners and final consumers.

G. **Accelerated shift from unorganised to organised:** A large portion of the consumer electrical market continues to be unorganised.. However, increasing brand awareness, formalisation and aspirations, can accelerate the shift in consumer preference from unorganised to organised, which shall be beneficial for the key players.

Risk and Concerns

A. **Economic slowdown:** Slowdown in the Indian economy due to global developments could adversely impact growth in the short-term.

B. **Commodity pressures:** Sharp increase in commodity prices could lead to increase in cost of finished goods thereby impacting affordability and consumer sentiment.

C. **Competitive intensity:** Irrational market behaviour with increased competitive intensity could cause value erosion for the industry as a whole especially with the entry of new disruptive players with access to low cost capital and extended ability to sustain losses to capture market share.

D. **Power disruptions:** Any impact on power distribution and electricity delivery can impact the demand for electrical products. Availability of stable and quality power supply continues to be an important factor for the industry's growth prospects.

E. **Pandemic:** Deterioration in supply chain and demand due to the COVID-19 pandemic or similar disruptions have emerged as a significant business risk.

F. **Geopolitical crisis:** Volatility in the commodity and foreign currency markets may impact raw material availability due to geopolitical challenges in different geographies around the world.

Also kindly refer to the section Risk Management of this Integrated report

Awards and Accolades

Havells received the following awards during the Financial Year ended 31st March, 2023:

- Golden Pin Product Design Award for Freedom Architectural Light
- DIA_Design Intelligence Award for Freedom Architectural Light
- DIA_Design Intelligence Award for Vogue Highbay
- CII Design Excellence Award for Lloyd Elante Washing Machine
- CII Design Excellence Award for Zella Immersion Rod
- India's Best Design Award for In-house Studio Award_Havells CXD
- European Product Design Award for Meditate UX
- Product of the Year, Consumer survey of Product Innovation 2022 for Lloyd Elante Washing Machine
- National Accreditation Board of Testing & Calibration Laboratories (NABL) for Faridabad Electrical Lab
- Design Wall Awards, Platinum Winner, Acetech, Delhi. awarded by Deputy Chief Minister of Delhi Mr. Manish Sisodia.
- Rural – RMAI Flame Awards Asia 2022 in the category - Best Last Mile Initiative of the Year - Havells UTSAV Store
- Solar – Solar Quarter Business Meet, State Awards; First View Group
  - "Most Trusted Inverter Brand of the State" Pune, Maharashtra; Bengaluru, Karnataka & Chandigarh
  - "State Customer's Choice Award - Inverter (Rooftop)" Haridwar, Uttarakhand & Ahmedabad, Gujarat
  - "State Market Leader Award – Inverter (On-Grid)" Indore, Madhya Pradesh & Jaipur, Rajasthan
  - "Solar EPC Company of the Year" Kochi, Kerala
- Pitch – Winner of Resurgent Brand Award at Pitch Top 50 Brands

The Chairman was also awarded "Best CEO from the Consumer Durable Industry" by the Business Today Best CEOs Award 2022.

Key ratios

Sl.	Ratio	As at 31 March, 2023	As at 31 March, 2022	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
A	Current Ratio (times) = Current assets/ Current liabilities	1.8	1.8	1.2%	Not Applicable
B	Debt-Equity Ratio (times) = Total Borrowings/ Shareholder's equity	-	0.1	-100.0%	Debt repayment
C	Debt Service Coverage Ratio = Earnings available for debt service/ Debt service {refer note 15(A)(c)}	3.0	8.7	-65.6%	Debt repayment
D	Return on Equity Ratio % = Net Profits after taxes/ Average shareholder's equity	17.1%	21.4%	-4.4%	Not Applicable
E	Inventory turnover ratio (times) = Revenue from operations/ Average inventory	5.0	5.0	1.7%	Not Applicable
F	Trade receivables turnover ratio (times) = Net credit revenue from operations/ Average trade receivables	19.4	20.9	-7.1%	Not Applicable
G	Trade payables turnover ratio (times) = Net credit purchases/ Average trade payables	5.9	5.8	1.6%	Not Applicable
H	Net capital turnover ratio (times) = Revenue from operations/ Working capital	5.3	4.7	11.9%	Not Applicable
I	Net profit ratio % = Net profit/ Revenue from operations	6.4%	8.6%	-2.2%	Not Applicable
J	Return on capital employed % = EBIT/ Average Capital Employed	22.8%	27.5%	-4.70%	Not Applicable
K	Return on investment % = EBIT/ Average total assets	12.1%	15.5%	-3.4%	Not Applicable

Human Resources

Kindly refer to the section Human Capital of this Integrated report page no. 42

Internal control mechanism

Kindly refer to the section Risk Management of this Integrated report page no. 16

Disclaimer Clause

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Report on Corporate Governance

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended 31st March, 2023 is presented below:

(1) A Brief Statement on Listed Entity's Philosophy on Code of Governance

Who we are is defined by what we do and how we do

This simple philosophy underlines our approach to Corporate Governance. So, if growth is our intention, how we achieve this growth is a part of our Corporate Governance. For us, Corporate Governance goes beyond philanthropy and compliance but actually deals with how we manage our triple bottom lines – economic, social and environmental impacts. It monitors our role as well as the quality of our relationships in key spheres of influence including the workplace, the market place, the supply chain, the community and the public policy realm.

As a Company, we distinguish ourselves in the market by offering a portfolio of ecologically responsible electrical products and services that deliver powerful, sustainable and energy efficient solutions that do not compromise on capacity or security.

Our eco-friendly approach is evident in our efforts to develop an alternate energy strategy so as to reduce the environmental impact from our business. We are equally committed to managing a responsible supply chain in a manner that is consistent and compliant with our high standards for environment and business practices.

We recognise that there are barriers that constrain innovation, both, in individuals and communities and we work to overcome them. We build communities and promote the exchange of ideas through assistive technologies; participative programs and 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 social responsibility of sustenance of depleting environmental resources.

Corporate Governance and Ethics

As a Company we have always worked on the side of ethics and have shunned expediency in any form. We believe that if something is important enough to be done, it is important that we do it ethically. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our efforts in financial, propriety, customer care and business excellence.

We uphold the policy of "Leadership with trust" that has come to play a vital role in how our customers perceive us. This is important, given the climate of unparalleled public distrust of people in positions of power and authority in contemporary business and politics.

(2) Board of Directors

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with One Woman Director while fifty per cent of the Board of Directors comprises of Independent Directors. The Chairperson of the Board is an Executive Director. The profiles of Directors can be accessed on the Company's website at https://www.havells.com/en/aboutus/directors.html

The Board meets at least 4 (Four) times a year and more often if Company needs merit additional oversight and guidance. During the financial year 2022-23, the time gap between any two board meetings did not exceed 120 (One Hundred and Twenty) days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

Tenure of Independent Directors

The Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations. As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website.

Lead Independent Director

The Independent Directors of the Board had nominated Shri Upendra Kumar Sinha as the Lead Independent Director of the Company. The role of the Lead Independent Director is to provide leadership to the Independent Directors, liaise on their behalf and ensure effective functioning of the Board.

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(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, 2023, the composition of the Board of Directors of the Company was as follows:

S. No.	Name of the Director		Category
1	Shri Anil Rai Gupta	Promoters	Executive Chairman and Managing Director
2	Shri Surjit Kumar Gupta		Non-Executive Non-Independent Director
3	Shri Ameet Kumar Gupta		Executive Whole-time Director
4	Shri Rajesh Kumar Gupta	Non-Promoters	Executive Whole-time Director (Finance) and Group CFO
5	Shri Siddhartha Pandit		Executive Whole-time Director
6	Shri T. V. Mohandas Pai		Non-Executive Non-Independent Director
7	Shri Puneet Bhatia		Non-Executive Non-Independent Director
8	Shri Jalaj Ashwin Dani		Independent Director
9	Shri Upendra Kumar Sinha		Independent Director
10	Shri Subhash S Mundra		Independent Director
11	Shri B Prasada Rao		Independent Director
12	Shri Vivek Mehra		Independent Director
13	Smt. Namrata Kaul		Independent Director
14	Shri Ashish Bharat Ram		Independent Director

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

S. No.	Name of the Director	Attendance in Board Meetings					AGM 8 July 22
		4 May 22	20 July 22	19 Oct 22	19 Jan 23	25 Mar 23	
1	Shri Anil Rai Gupta	✓	✓	✓	✓	✓	✓
2	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	✓
3	Shri Ameet Kumar Gupta	✓	✓	✓	✓	✓	✓
4	Shri Rajesh Kumar Gupta	✓	✓	✓	✓	✓	✓
5	Shri T. V. Mohandas Pai	✓	✓	✓	✓	✓	✓
6	Shri Puneet Bhatia	×	✓	✓	✓	✓	✓
7	Shri Jalaj Ashwin Dani	✓	✓	✓	✓	✓	✓
8	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
9	Shri Siddhartha Pandit	✓	✓	✓	✓	✓	✓
10	Shri Subhash S Mundra	✓	✓	×	✓	✓	✓
11	Shri B Prasada Rao	✓	✓	✓	✓	✓	✓
12	Shri Vivek Mehra	✓	✓	✓	✓	✓	✓
13	Smt. Namrata Kaul	✓	✓	✓	✓	✓	×
14	Shri Ashish Bharat Ram	✓	✓	✓	✓	✓	✓

(c) Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31st March, 2023

S. No.	Name of the Director	Directorships in Other Board of Directors*	Membership of Committees of Other Boards**	Chairmanship of Committees of Other Boards**
1	Shri Anil Rai Gupta	4	1	0
2	Shri Surjit Kumar Gupta	3	1	0
3	Shri Ameet Kumar Gupta	4	1	0

S. No.	Name of the Director	Directorships in Other Board of Directors*	Membership of Committees of Other Boards**	Chairmanship of Committees of Other Boards**
4	Shri Rajesh Kumar Gupta	1	0	0
5	Shri T. V. Mohandas Pai	1	0	0
6	Shri Puneet Bhatia	4	0	0
7	Shri Jalaj Ashwin Dani	4	4	2
8	Shri Upendra Kumar Sinha	8	8	5
9	Shri Siddhartha Pandit	1	0	0
10	Shri Subhash S Mundra	5	5	3
11	Shri B Prasada Rao	3	2	0
12	Shri Vivek Mehra	9	7	3
13	Smt. Namrata Kaul	7	8	3
14	Shri Ashish Bharat Ram	6	2	1

Data presented above is after taking into account the disclosures furnished by the Directors till the first Board Meeting of the Company held during the Financial Year 2023-24.

* *Directorships are reported for listed and unlisted public companies (including Havells India Limited) but excludes private limited companies, foreign companies, section 8 companies and alternate directorships.*

** *Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including Havells India Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.*

Names of the Listed entities where the person is a Director and the category of Directorship as on 31st March, 2023

S. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
1	Shri Anil Rai Gupta	Havells India Limited	Chairman and Managing Director
		Campus Activewear Limited	Non-Executive Non-Independent Director
2	Shri Surjit Kumar Gupta	Havells India Limited	Non-Executive Non-Independent Director
3	Shri Ameet Kumar Gupta	Havells India Limited	Whole-time Director
		APL Apollo Tubes Limited	Independent Director
4	Shri Rajesh Kumar Gupta	Havells India Limited	Whole-time Director (Finance) and Group CFO
5	Shri Siddhartha Pandit	Havells India Limited	Whole-time Director
6	Shri T. V. Mohandas Pai	Havells India Limited	Non-Executive Non-Independent Director
7	Shri Puneet Bhatia	Havells India Limited	Non-Executive Non-Independent Director
8	Shri Jalaj Ashwin Dani	Havells India Limited	Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	Independent Director
9	Shri Upendra Kumar Sinha	Havells India Limited	Independent Director
		Vedanta Limited	Independent Director
		Nippon Life India Asset Management Limited	Independent Director
		SIS Limited	Independent Director
		New Delhi Television Limited (NDTV)	Independent Director
10	Shri Subhash S Mundra	Havells India Limited	Independent Director
		Indiabulls Housing Finance Limited	Independent Director
		BSE Limited	Independent Director
11	Shri B Prasada Rao	Havells India Limited	Independent Director
		Poonawala Fincorp Limited	Independent Director
12	Shri Vivek Mehra	Havells India Limited	Independent Director
		HT Media Limited	Independent Director
		Jubilant Pharmova Limited	Independent Director

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S. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
		Chambal Fertilisers and Chemicals Limited	Independent Director
		DLF Limited	Independent Director
		Digicontent Limited	Independent Director
		Zee Entertainment Enterprises Limited	Independent Director
13	Smt. Namrata Kaul	Havells India Limited	Independent Director
		Prime Securities Limited	Independent Director
		Schneider Electric Infrastructure Limited	Independent Director
14	Shri Ashish Bharat Ram	Havells India Limited	Independent Director
		SRF Limited	Chairman and Managing Director
		Kama Holdings Limited	Non-Executive Non-Independent Director

1. *The count for the number of listed entities on which a person is a Director/ Independent Director is of only those whose equity shares are listed on a Stock Exchange.*
2. *Data presented above is after taking into account the disclosures furnished by the Directors till the first Board Meeting of the Company held during the Financial Year 2023-24.*

(d) Number of Meetings of the Board of Directors held and dates on which held

During the financial year 2022-23, 5 (Five) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) hereinabove.

(e) Disclosure of relationships between directors inter-se

Shri Ameet Kumar Gupta, Whole-time Director on the Board of Directors is the son of Shri Surjit Kumar Gupta, Non-Executive Non-Independent Director.

(f) Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors holds any share in the Company.

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

All Independent Directors are 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, Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

The details regarding Independent Directors' Familiarisation Programmes are given under the "Codes & Policies" in the "Corporate Governance" section on the website of the Company and can be accessed at https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/Familiarisation_Programmes_for_Independent_Directors.pdf

(h) Skills/Expertise/Competence of the Board of Directors including the areas as identified by the Board in the context of the Company's Business

The Company is a Fast Moving Electrical Goods (FMEG) Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- Overseeing the development and implementation of Risk Management/ GRC tools;
- Management and strategy of the Information Technology function; and
- Human Resources Management

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.

Expertise/ Skills of Directors

S. No.	Name of the Director	Expertise/ Skills
1	Shri Anil Rai Gupta	Strategic Marketing, Brand transformation and Finance.
2	Shri Surjit Kumar Gupta	Technical planning and foreign alliances.
3	Shri Ameet Kumar Gupta	Business development, spearheading new projects.
4	Shri Rajesh Kumar Gupta	Finance and allied fields, standardization of systems and processes across the organization.
5	Shri Siddhartha Pandit	Contract Drafting & Negotiations, Litigation Management, Dispute Resolution, M&A Statutory Compliances, Intellectual Property Rights (IPR) etc.
6	Shri T. V. Mohandas Pai	IT reforms, Human Resources, Education & Research, Social Reforms and betterment of the nation in areas of Trade and Industry.
7	Shri Puneet Bhatia	Strategic private equity investment and Business Management.
8	Shri Jalaj Ashwin Dani	Supply Chain, Human Resources, Corporate Quality and Safety Functions, Advanced Management and Skill Development.
9	Shri Upendra Kumar Sinha	Asset Management, Securities Laws, Corporate Governance, Banking, Finance, Foreign Investment, Corporate Bond Management and Investor Protection.
10	Shri Subhash S Mundra	Banking, Risk Management, Corporate Governance, Operations and Process Optimization.
11	Shri B Prasada Rao	Corporate Management, Planning & Development activity, Capacity & Capability building.
12	Shri Vivek Mehra	Tax and Regulatory reforms, Cross-border Investments and Transaction Structuring
13	Smt. Namrata Kaul	Banking & Finance, Treasury Operations, Debt Capital Market & Corporate Finance, Risk and Credit Management, Social development.
14	Shri Ashish Bharat Ram	Strategic Planning, Entrepreneurial and Commercial Acumen, Brand Building and M&A.

(i) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the management

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2023-24, the Board hereby certify that all the Independent Directors appointed by the Company fulfills the conditions specified in these regulations and are independent of the management.

(j) Detailed reasons for the resignation of the Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

None.

Separate Meeting of the Independent Directors

Abiding the highest norms of Corporate Governance, separate Meeting of the Independent Directors of the Company is held every year in terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereat, inter alia, the following prescribed items are discussed:

a) Review of performance of Non-Independent Directors and the Board as a whole;

b) Review of performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;

c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In respect of the financial year 2022-23, the Independent Directors met separately on 25th March, 2023 without the presence of any Non-Independent Director or representatives of management.

Company's Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons to deter the insider trading in the securities of the Company based on the unpublished price sensitive information.

The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The said policy was last updated by the Board of Directors on 21st July, 2021 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

The full text of the Code is available on the website of Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/Code_of_Conduct_to_Regulate_Monitor_Report_Trading_by_Insiders.pdf

For the purpose of monitoring the Policy, the Company uses a system-based software through which reports and analytics are made available based on the criteria defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Subsidiary

The Company has 1 (One) Subsidiary Company which is incorporated outside India.

Please refer to the Directors' Report for further details regarding subsidiary.

The Board has approved a "Policy for determining Material Subsidiaries" of the Company viz. Havells India Limited and the same is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/content/dam/havells/Corporate_Governance/Policy%20for%20determining%20material%20subsidiaries.pdf

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

The Minutes of the Board Meetings of the unlisted foreign subsidiary company are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted foreign subsidiary company.

Related Party Transactions

The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions and the same was last reviewed by the Board of Directors on 20th January, 2022.

The Policy is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/Related_Party_Transactions_Policy.pdf

The shareholders of the Company vide Special Resolution passed on 9th June, 2014 approved per annum limits (beginning 1st April, 2014) for certain Related Party Transactions of the Company.

Within the permissible limits under the Companies Act, 2013 and/ or shareholder approved limits, the Audit Committee and the Board approve the annual limits for related party transactions projected for the next financial year.

Further, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

(3) Audit Committee

(a) Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

(i) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

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

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

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

  (b) changes, if any, in accounting policies and practices and reasons for the same;

  (c) major accounting entries involving estimates based on the exercise of judgment by management;

  (d) significant adjustments made in the financial statements arising out of audit findings;

  (e) compliance with listing and other legal requirements relating to financial statements;

  (f) disclosure of any related party transactions;

  (g) modified opinion(s) in the draft audit report;

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

(vi) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

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

(viii) approval or any subsequent modification of transactions of the Company with related parties;

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

(x) valuation of undertakings or assets of the Company, wherever it is necessary;

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

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

(xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) discussion with internal auditors of any significant findings and follow up thereon;

(xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) to look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;

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

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

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

(xxi) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.

(xxii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(xxiii) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, from time to time.

The Audit Committee has been granted powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee also mandatorily reviews the information as specified in the SEBI Regulations– management discussion and analysis of financial condition and results of operations, management letters/ letters of internal control weaknesses issued by the statutory auditors, if any, internal audit reports relating to internal control weaknesses, the appointment, removal and terms of remuneration of the chief internal auditor and statement of deviations.

(b) Composition, Name of Members and Chairperson

The Audit Committee comprises of 4 (Four) Directors as Members. All Members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal/ Statutory Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Upendra Kumar Sinha	Non-Executive Independent	Chairman
2	Shri B Prasada Rao	Non-Executive Independent	Member
3	Smt. Namrata Kaul	Non-Executive Independent	Member
4	Shri Ameet Kumar Gupta	Executive	Member

(c) Meetings and attendance during the year

S. No.	Name	Attendance in Audit Committee Meetings held on					
		4 May 22	20 Jul 22	1 Sep 22	19 Oct 22	18 Jan 23	24 Mar 23
1	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
2	Shri Subhash S Mundra*	✓	N.A.	N.A.	N.A.	N.A.	N.A.
3	Smt. Namrata Kaul	✓	✓	✓	✓	✓	✓
4	Shri Surjit Kumar Gupta*	✓	N.A.	N.A.	N.A.	N.A.	N.A.
5	Shri B Prasada Rao**	N.A.	✓	✓	✓	✓	✓
6	Shri Ameet Kumar Gupta**	N.A.	✓	✓	×	✓	✓

* *Shri Subash S Mundra and Shri Surjit Kumar Gupta ceased to be Members w.e.f. 5th May, 2022.*

** *Shri B Prasada Rao and Shri Ameet Kumar Gupta appointed as Members w.e.f. 5th May, 2022.*

(4) Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the various ESOP/ ESPS Plans of the Company.

(b) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of the Nomination and Remuneration Committee as on 31st March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Ashish Bharat Ram	Non-Executive Independent	Chairman
2	Smt. Namrata Kaul	Non-Executive Independent	Member
3	Shri Puneet Bhatia	Non-Executive Non-Independent	Member

(c) Meeting and attendance during the year

S. No.	Name	Attendance in Nomination and Remuneration Committee Meeting held on 4 May 22
1	Shri Ashish Bharat Ram#	N.A.
2	Shri Vivek Mehra*	✓
3	Smt. Namrata Kaul	✓
4	Shri Surjit Kumar Gupta*	✓
5	Shri Puneet Bhatia#	N.A.

* *Shri Vivek Mehra and Shri Surjit Kumar Gupta ceased to be Members w.e.f. 5th May, 2022.*

\# *Shri Puneet Bhatia appointed as Member w.e.f. 5th May, 2022 and Shri Ashish Bharat Ram was appointed as Member and Chairman w.e.f. 5th May, 2022.*

(d) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief synopsis of the performance evaluation carried out for the financial year is provided in the Directors' Report Section of this Report.

(5) Stakeholders Relationship/ Grievance Redressal Committee

The terms of reference and the ambit of powers of Stakeholders Relationship/ Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee.

(a) Name of Non-Executive Director heading the committee

The Stakeholders Relationship/ Grievance Redressal Committee comprises of 3 (Three) members of which, 2 (Two) are Non-Executive and Independent Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship/ Grievance Redressal Committee. The Composition of Stakeholders Relationship/ Grievance Redressal Committee as on 31st March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Subhash S Mundra	Non-Executive Independent	Chairman
2	Shri Jalaj Ashwin Dani	Non-Executive Independent	Member
3	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

(b) Name and Designation of Compliance Officer

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

(c) Number of Shareholders' Complaints Received so far

The number of shareholders' complaints received and resolved during financial year 2022-23 is given below:

(i) Number of shareholders' complaints received – 3

(ii) Number of shareholders' complaints resolved – 3

(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, 2023, no complaint was pending unresolved.

(f) Meeting and Attendance during the year

S. No.	Name	Attendance in Stakeholders Relationship/ Grievance Redressal Committee Meeting held on
		4 May 22
1	Shri Subhash S Mundra#	N.A.
2	Shri Upendra Kumar Sinha*	✓
3	Shri Jalaj Ashwin Dani	✓
4	Shri Surjit Kumar Gupta#	N.A.
5	Shri Ameet Kumar Gupta*	✓

* *Shri Upendra Kumar Sinha and Shri Ameet Kumar Gupta ceased to be Members w.e.f. 5th May, 2022.*

\# *Shri Surjit Kumar Gupta appointed as Member w.e.f. 5th May, 2022 and Shri Subash S Mundra was appointed as Member and Chairman w.e.f. 5th May, 2022.*

(6) Enterprises Risk Management Committee

(a) Brief Description of Terms of Reference

The role of the Enterprises Risk Management Committee is as per the Companies Act, 2013 and corresponding Rules framed thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be in force from time to time.

(b) Composition, Name of Members and Chairperson

The Committee comprises of 4 (Four) members out of which 3 (Three) are Non-Executive Directors. The Chairman being Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary to the Enterprises Risk Management Committee. The Composition of Enterprises Risk Management Committee as on 31st March, 2023 is given below:

S. No.	Name	Category	Designation
1	Shri Jalaj Ashwin Dani	Non-Executive Independent	Chairman
2	Shri T.V. Mohandas Pai	Non-Executive Non-Independent	Member
3	Shri Subhash S Mundra	Non-Executive Independent	Member
4	Shri Anil Rai Gupta	Executive	Member

(c) Meetings and attendance during the year

S. No.	Name	Attendance in Enterprises Risk Management Committee Meetings held on	
		1 Sep 22	18 Jan 23
1	Shri Ashish Bharat Ram*	N.A.	N.A.
2	Shri Rajesh Kumar Gupta*	N.A.	N.A.
3	Shri Jalaj Ashwin Dani	✓	✓
4	Shri T.V. Mohandas Pai	✓	✓
5	Shri Subash S Mundra*	✓	✓
6	Shri Anil Rai Gupta	✓	✓

* *Shri Ashish Bharat Ram, Shri Rajesh Kumar Gupta ceased to be Members w.e.f. 5th May, 2022 and Shri Subash S Mundra appointed as Member w.e.f. 5th May, 2022.*

(7) Remuneration of Directors

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

None, except for the Sitting Fee or the payment of Commission to Non-Executive Directors (except for promoter director).

HAVELLS

(b) Criteria of Making Payments to Non-Executive Directors

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company at https://havells.com/content/dam/havells/Corporate_Governance/Nomination%20and%20Remuneration%20Policy.pdf in the "Code & Policies" section in Corporate Governance.

The Non-Executive Directors, except for promoter director, are entitled to Sitting fees for attending Meetings of the Board, its Committees and the Shareholders. The Non-Executive Directors, except promoter directors are also paid an annual commission of ₹ 20 Lakhs per annum in addition to the fee payable to such Directors for attending the Board and other Meetings or reimbursement of expenses, if any.

The remuneration to the Managing Director and Whole-time Director(s) are 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 2022-23 are given below:

(₹ in Lakhs)

S. No.	Name of Director	Service Term	No. of shares allotted/ transferred under ESPS	Sitting Fee (A)	Salary (B)	Perks (C)	Commission (D)	Total (A+B+C+D)
1	Shri Anil Rai Gupta* (Chairman and Managing Director)	1-4-19 to 31-3-24	0	NA	779.52	0.40	1,859.24	2,639.16
2	Shri Ameet Kumar Gupta** (Whole-time Director)	1-1-20 to 31-12-24	0	NA	309.12	0.40	743.69	1,053.21
3	Shri Rajesh Kumar Gupta** (Whole-time Director (Finance) and Group CFO)	1-4-20 to 31-3-25	1,00,000	NA	700.00	0.40#	743.69	1,444.09
4	Shri Surjit Kumar Gupta	-	0	NA	-	-	-	-
5	Shri Siddhartha Pandit (Whole-time Director)	29-5-22 to 28-5-25	700#	NA	113.54	-#	-	113.54
6	Shri T. V. Mohandas Pai	-	0	8.00	-	-	20.00	28.00
7	Shri Puneet Bhatia	-	0	5.00	-	-	20.00	25.00
8	Shri Jalaj Ashwin Dani	-	0	12.00	-	-	20.00	32.00
9	Shri Upendra Kumar Sinha	-	0	14.00	-	-	20.00	34.00
10	Shri Subhash S Mundra	-	0	9.00	-	-	20.00	29.00
11	Shri B Prasada Rao	-	0	13.00	-	-	20.00	33.00
12	Shri Vivek Mehra	-	0	9.00	-	-	20.00	29.00
13	Smt. Namrata Kaul	-	0	13.00	-	-	20.00	33.00
14	Shri Ashish Bharat Ram	-	0	7.00	-	-	20.00	27.00

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

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

Excluding the value of shares i.e. ₹ 1,289.85 Lakhs exercised by Shri Rajesh Kumar Gupta and ₹ 4.26 Lakhs exercised by Shri Siddhartha Pandit during the financial year 2022-23 under the Employees Stock Purchase Schemes of the Company.

(ii) Details of fixed component and performance linked incentives, along with the performance criteria

The details of fixed component is as provided in the table above and there are no other incentives paid to any Director of the Company.

(iii) Service contracts, notice period, severance fees

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

During the financial year 2022-23, 1,00,000 Equity Shares of ₹ 1/- each were allotted to

Shri Rajesh Kumar Gupta and 700 Equity Shares of ₹ 1/- each were allotted to Shri Siddhartha Pandit under various Employees Stock Purchase Schemes of the Company.

Besides the above, the Board of Directors has Corporate Social Responsibility & Environmental, Social and Governance Committee, Share Allotment and Transfer Committee and an Executive Committee. In respect of these Committees brief details of the roles, terms of reference, composition and No. of Meetings held etc. are given below:

Corporate Social Responsibility & Environmental, Social and Governance Committee

(a) Brief description of terms of reference

The Corporate Social Responsibility & Environmental, Social and Governance Committee was formed pursuant to Section 135 of the Companies Act, 2013, as amended, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities, action plan and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/CSR_Policy.pdf

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

(b) Composition, Name of Members and Chairperson

The Corporate Social Responsibility & Environmental, Social and Governance Committee comprises of 4 (Four) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility & Environmental, Social and Governance Committee. The Composition of the Corporate Social Responsibility & Environmental, Social and Governance Committee as on 31st March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Vivek Mehra	Non-Executive Independent	Chairman
2	Shri Jalaj Ashwin Dani	Non-Executive Independent	Member
3	Shri Surjit Kumar Gupta	Non-Executive Non Independent	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

(c) Meetings and attendance during the year

S. No.	Name	Attendance in Corporate Social Responsibility & Environmental, Social and Governance Committee Meetings held on	
		4 May 22	19 Oct 22
1	Shri Vivek Mehra*	N.A.	✓
2	Shri Jalaj Ashwin Dani	✓	✓
3	Shri B Prasada Rao**	✓	N.A.
4	Shri Anil Rai Gupta**	✓	N.A.
5	Shri Rajesh Kumar Gupta	✓	✓
6	Shri Surjit Kumar Gupta*	N.A.	✓

* *Shri Vivek Mehra was appointed as Member and Chairman w.e.f. 5th May, 2022 and Shri Surjit Kumar Gupta appointed as Member w.e.f. 5th May, 2022.*

** *Shri B Prasada Rao and Shri Anil Rai Gupta ceased to be Members w.e.f. 5th May, 2022.*

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/ IEPF/ Unclaimed Suspense etc. and also to take note of the investor grievances. The summary of number of requests/ grievances received and resolved in every quarter is also placed before the Stakeholders Relationship/ Grievance Redressal Committee for its information and review.

The Committee comprises of 1 (One) Non-Executive Director and 2 (Two) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Share Allotment and Transfer Committee. The Composition of Share

Allotment and Transfer Committee as on 31st March, 2023, is given below:

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

During the financial year 2022-23, the Share Allotment and Transfer Committee met 7 (Seven) times.

Executive Committee

The role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference of the Board. The Committee comprises of 1 (One) Non-Executive Director and 3 (Three) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive Committee as on 31st March, 2023, is given below:

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

During the financial year 2022-23, the Executive Committee met 16 (Sixteen) times.

(d) General Body Meetings

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

Date of AGM	Location	Time
8th July, 2022	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.
30th June, 2021	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.
22nd June, 2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.

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

Date of AGM	Details of Special Resolutions passed, if any
8th July, 2022	Approval of the Havells Employees Stock Purchase Scheme 2022 and its implementation through Trust
	Authorization for Havells Employees Welfare Trust to Subscribe to Shares for and under the Havells Employees Stock Purchase Scheme 2022
	Provisioning of money by the Company to the Havells Employees Welfare Trust/ Trustees for Subscription of Shares under the Havells Employees Stock Purchase Scheme, 2022
	Amendment to the Part B – "Havells Employees Stock Purchase Plan 2014" of Havells Employees Long Term Incentive Plan 2014 and related modifications thereto
30th June, 2021	Appointment of a Director in place of Shri Surjit Kumar Gupta (DIN:00002810), who retires by rotation and being eligible, offers himself for re-appointment.
	Re-appointment of Shri Jalaj Ashwin Dani (DIN: 00019080) as an Independent Director for a Second Term
	Re-appointment of Shri Upendra Kumar Sinha (DIN: 00010336) as an Independent Director for a Second Term
22nd June, 2020	Re-appointment of Shri Vellayan Subbiah (DIN:01138759) as an Independent Director for a Second Term.

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

Nil

(d) Person who conducted the postal ballot exercise:

Not Applicable

(e) Special Resolution proposed to be conducted through postal ballot

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

(e) Means of Communication

(a) Quarterly Results

The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.

(b) **Newspapers wherein results normally published**

The quarterly, half-yearly and annual financial results are published in Economic Times in English and Jansatta, Hindi Daily editions.

(c) **Website, where displayed**

The financial results and the official news releases are also placed on the Company's website www.havells.com in the Investor Relations section and can be accessed from https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html.

(d) **Official news releases**

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the Investor Relations section.

(e) **Presentations made to institutional investors or to the analysts**

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

(f) General Shareholder Information

(a) **Annual General Meeting - Date, Time and Venue**

Day : Tuesday

Date : 27th June, 2023

Time : 10:00 am

Venue: Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) or as permitted by the relevant Statutory Authorities

Company's Registered Office i.e. 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001 will be considered as Venue for the purpose of this Annual General Meeting

(b) **Financial year**

The Financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

(c) **Dividend Payment Date**

The Board of Directors of your Company declared an interim dividend of ₹3.00/- per equity share of ₹1/- each i.e. @300% during the financial year 2022-23. Payment of dividend was done within 30 days from date of declaration i.e. 19th January, 2023.

The Board of Directors of your Company has also recommended a Final Dividend of ₹4.50/- per equity share of ₹1/- each i.e. @450% for the financial year 2022-23. Date of payment of dividend would be within 30 days from the date of AGM.

(d) **Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)**

The equity shares of the Company are listed at:

- The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The annual listing fee for the FY 2023-24 has been paid by the Company to both the stock exchanges within the stipulated time.

(e) **Stock code**

NSE	BSE	ISIN
HAVELLS	517354	INE176B01034 (Shares)

(f) **Market price data- high, low during each month in last financial year**

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Ltd. (Nifty) and BSE Limited (Sensex) during financial year 2022-23 are as under:

(Amount in ₹)

Period	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr 2022	1,344.70	1,153.00	1,88,78,802	1,344.60	1,153.05	8,92,818
May 2022	1,310.00	1,150.00	1,85,49,177	1,310.00	1,150.00	10,85,358
Jun 2022	1,210.90	1,057.45	2,22,94,358	1,210.00	1,058.70	4,42,667
Jul 2022	1,276.00	1,092.25	2,05,28,638	1,276.00	1,092.00	8,93,536
Aug 2022	1,396.45	1,248.95	1,60,41,491	1,395.75	1,248.65	8,49,214
Sep 2022	1,405.55	1,270.25	1,13,16,173	1,405.85	1,270.55	7,58,359

(Amount in ₹)

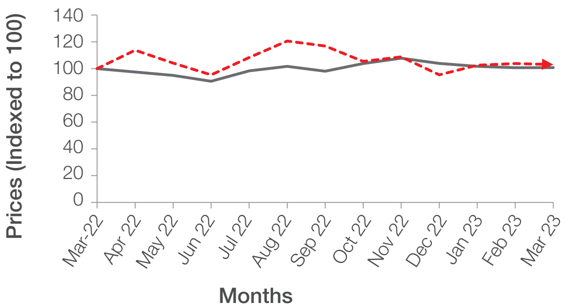
Period	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Oct 2022	1,368.40	1,159.20	1,73,88,108	1,369.00	1,160.45	14,21,368
Nov 2022	1,261.35	1,183.10	1,37,84,928	1,260.00	1,183.55	7,18,796
Dec 2022	1,270.60	1,024.50	1,49,21,299	1,270.00	1,092.00	4,77,023
Jan 2023	1,223.90	1,099.00	2,20,02,346	1,223.85	1,099.30	6,04,564
Feb 2023	1,243.30	1,152.65	1,31,73,692	1,243.00	1,154.00	2,86,182
Mar 2023	1,228.60	1,131.80	96,99,545	1,227.95	1,128.10	2,21,417

(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchanges

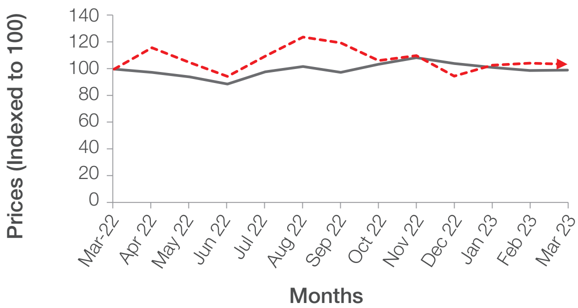
(g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.

Havells share price vis-à-vis BSE Sensex



Note: The graph indicates monthly closing positions. Share prices and BSE Sensex are indexed to 100 as on 31st March, 2022.

Havells Share Price vis-à-vis NSE Nifty



Note: The graph indicates monthly closing positions. Share prices and NSE Nifty are indexed to 100 as on 31st March, 2022.

(h) In case the securities are suspended from trading, the directors report shall explain the reason thereof

Not applicable.

(i) Registrar to an issue and share transfer agents

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

(j) Share transfer system

The Board has delegated the authority for approving transfer, transmission of shares etc. to the Share Allotment and Transfer Committee. The Company obtains an annual certificate from Practicing Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company.

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form are not processed unless the securities are held in the dematerialised mode with a Depository Participant. Further, with effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in dematerialised mode only while processing any investor service request viz. issue of duplicate securities certificates, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. Further, SEBI vide its Circular dated 25th January 2022, clarified that the RTA/ listed company shall verify and process the service requests and thereafter issue a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant within 30 days of its receipt of such request after removing objections, if any. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities.

(k) Distribution of shareholding as on 31st March, 2023

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	2,43,862	99.25	2,31,98,822	2,31,98,822	3.70
5,001 - 10,000	807	0.33	59,31,197	59,31,197	0.95
10,001 - 20,000	347	0.14	50,04,000	50,04,000	0.80
20,001 - 30,000	149	0.06	37,27,456	37,27,456	0.60
30,001 - 40,000	82	0.03	28,81,005	28,81,005	0.46
40,001 - 50,000	55	0.02	24,52,269	24,52,269	0.39
50,001 - 1,00,000	127	0.05	91,66,915	91,66,915	1.46
1,00,001 & Above	282	0.11	57,41,48,074	57,41,48,074	91.64
GRAND TOTAL	**2,45,711**	**100**	**62,65,09,738**	**62,65,09,738**	**100**

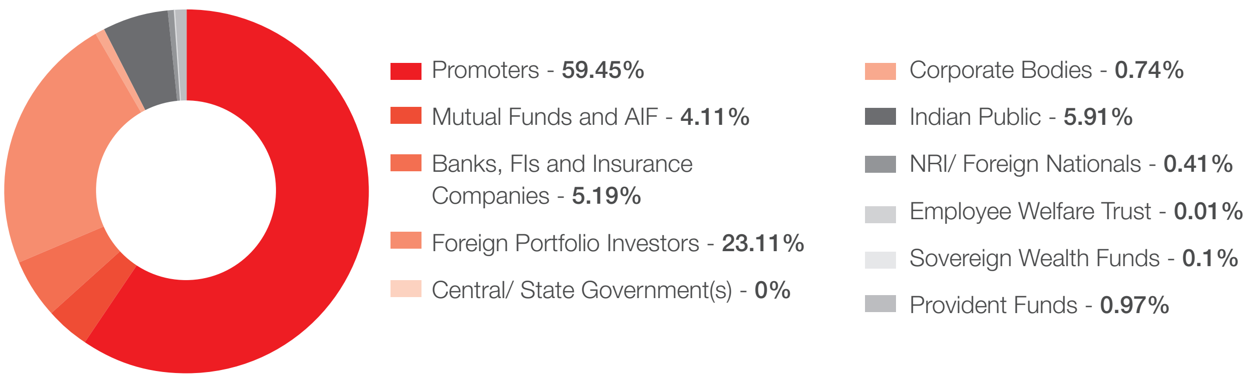
Ownership Pattern as on 31st March, 2023

Category	No. of Shareholders	No. of Shares Held	% of Total Holding
Promoters			
Indian Promoters	3	37,24,57,920	59.45
Non Promoters			
Institutional Investors			
Mutual Fund and Alternative Investment Funds	37	2,57,65,771	4.11
Foreign Portfolio Investors	718	14,47,99,323	23.11
Bank, Financial Institutions and Insurance Companies	25	3,24,93,414	5.19
Central Government/ State Government(s)	2	6,282	0.00
Sovereign Wealth Funds	2	6,44,326	0.10
Provident Funds/ Pension Funds	1	60,78,132	0.97
Non-Institutions			
Indian Public*	2,32,241	3,70,42,341	5.91
NRI & FN	5,413	25,61,020	0.41
Bodies Corporate	1,243	46,19,249	0.74
Non Promoter Non Public			
Employee Benefit Trust	1	41,960	0.01
GRAND TOTAL	**2,39,686**	**62,65,09,738**	**100**

* *Indian Public shareholding includes shareholdings of individuals, Directors & their relatives, KMP, shares with IEPF Authority, Trusts, HUF, Unclaimed Suspense A/c and Clearing Members.*

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchanges as at 31st March, 2023, wherein the Shareholding is consolidated on the basis of PAN.

Ownership Pattern as on 31st March, 2023 (%)



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2023

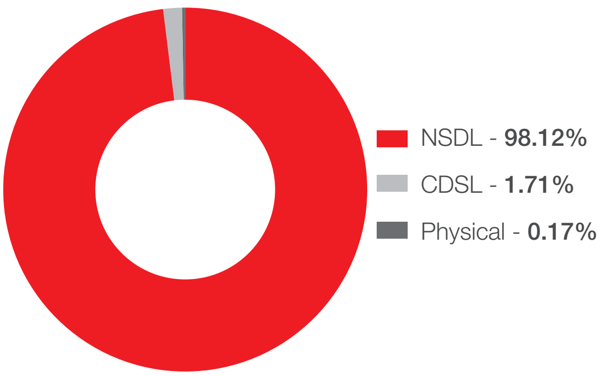
S. No.	Name of Shareholder	No. of Shares held	% of Total Shareholding
1	Nalanda India Equity Fund Limited	3,30,44,930	5.27
2	Life Insurance Corporation of India	2,32,32,070	3.71
3	Government Pension Fund Global	1,22,77,235	1.96

(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, 2023, 62,54,59,660 Equity shares out of 62,65,09,738 Equity Shares of the Company, forming 99.83% 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, 2023		As on 31st March, 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form	62,54,59,660	99.83	62,51,15,705	99.81
NSDL	61,47,23,107	98.12	61,26,70,039	97.82
CDSL	1,07,36,553	1.71	1,24,45,666	1.99
Shares in Physical Form	10,50,078	0.17	11,87,362	0.19
TOTAL	**62,65,09,738**	**100.00**	**62,63,03,067**	**100.00**

Ownership in Demat and Physical Mode (%)



(m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ ADRs/ Warrants outstanding as on 31st March, 2023.

(n) Commodity price risk or foreign exchange risk and hedging activities

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

(o) Plant locations

S. No.	Unit/ Plant	Products
1	Distt. Solan, Baddi, Himachal Pradesh	Electrical wire Accessories and Switchgears
2	Plot No. 2 and 2A, Sector - 12, SIDCUL Industrial Area, Haridwar, Uttarakhand	Water Purifier and Appliances
3	14/3, Mathura Road, Faridabad, Haryana	Switchgears
4	Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)	Switchgears and Capacitors
5	SP-181 – 189 & 191(A) Industrial Area, Phase II, Neemrana, Alwar, Rajasthan	Motor and Pump Lighting & Fixture, Water Heater and Water Cooler
6	A/461-462, & SP – 215, 204 & 204(A) Matsya Industrial Area, Alwar, Rajasthan	Industrial & Domestic Cable
7	Sector-10, Plot No 2A & 2D, Sidcul Industrial Area, Haridwar, Uttrakhad-243249	Fan
8	SP1-133, Rico Industrial Area, Behror, Ghiloth, Alwar, Rajasthan-301706	Air Conditioner & Washing Machine
9	10050, Central Expressway, Sri City- 517646	Air Conditioner

(p) Address for correspondence

The Company Secretary
Havells India Limited
(Secretarial Department)
QRG Towers, 2D, Sector – 126,
Expressway, Noida – U.P.
Pin – 201 304
Telephone No.: 0120 – 3331000
Fax No.: 0120 – 3332000
Email: investors@havells.com

Address for Correspondence with the Registrar and Transfer Agents
Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110 058
Telephone: 011-41410592,93, 011-49411000
Fax: 011-41410591
Email: delhi@linkintime.co.in

(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The Company has obtained the following Credit Ratings from CARE:-

Long-term Bank Facilities	CARE AAA (Triple A)
Short-term Bank Facilities	CARE A1+ (A One Plus)
Commercial Paper	CARE A1+ (A One Plus)
Corporate Governance	CareEdge CG 2+

The details on credit ratings are provided in the Directors Report and are also available on the website of the Company in the Investor Relations section and can be accessed at https://havells.com/en/discover-havells/investor-relation/credit-rating.html

During the year ended 31st March, 2023, there was no change in the above ratings by CARE.

(g) Other Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the financial year 2022-23, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with IND AS–24 are given in Note No. 6 of Other Notes on Accounts of the Annual Report.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

The Company has not been 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. 'Satark' Policy is available on the website of the Company at https://havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/VigilMechanism_Satark%20Policy.pdf

No person has been denied access to the Audit Committee for any grievance.

The Company has in addition to Whistle Blower Policy also adopted a policy named 'Idea' to promote a culture of innovative thinking, creativity and vigilance in all areas of its business. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspect that may benefit the Company.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/content/dam/havells/Corporate_Governance/Policy%20for%20determining%20material%20subsidiaries.pdf

(f) Web link where policy on dealing with related party transactions

The policy on dealing with related party transactions is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/content/dam/havells/Corporate_Governance/Related%20Party%20Transactions%20Policy.pdf

(g) Disclosure of commodity price risks and commodity hedging activities

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

Policy on Foreign Exchange Risk and Commodity Price Risk alongwith Foreign Currency exposure is given under Note No. 10 of Other Notes on Accounts of the Annual Report.

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

(i) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

On the basis of written representations/ declaration received from the directors, as on March 31, 2023, M/s Balika Sharma & Associtaes, Company Secretaries (Membership No. FCS 4816, CP No. 3222), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority and the same also forms part of this Report.

(j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board accepted the recommendations of its Committees, wherever made, during the year.

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

Type of Service	Amount (₹ in crores)
Audit Fee	1.35
Other Certification Fee	0.03
Reimbursement of expenses	0.16
TOTAL	**1.54**

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A Nirbhaya policy which is in line with the statutory requirements is in place.

a. number of complaints filed during the financial year – 0

b. number of complaints disposed off during the financial year – 0

c. number of complaints pending as on end of the financial year – 0

(m) disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount

NA

(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

NA

(h) Disclosure of the extent to which the Discretionary Requirements as Specified in Part E of Schedule II have been Adopted

(a) The Board: Chairman of the Company being on Executive position, the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

(b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html

(c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

(d) Separate posts of Chairperson and the Managing Director or the CEO: Presently, Shri Anil Rai Gupta is the Chairman and Managing Director of the Company. He is also the CEO of the Company.

(e) Reporting of Internal Auditor: The Company appointed E&Y as the Internal Auditors for conducting the internal audit for the FY 2022-23, representatives whereof report to the Head, Risk Management and Governance Department who reports to the Director (Finance) and Group CFO and has direct access to the Audit Committee.

(i) Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulations 17 to 27 and Clauses (B) to (I) of Sub-Regulation (2) of Regulation 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration signed by the Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/content/dam/havells/Corporate_Governance/Code%20of%20Conduct.pdf

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, 2023.

Anil Rai Gupta
Noida, May 3, 2023 Chairman and Managing Director

Compliance Certificate from Either the Auditors or Practicing Company Secretaries Regarding Compliance of Conditions of Corporate Governance

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report.

Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account

The Company has 1,72,100 Equity Shares of ₹ 1/- each in respect of 24 Shareholders, lying into one folio, namely, the Unclaimed Suspense A/c and in the demat account held with NSDL (IN30045014669162). Further, the dividend accruing on such Shares was also credited to Unpaid Dividend Account.

HAVELLS

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year – 26 (No. of shareholders) 1,84,100 (No. of shares) respectively.

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - 2 (No. of shareholders) 12,000 (No. of shares);

(c) Number of shareholders to whom shares were transferred from suspense account during the year – 2 (No. of shareholders) 12,000 (No. of shares);

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year – 24 (No. of shareholders) 1,72,100 (No. of shares) respectively;

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Other Useful Information for Shareholders

Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination

SEBI vide its latest Circular dated 16th March, 2023, in supersession of its earlier circulars in this regard, has prescribed the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination.

1. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities
   It is mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. The detailed requirements have been specified in the aforesaid Circular dated 16th March, 2023.

2. Freezing of Folios without PAN, KYC details and Nomination
   The folios wherein any one of the document/ details cited in point no. 1 above are not available on or after October 01, 2023, shall be frozen by the RTA.

   The security holder(s) whose folio(s) have been frozen shall however be eligible:

   - to lodge grievance or avail any service request from the RTA subject to furnishing the complete documents/ details as mentioned in point no. 1 above.
   - for any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 01, 2024.

   Frozen folios shall be referred by the RTA/ listed company to the administering authority under the Benami Transactions (Prohibition) Act, 1988 and/ or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

   The RTA shall revert the frozen folios to normal status upon receipt of all the pending documents/ details as mentioned in point no. 1 above.

3. Forms for availing various Investor services
   Investors holding securities in physical mode interface with the RTAs, inter-alia, for registering/ updating the KYC details and for the processing of various service requests. The service requests along with requisite forms, as prescribed by SEBI in its Circular dated 16th March, 2023 are available on the website of the Company in the Investor Relations section.

Unclaimed Dividend and shares

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of seven years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) and such shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more are also required to be transferred by the Company to the Investor Education and Protection Fund, administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

Unclaimed Dividend in respect of the financial year 2015-16 (Final) and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 19th August, 2023 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividends in respect of the financial year ended 31st March, 2016 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, 2016, it will not be possible to entertain claims which are received by the Company after 19th August, 2023.

Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for the same with the IEPF authority by making an application in the prescribed web Form No. IEPF-5.

Financial Year	Dividend Type	Dividend Per Share (₹)	Date of Declaration	Due date of transfer to IEPF
2015-16	Final	3.00	13.07.2016	19.08.2023
2016-17	Final	3.50	07.07.2017	14.08.2024
2017-18	Final	4.00	20.07.2018	26.08.2025
2018-19	Final	4.50	27.07.2019	31.08.2026
2019-20	Interim	4.00	06.03.2020	10.04.2027
2020-21	Interim	3.00	20.01.2021	24.02.2028
2020-21	Final	3.50	30.06.2021	06.08.2028
2021-22	Interim	3.00	20.10.2021	26.11.2028
2021-22	Final	4.50	08.07.2022	14.08.2029
2022-23	Interim	3.00	19.01.2023	25.02.2030

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

Anil Rai Gupta
Chairman and Managing Director

Noida, May 3, 2023

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, 2023 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee, wherever applicable,

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Havells India Limited

(Anil Rai Gupta)
Chairman and Managing Director

For Havells India Limited

(Rajesh Kumar Gupta)
Director (Finance) and Group CFO

Noida, May 3, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Havells India Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Havells India Limited** having **CIN L31900DL1983PLC016304** and having Registered Office at 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi Central Delhi-110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment
1	Shri Anil Rai Gupta	00011892	30/09/1992
2	Shri Surjit Kumar Gupta	00002810	08/08/1983
3	Shri Ameet Kumar Gupta	00002838	22/12/2014
4	Shri Rajesh Kumar Gupta	00002842	21/03/1992
5	Shri Ashish Bharat Ram	00671567	20/05/2021
6	Shri T.V. Mohandas Pai	00042167	22/12/2014
7	Shri Puneet Bhatia	00143973	22/12/2014
8	Shri Jalaj Ashwin Dani	00019080	16/08/2017
9	Shri Upendra Kumar Sinha	00010336	01/03/2018
10	Shri Siddhartha Pandit	03562264	29/05/2019
11	Shri Subhash Sheoratan Mundra	00979731	12/05/2020
12	Shri Bontha Prasada Rao	01705080	12/05/2020
13	Shri Vivek Mehra	00101328	12/05/2020
14	Smt. Namrata Kaul	00994532	20/01/2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Balika Sharma & Associates**
Company Secretaries

Balika Sharma
Proprietor
FCS No: 4816
C P No: 3222
UDIN: F004816E000218942

Place: New Delhi
Date: April 28, 2023

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of **HAVELLS INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Havells India Limited**, for the year ended March 31, 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For and on behalf of
Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sougata Mukherjee
Partner
Membership No: 057084

UDIN: 23057084BGYFRD8100
Place: Gurugram
Date: May 03, 2023

Independent Auditor's Report

To the Members of Havells India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Havells India Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful lives Refer Note 4 to the standalone financial statements. As at March 31, 2023, the standalone financial statements include goodwill of ₹ 310.47 crores and intangible assets with indefinite useful lives of ₹ 1,029 crores pertaining to acquisition of Lloyd business in an earlier year. In accordance with the requirements of Indian Accounting Standard (Ind AS) 36 'Impairment of Assets', the management has allocated the said goodwill and intangible assets to the underlying Cash Generating Unit (CGU) and tested the same for impairment using a Discounted Cash Flow (DCF) model. Based on such testing, the recoverable amount of the CGU is higher than the carrying amount of the said assets and accordingly no adjustment for impairment is necessary. We considered this as a key audit matter because of the significant carrying value of the above mentioned assets and high estimation uncertainty in assumptions used such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.	**Our audit procedures among others, included the following:** a. Understanding and evaluating the design and operating effectiveness of internal controls over the impairment assessment process, including preparation of the DCF model; b. Evaluating the Company's accounting policy in respect of impairment assessment of goodwill and intangible assets with indefinite useful lives; c. Understanding the cash flow projections and assumptions used in the DCF model, evaluating the mathematical accuracy and reading the report of the management's expert; d. Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate that the recoverable amount of the CGU is within a reasonable range; and e. Testing related presentation and disclosures in the standalone financial statements. Based on the above procedures performed, the management's impairment assessment of the goodwill and intangible assets was found to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;

        ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32(19)(ii) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32(19)(ii) to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

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

Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRB3443

Place: Gurugram
Date: May 03, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Havells India Limited on the standalone financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Havells India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRB3443

Place: Gurugram
Date: May 03, 2023

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Havells India Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold Land in Delhi	15.89	Late Shri Qimat Rai Gupta, on behalf of M/s Guptajee & Company	Erstwhile Promoter/ Director	From March 31, 2011	Refer Note 3 (viii) to the standalone financial statements.
Building in Bengaluru	0.04	Mrs. Shakrereh Shraddhanand	No	From April 01, 2012	

Further, the Company has taken the following immovable properties on lease, but the lease agreement has not been duly executed in favour of the Company:

Description of property	Gross carrying value (right-of-use asset) (₹ crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for lease agreement not executed with the Company
Building in Sahibabad	43.20	QRG Enterprises Limited	Promoter till October 12, 2022	From August 01, 2007	Refer Note 3(ix) to the standalone financial statements.
Building in Noida	96.79	QRG Enterprises Limited	Promoter till October 12, 2022	From July 01, 2008	

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right-of-Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory, excluding stocks with third parties, has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them.The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has made investments in one company during the year. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(b) In respect of the investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

iv. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Further, in our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of the investments made by it and the Company has not provided any loans, guarantees or security to the parties covered under Section 186 of the Act.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance and cess, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount of demand without netting-off amount paid under protest (₹ crores)	Amount paid under protest (₹ crores)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	1.59	0.21	2008-09, 2011-12 and 2013-14	High Court, Delhi
Income Tax Act, 1961	Income tax	19.34	8.23	2010-11, 2014-15 and 2016-17	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income tax	16.62	2.29	2009-10, 2017-18 and 2019-20	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Income tax	0.01	0.01	2018-19	Assessing Officer, New Delhi
Central Excise Act, 1944	Excise duty	0.23	-	2007-08 to 2009-10	CESTAT, (Chandigarh)
Central Excise Act, 1944	Excise duty	15.96	0.60	2015-16 to 2017-18	CESTAT, (Karnataka)
The Customs Act, 1962	Customs duty	0.04	-	2019-20	Commissioner of Customs (Appeals), New Delhi

Name of the statute	Nature of dues	Amount of demand without netting-off amount paid under protest (₹ crores)	Amount paid under protest (₹ crores)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
The Customs Act, 1962	Customs duty	0.09	-	2017-18	Commissioner of Customs (Appeals), New Delhi
Bihar Value Added Tax Act, 2005	Sales tax	0.62	0.41	2016-17	Commissioner (Appeals) Patna
Haryana Value Added Tax Act, 2003	Sales tax	0.25	0.15	2003-04, 2005-06 to 2006-07	High Court (Punjab and Haryana)
Kerala Value Added Tax Act, 2003	Sales tax	0.33	0.28	2005-06	Appellate Tribunal, Commercial Tax, Ernakulam, (Kerala)
Tamil Nadu Value Added Tax Act, 2006	Sales tax	0.05	0.03	2007-08	Appellate Tribunal, Commercial Tax, (Tamil Nadu)
Orissa Entry Tax Act, 1999	Entry tax	0.77	0.30	2008-09 to 2011-12	High Court, Orissa
Haryana Local Area Development Tax Act, 2000	Local Area Development Tax	0.12	-	2001-02	Joint Commissioner (Appeals), Faridabad
Octroi Tax Act, Maharashtra	Octroi	0.03	0.03	2010-11	Nagpur Municipal Corporation
Goods and Services Tax Act, 2017	Goods and services tax	0.46	0.46	2017-18	High Court, Uttar Pradesh
Goods and Services Tax Act, 2017	Goods and services tax	0.11	-	2019-20	Additional Commissioner (A), Dehradun (Uttarakhand)
Goods and Services Tax Act, 2017	Goods and services tax	0.58	0.06	2017-18	Commissioner of GST Appeals-Ghaziabad
Goods and Services Tax Act, 2017	Goods and services tax	0.08	-	2017-18	Deputy Commissioner, Kerala

The above amounts contain interest and penalty where included in the order issued by the taxation authority to the Company.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any term loan during the year.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 32(17)) to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable. Also refer Note 32(8) to the financial statements

(b) The Company had transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects, to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Also refer Note 32(8) to the financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & C0 Chartered Accountants LLP**
Firm Registration Number: 304026E/ E-300009

Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRB3443

Place: Gurugram
Date: May 3, 2023

HAVELLS

HAVELLS INDIA LIMITED
(CIN: L31900DL1983PLC016304)

Balance Sheet

as at March 31, 2023

(₹ in crores)

		Notes	As At March 31, 2023	As At March 31, 2022
ASSETS				
1	**Non-current assets**			
	Property, plant and equipment	3	2,227.77	2,021.34
	Capital work in progress	3	163.42	56.75
	Goodwill	4	310.47	310.47
	Other intangible assets	4	1,082.33	1,101.69
	Intangible assets under development	4	2.99	0.46
	Investment in subsidiaries	5	0.45	1.63
	Financial assets	7		
	(i) Investments	7(A)	20.00	272.68
	(ii) Trade receivables	7(B)	1.59	2.67
	(iii) Other financial assets	7(C)	148.86	41.94
	Contract assets	6(B)	25.57	38.83
	Other non-current assets	8	78.94	42.93
	Non Current tax assets (net)	9	29.03	26.54
	Total non current assets		**4,091.42**	**3,917.93**
2	**Current assets**			
	Inventories	10	3,708.47	2,968.08
	Financial assets	11		
	(i) Investments	11(A)	180.87	153.42
	(ii) Trade receivables	11(B)	971.33	764.83
	(iii) Cash and cash equivalents	11(C)	456.86	763.70
	(iv) Bank balances other than (iii) above	11(D)	1,405.01	1,772.14
	(v) Other financial assets	11(E)	116.89	29.89
	Contract assets	6(B)	26.67	26.55
	Other current assets	12	175.15	107.89
	Total current assets		**7,041.25**	**6,586.50**
	Assets classified as held for sale	13	10.53	0.73
			7,051.78	**6,587.23**
	Total assets		**11,143.20**	**10,505.16**
EQUITY AND LIABILITIES				
1	**Equity**	14		
	Equity share capital	14(A)	62.65	62.63
	Other equity	14(B)	6,551.83	5,926.01
	Total equity		**6,614.48**	**5,988.64**
2	**Liabilities**			
	Non-current liabilities			
	Financial liabilities	15		
	(i) Borrowings	15(A)	-	272.57
	(ii) Lease liabilities	15(B)	186.91	178.82
	(iii) Other financial liabilities	15(C)	7.21	3.96
	Contract liabilities	6(C)	4.10	4.99
	Provisions	16	136.72	76.25
	Deferred tax liabilities (Net)	17	361.51	350.62
	Total non current liabilities		**696.45**	**887.21**
	Current liabilities			
	Financial liabilities	18		
	(i) Borrowings	18(A)	-	122.96
	(ii) Lease liabilities	18(B)	36.19	42.05
	(iii) Trade payables	18(C)		
	a) Total outstanding dues of micro enterprises and small enterprises; and		154.96	114.08
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,487.58	2,265.33
	(iv) Other financial liabilities	18(D)	624.85	525.46
	Contract liabilities	6(C)	82.53	54.30
	Other current liabilities	21	138.99	189.05
	Provisions	19	274.91	253.23
	Current tax liabilities (net)	20	32.26	62.85
	Total current liabilities		**3,832.27**	**3,629.31**
	Total liabilities		**4,528.72**	**4,516.52**
	Total equity and liabilities		**11,143.20**	**10,505.16**
	Summary of significant accounting policies	2		
	Commitments and contingencies	31		
	Other notes on accounts	32		

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

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

HAVELLS INDIA LIMITED
(CIN: L31900DL1983PLC016304)

Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in crores)

		Notes	Year ended March 31, 2023	Year ended March 31, 2022
I	**INCOME**			
	Revenue from operations	22	16,868.38	13,888.53
	Other income	23	177.02	160.42
	Total Income		**17,045.40**	**14,048.95**
II	**EXPENSES**			
	Cost of raw materials and components consumed	24	9,317.92	7,772.06
	Purchase of traded goods	25	2,994.58	1,831.48
	Changes in inventories of finished goods, traded goods and work in progress	26	(641.20)	(219.48)
	Employee benefits expense	27	1,261.66	1,014.65
	Finance costs	28	33.62	53.41
	Depreciation and amortization expenses	29	296.11	260.83
	Other expenses	30	2,316.55	1,729.82
	Net impairment losses on financial and contract assets	30A	15.91	2.39
	Total expenses		**15,595.15**	**12,445.16**
III	**Profit before exceptional items and tax**		**1,450.25**	**1,603.79**
IV	**Exceptional Items**			
	Loss due to fire	32(15)	112.52	-
	Insurance claim receivable	32(15)	(112.52)	-
	Profit before tax		**1,450.25**	**1,603.79**
V	**Income tax expense**	17		
	Current tax		364.41	397.55
	Deferred tax {refer note 17(d)}		10.89	11.51
	Total tax expense		**375.30**	**409.06**
VI	**Profit for the year**		**1,074.95**	**1,194.73**
VII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	i) Re-measurement gain / (loss) on defined benefit plans {refer note 32(4)}		(10.25)	7.38
	ii) Income tax effect on above {refer note no 17(b)}		2.58	(1.86)
	Other comprehensive income/(loss) for the year, net of tax		**(7.67)**	**5.52**
VIII	**Total comprehensive income for the year**		**1,067.28**	**1,200.25**
IX	**Earnings per equity share (EPS) {refer note no. 32 (12)}**			
	(nominal value of share Re.1/-)			
	Basic EPS (₹)		17.16	19.08
	Diluted EPS (₹)		17.16	19.08
	Summary of significant accounting policies	2		
	Commitments and contingencies	31		
	Other notes on accounts	32		

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

HAVELLS

Statement of Changes in Equity

for the year ended March 31, 2023

A) Equity Share Capital

(₹ in crores)

Particulars	Notes	Numbers	Amount
As at April 1, 2021	**14(A)**	**62,60,13,006**	**62.60**
Add: Exercise of employee stock purchase plan - proceeds received		2,90,061	0.03
As at March 31, 2022		**62,63,03,067**	**62.63**
Add: Exercise of employee stock purchase plan - proceeds received		2,06,671	0.02
As at March 31, 2023		**62,65,09,738**	**62.65**

B) Other Equity

(₹ in crores)

Particulars	Notes	Reserves and surplus					Total
		Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	
As at April 1, 2021		**7.63**	**90.38**	**722.72**	**0.64**	**4,280.48**	**5,101.85**
Profit for the year	{14(b)e}	-	-	-	-	1,194.73	1,194.73
Other comprehensive income for the year							
Re-measurement gains / (losses) on defined benefit plans net of tax		-	-	-	-	5.52	5.52
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**1,200.25**	**1,200.25**
Transactions with owners in their capacity as owners:							
Final and interim dividend paid during the year	{14(b)e}	-	-	-	-	(407.10)	(407.10)
Equity shares issued under employee stock purchase plan	14(b)(b)/ 14(b)(c)	-	31.12	-	-	-	31.12
Options recognised during the year	{14(b)c}	-	-	-	1.15	-	1.15
Options vested and exercised during the year	{14(b)c}	-	-	-	(1.26)	-	(1.26)
As at March 31, 2022		**7.63**	**121.50**	**722.72**	**0.53**	**5,073.63**	**5,926.01**
Profit for the year	{14(b)e}	-	-	-	-	1,074.95	1,074.95
Other comprehensive income for the year							
Re-measurement gains / (losses) on defined benefit plans net of tax		-	-	-	-	(7.67)	(7.67)
Total Comprehensive income for the year		**-**	**-**	**-**	**-**	**1,067.28**	**1,067.28**
Transaction with owners in their capacity as owners:							
Final and interim dividend paid during the year	{14(b)e}	-	-	-	-	(469.88)	(469.88)
Equity shares issued under employee stock purchase plan	14(b)(b)/ 14(b)(c)	-	26.65	-	3.23	-	29.88
Options vested and exercised during the year	{14(b)c}	-	-	-	(1.46)	-	(1.46)
As at March 31, 2023		**7.63**	**148.15**	**722.72**	**2.30**	**5,671.03**	**6,551.83**
Summary of significant accounting policies	2						
Commitments and contingencies	31						
Other notes on accounts	32						

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

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Chairman and Managing Director
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Ameet Kumar Gupta
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Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,450.25	1,603.79
Adjustments for		
Depreciation and amortisation expense	296.11	260.83
Loss /(gain) on disposal of property, plant and equipment (net)	0.14	1.43
Unrealized foreign exchange loss /(gain) (net)	(6.25)	(5.55)
Net impairment losses on financial and contract assets	15.91	2.39
Impairment/ (reversal of impairment) on investment in subsidiary	(2.85)	-
Credit impaired trade receivables written off	2.52	10.39
Discounting of long term warranty provision	(12.11)	(5.79)
Lease rent concession	(0.12)	(0.49)
Interest income on bank deposits and investment	(123.23)	(103.76)
Finance cost	33.44	53.24
Liabilities no longer required written back	(0.23)	(0.15)
Operating Profit before working capital changes	**1,653.58**	**1,816.33**
Change in operating assets and liabilities		
(Increase)/ Decrease in trade receivables	(223.47)	(215.29)
(Increase)/ Decrease in contract assets	13.14	4.52
(Increase)/ Decrease in other financial assets	(86.34)	14.80
(Increase)/ Decrease in non current assets	4.47	4.10
(Increase)/ Decrease in other current assets	(67.26)	1.34
(Increase)/ Decrease in inventories	(740.39)	(348.19)
Increase/ (Decrease) in trade payables	272.72	787.52
Increase/ (Decrease) in financial liabilities	74.73	(40.49)
Increase/ (Decrease) in other current liabilities	(50.06)	105.73
Increase/ (Decrease) in contract liabilities	27.34	7.57
Increase/ (Decrease) in provisions	78.22	20.43
Cash generated from operations	**956.68**	**2,158.37**
Income tax paid (net of refunds)	(391.94)	(413.80)
Net cash inflow from operating Activities (A)	**564.74**	**1,744.57**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(587.77)	(258.28)
Receipt of grant related to assets	-	3.72
Proceeds from liquidation of subsidiary	4.03	-
Proceeds from sale of property, plant and equipment	2.27	5.56
Investment in fixed deposits with bank and financial institution	520.43	(605.13)
Payment for investments	(20.00)	-
Interest on fixed deposit and investment received	120.12	94.92
Net Cash inflow /(outflow) used in Investing Activities (B)	**39.08**	**(759.21)**

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Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employee stock purchase plan - share capital	0.02	0.03
Proceeds from exercise of employee stock purchase plan - securities premium received	26.65	31.12
Payment of principal portion of lease liabilities	(44.28)	(34.54)
Payment of interest portion of lease liabilities	(18.35)	(14.89)
Proceeds from long term borrowing	-	0.04
Repayment of long term borrowings	(393.69)	(97.35)
Interest paid	(6.98)	(24.46)
Dividends paid to Company's shareholders	(470.30)	(407.29)
Net cash inflow /(outflow) from Financing Activities (C)	**(906.93)**	**(547.34)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(303.11)**	**438.02**
Cash and cash equivalents at the beginning of the year	763.70	326.57
Effect of foreign exchange rate changes on cash and cash equivalents held in foreign currency	(3.73)	(0.89)
Cash and cash equivalents at the end of the year	**456.86**	**763.70**

Notes :

1 The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :-

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with banks:		
Current accounts	63.24	24.72
Cash credit accounts	29.92	114.02
Deposits with a original maturity of less than three months	363.57	624.72
Cash on hand	0.13	0.24
	456.86	**763.70**

The above standalone statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

Notes to Financial Statements

for the year ended March 31, 2023

1. CORPORATE INFORMATION

Havells India Limited ('the Company') is a public limited Company domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The CIN of the Company is L31900DL1983PLC016304

The Company is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Solar Products, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Coolers and Domestic Appliances, Personal Grooming, Air Purifier, Water Purifier, Air conditioner, Television, Washing machine and Refrigerator covering the entire range of household, commercial and industrial electrical needs.

The Company's manufacturing facilities are located at Faridabad in Haryana, Alwar, Ghiloth and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad in Uttar Pradesh, Baddi in Himachal Pradesh, Sri City in Andhra Pradesh. The research and development facilities are located at Noida (Uttar Pradesh), Bangalore and Ghiloth (Rajasthan)

These standalone financial statements were approved for issue in accordance with a resolution of the directors on May 3, 2023

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) Standalone financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

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

2.01 Basis of preparation of Standalone Financial Statements

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These standalone financial statements are presented in INR and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i) Certain financial assets and liabilities that is measured at fair value

ii) Assets held for sale-measured at fair value less cost to sell

iii) Defined benefit plans-plan assets measured at fair value

iv) Share based payments

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. the Company has identified twelve months as its operating cycle.

2.03 Property, plant and equipment

Freehold Land is carried at historical cost. All other items of Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The historical cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30 and 60
Plant and Equipment	15
Moulds and Dies	6
Furniture and Fixtures	10
Vehicles	8 and 10
R &D Equipment	5 and15
Office Equipment	3 and 5
Mobile Phones	3
Electric Fans and Installations	10
Computers	3
Laptops	4

The useful lives of all the assets except moulds and dies, mobile phones and laptops have been determined as those specified by part 'C' of Schedule II to the Companies Act, 2013. In respect of moulds and dies and mobile phones, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years respectively, in respect of laptop useful life is more than those specified by schedule II to the Company Act 2013 and are depreciated over the estimated useful life of 4 years, in order to reflect the actual usage of assets. The residual values are not more than

Notes to Financial Statements

for the year ended March 31, 2023

5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their lease term unless the entity expects to use the asset beyond the lease term.

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

2.04 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Company has assessed indefinite life for such brand considering the expected usage, expected investment on brand, business forecast and challenges to establish a premium electronic segment. These are carried at historical cost and tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under

Assets	Useful life (in years)
Computer Software	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7
Brand and Trademarks	Indefinite

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Trademarks

Brand and Trademarks acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, brand and trademark are carried at the above recognised value less accumulated amortization and accumulated impairment losses, if any. These Brand and trademarks have been in existence for considerable period and Company intends to continue use this intangible assets. Consequently it is believed that they have an indefinite life and are not amortised. Instead impairment testing is performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount.

Distributor/ Dealer Network

Distributor/ Dealer Network acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, Distributor/ Dealer Network are carried at the above recognised value less accumulated amortization and accumulated impairment losses, if any. They are amortised on a straight line basis over their estimated useful life of 8 years assessed by the management.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or earlier, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.05 Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when

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

annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.06 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them

Initial recognition measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)

- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) **Business Model Test :** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates

Notes to Financial Statements

for the year ended March 31, 2023

the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) **Business Model Test :** The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and

b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Investment in associates, joint venture and subsidiaries

the Company has accounted for its investment in subsidiaries and associate and joint venture at cost.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;

- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; Trade receivables which are held to collect and sale basis accounted for as FVTPL

- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates.

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At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(b) **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the accumulated impairment amount.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss

(ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/ financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.07 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery

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of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

(iii) Hedges of a net investment in a foreign operation

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

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

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

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.08 Investment in Subsidiaries and joint venture

The investment in subsidiary and Joint venture are carried at cost as per IND AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

2.09 Inventories

a) Basis of valuation:

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

ii) Inventory of scrap materials have been valued at net realizable value.

b) Method of Valuation:

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.10 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is considered highly probable. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Company treats sale of the asset to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset

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ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.11 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

a) Current income tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided in full using the balance sheet method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.

2.12 Revenue from contract with customers

The Company manufactures/ trades and sells a range of consumer electrical and electronic products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery of goods. The Company also provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. The Company recognizes these service revenue from sales

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of services over a period of time, because the customer simultaneously receives and consumes the benefits provided by the Company. The Company has objective evidence that all criterion for acceptance has been satisfied. A receivable is recognised when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Company considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company allocates a portion of the transaction price to different performance obligations goods bases on its relative standalone prices and also considers the following:-

(i) Variable consideration

The Company recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Warranty obligations

The Company generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). However, in certain non-standard contracts in respect of sale of consumer durable goods, the Company provides extended warranties and such warranties are termed as service-type warranties and therefore, accounted for as separate performance obligations to which the Company allocates a portion of the transaction price. Revenue from service-type warranties is recognised over the period in which the service is provided based on the time elapsed

(iii) Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

In respect of long term contracts, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance).

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

(b) Sale of services

The Company provides installation, annual maintenance and extended warranty services that are sold separately. The Company recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

(c) Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Company satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Company's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

(d) Income from Service Concession Arrangement

Revenue related to Street Lights Upgrade services provided under service concession arrangement is recognized as per the agreement with the grantor. The Company recognizes a financial asset arising from the service concession agreement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the upgrade services provided. Such financial assets are measured at fair value upon initial recognition.

2.13 Other Income

(a) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and

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similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.14 Other Operating Revenues

(a) Export benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme, Remission of duties and taxes on exported product scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(b) Government Grants

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognised at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.15 Retirement and other employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post employment

a) *Gratuity*

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Bajaj Allianz Life Insurance Co.Ltd. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) *Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

(iii) Other employee benefits

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. In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Ind-AS 102 Share based payments, the fair value of options granted under the Havells Long Term cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the 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 benefits expense.

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

The Company provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(a) Havells Employee Stock Purchase Plan: The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments when grant is made. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

(b) Havells Employees Long term Incentive plan : These are in nature of employee benefit wherein employees (including senior executives) of the Company purchase shares of the Company at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognised at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period.

2.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company applies a single recognition and

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for the year ended March 31, 2023

measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) *Right-of-use assets (ROU)*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

The Company classifies ROU assets as part of Property plant and equipment in Balance Sheet and lease liability in " Financial Liability".

ii) *Lease Liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the decision making authority. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment.

The operating segments have been identified on the basis of the nature of products/services. Further:

1 Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue.

2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

3 Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

4 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

2.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.19 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.21 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the

Notes to Financial Statements

for the year ended March 31, 2023

primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.22 Provisions and Contingent Liabilities

Provisions (including reimbursement)

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. the 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 seven years.

Provision for E-Waste/Plastic-Waste

Provision for E-Waste/Plastic-Waste management costs are recognized when the liability in respect of products sold to customer is established in accordance with E-waste Management Rules, 2016 as notified by Government of India. Initial recognition is based on liability computed based on Extended Producer Responsibility as promulgated in said Rules including cost to comply the said regulation and as reduced by expected realisation of collectable waste. The Company has assessed the liability to arise on year to year basis.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.23 Dividend Distributions

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Business Combinations

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. For each business combination, the Company elects whether to measure the non-controlling

Notes to Financial Statements

for the year ended March 31, 2023

interests in the acquire at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

(ii) Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves/ capital reserves.

2.26 Significant accounting judgments, estimates and assumptions

The preparation of these standalone financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

b) Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 17)

c) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 32(4).

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past rend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

e) Provision for warranty

Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material

Notes to Financial Statements

for the year ended March 31, 2023

changes in assumptions and likelihood of occurrence. The assumptions are consistent with prior years. (Refer Note 19)

f) Provision for expected credit losses (ECL) of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 32(10)

g) Property, Plant and Equipment and intangible assets

Property, Plant and Equipment represent significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Company's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

2.27 Exceptional items

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

2.28 New and amended standards adopted by the Company

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

New and amended standards issued but not effective

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

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

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the companies accounting policy already complies with the now mandatory treatment.

3. Property, plant and equipment

(₹ in crores)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Machinery	Moulds and Dies	Furniture and fixtures	Vehicles	R & D Equipments	Office Equipments	Electrical Installations	Right of use asset: Leasehold Land	Right of use asset: Leasehold Buildings	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)															
At April 01, 2021	**27.28**	**775.08**	**13.16**	**859.19**	**295.45**	**53.53**	**12.74**	**42.13**	**116.55**	**46.82**	**228.28**	**182.50**	**2,652.71**	**86.26**	**2,738.97**
Additions	0.50	16.37	2.02	129.51	79.45	20.67	6.19	5.11	12.31	4.19	1.87	132.69	**410.87**	243.32	**654.19**
Recognition of grant related to assets {Refer note 3 (v)}	-	(0.47)	-	(1.59)	(1.41)	(0.05)	-	-	(0.10)	(0.11)	-	-	**(3.72)**	-	**(3.72)**
Disposals/Adjustments*	(0.01)	(1.09)	(0.06)	(11.20)	(1.31)	(0.77)	(2.75)	(0.91)	(9.51)	(0.15)	-	(13.13)	**(40.89)**	(272.83)	**(313.72)**
At March 31, 2022	**27.77**	**789.89**	**15.12**	**975.91**	**372.18**	**73.38**	**16.18**	**46.33**	**119.25**	**50.75**	**230.15**	**302.06**	**3,018.97**	**56.75**	**3,075.72**
Additions	-	95.11	0.03	200.51	97.65	11.28	5.87	9.97	26.83	6.56	1.34	51.86	**507.01**	514.87	**1,021.88**
Recognition of grant related to assets	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
Disposals/adjustments *	-	(9.50)	(1.10)	(28.77)	(13.41)	(4.37)	(0.72)	(1.66)	(5.01)	(1.64)	-	(8.85)	**(75.03)**	(408.20)	**(483.23)**
At March 31, 2023	**27.77**	**875.50**	**14.05**	**1,147.65**	**456.42**	**80.29**	**21.33**	**54.64**	**141.07**	**55.67**	**231.49**	**345.07**	**3,450.95**	**163.42**	**3,614.37**
Accumulated Depreciation															
At April 01, 2021	**-**	**148.57**	**6.86**	**309.93**	**119.85**	**20.15**	**8.05**	**16.52**	**77.80**	**20.96**	**3.71**	**59.61**	**792.01**	**-**	**792.01**
Charge for the year	-	29.93	1.60	76.52	48.85	6.34	1.10	6.68	17.11	3.91	2.53	39.24	**233.81**	-	**233.81**
Disposals/adjustments	-	(0.81)	(0.04)	(6.93)	(1.08)	(0.53)	(2.59)	(0.76)	(8.78)	(0.13)	-	(6.54)	**(28.19)**	-	**(28.19)**
At March 31, 2022	**-**	**177.69**	**8.42**	**379.52**	**167.62**	**25.96**	**6.56**	**22.44**	**86.13**	**24.74**	**6.24**	**92.31**	**997.63**	**-**	**997.63**
Charge for the year	-	30.88	1.81	90.18	61.37	7.22	1.66	7.07	15.20	3.98	2.54	48.07	**269.98**	-	**269.98**
Disposals/adjustments	-	(2.75)	(0.95)	(14.54)	(11.33)	(2.48)	(0.64)	(1.55)	(4.47)	(1.09)	-	(4.63)	**(44.43)**	-	**(44.43)**
At March 31, 2023	**-**	**205.82**	**9.28**	**455.16**	**217.66**	**30.70**	**7.58**	**27.96**	**96.86**	**27.63**	**8.78**	**135.75**	**1,223.18**	**-**	**1,223.18**
Net carrying amount															
At April 01, 2021	**27.28**	**626.51**	**6.30**	**549.26**	**175.60**	**33.38**	**4.69**	**25.61**	**38.75**	**25.86**	**224.57**	**122.89**	**1,860.70**	**86.26**	**1,946.96**
At March 31, 2022	**27.77**	**612.20**	**6.70**	**596.39**	**204.56**	**47.42**	**9.62**	**23.89**	**33.12**	**26.01**	**223.91**	**209.75**	**2,021.34**	**56.75**	**2,078.09**
At March 31, 2023	**27.77**	**669.68**	**4.77**	**692.49**	**238.76**	**49.59**	**13.75**	**26.68**	**44.21**	**28.04**	**222.71**	**209.32**	**2,227.77**	**163.42**	**2,391.19**

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

Notes: -

(i) Right of Use asset includes:-

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

(b) Leasehold Buildings represent properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 32(3)

(ii) Capital work in progress as at March 31, 2023 includes assets under construction at various plants including air conditioning plant,washing machine, cable and flexible cable, lighting and fixtures etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iii) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 31(B).

(iv) The grant related to assets incudes:

(a) Subsidy of ₹ Nil (March 31, 2022 ₹ 3.72 core) on account of Modified Special Incentive Package (MSIP) scheme for making capital investment at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan.

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

Notes to Financial Statements

for the year ended March 31, 2023

(vi) *Net Block as on July 27, 2022 has been recognised as Exceptional Item in the Current year towards loss on account of fire at Neemrana plant of the company for the following item. {Refer note32(15)}*

(₹ in crores)

Particulars	Plant and Equipments	Moulds and Dies	Furniture and fixtures	R & D Equipments	Office Equipments	Electrical Installations	Capital Work in progress	Grand Total
Gross carrying amount (at cost)	17.90	0.58	3.05	0.04	2.13	1.32	0.55	25.57
Accumulated Depreciation	(6.72)	(0.46)	(1.56)	(0.02)	(1.76)	(0.89)		(11.41)
Net Block - July 27,2022	**11.18**	**0.12**	**1.49**	**0.02**	**0.37**	**0.43**	**0.55**	**14.16**

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

As at March 31, 2023

(₹ in crores)

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	163.42	-	-	-	**163.42**
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

(₹ in crores)

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	53.58	3.17	-	-	**56.75**
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Capital Work in progress where the completion is overdue or has exceeded its cost compared to its original plan.

(viii) Title deeds of Immovable Property not held in the name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for Immovable Property not held in the name of Company
Property, plant and equipment	Freehold land in Delhi	15.89	Late Shri Qimat Rai Gupta, on behalf of M/s Guptajee & Company	Erstwhile Promoter/ Director	March 31, 2011	The possession and original agreement to sell, of the property is in the name of Company. The title deeds will be registered in the name of the Company once state government's policy on registry is changed.
Property, plant and equipment	Building In Bengaluru	0.04	Shakereh Shraddhanand	No	April 01, 2012	The possession and original agreement to sell, of the property is in the name of Company. The Company is taking adequate legal steps to get the title deeds registered with appropriate authority,

Notes to Financial Statements

for the year ended March 31, 2023

(ix) Property where company is a lessee but agreements are not executed

(₹ in crores)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Net Carrying value	Net Lease liabillity	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for lease agreement not executed with the Company
Property, plant and equipment	Building in Sahibabad	43.20	39.44	41.82	QRG Enterprises Limited	Promoter till Oct.12, 2022 {refer note 32(6)}	August 01, 2007	Rent is being paid based on the mutual understanding and the monthly invoice for usage charges raised by QRG Enterprises {refer note 32(6)}
Property, plant and equipment	Building in Noida	96.79	82.29	86.93	QRG Enterprises Limited	Promoter till Oct 12, 2022 {refer note 32(6)}	July 01, 2008	

4. Goodwill and other Intangible assets

(₹ in crores)

Particulars	Computer Software	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Assets	Goodwill	Intangibles assets under development	Total Intangible Assets
Gross carrying amount (at cost)									
At April 01, 2021	**53.72**	**9.66**	**1,029.00**	**82.40**	**58.50**	**1,233.28**	**310.47**	**3.65**	**1,547.40**
Additions	8.70	1.91	-	-	-	**10.61**	-	0.69	**11.30**
Disposals/adjustments	(9.75)	(0.06)	-	-	-	**(9.81)**	-	**(3.88)**	**(13.69)**
At March 31, 2022	**52.67**	**11.51**	**1,029.00**	**82.40**	**58.50**	**1,234.08**	**310.47**	**0.46**	**1,545.01**
Additions	2.88	3.89	-	-	-	**6.77**	-	2.99	**9.76**
Disposals/adjustments	-	-	-	-	-	**-**	-	**(0.46)**	**(0.46)**
At March 31, 2023	**55.55**	**15.40**	**1,029.00**	**82.40**	**58.50**	**1,240.85**	**310.47**	**2.99**	**1,554.31**
Accumulated amortization									
At April 01, 2021	**35.81**	**5.56**	**-**	**40.20**	**32.58**	**114.15**	**-**	**-**	**114.15**
Charge for the year	6.93	1.43	-	10.30	8.36	**27.02**	-	-	**27.02**
Disposals/adjustments	(8.74)	(0.04)	-	-	-	**(8.78)**	-	-	**(8.78)**
At March 31, 2022	**34.00**	**6.95**	**-**	**50.50**	**40.94**	**132.39**	**-**	**-**	**132.39**
Charge for the year	5.75	1.72	-	10.30	8.36	**26.13**	-	-	**26.13**
Disposals/adjustments	-	-	-	-	-	**-**	-	-	**-**
At March 31, 2023	**39.75**	**8.67**	**-**	**60.80**	**49.30**	**158.52**	**-**	**-**	**158.52**
Net carrying amount									
At April 01, 2021	**17.91**	**4.10**	**1,029.00**	**42.20**	**25.92**	**1,119.13**	**310.47**	**3.65**	**1,433.25**
At March 31, 2022	**18.67**	**4.56**	**1,029.00**	**31.90**	**17.56**	**1,101.69**	**310.47**	**0.46**	**1,412.62**
At March 31, 2023	**15.80**	**6.73**	**1,029.00**	**21.60**	**9.20**	**1,082.33**	**310.47**	**2.99**	**1,395.79**

Note:-

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Brand & Trademarks acquired on acquisition of Lloyd business having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumers. The Company has performed an annual impairment test to ascertain the recoverable amount of such goodwill and intangible assets. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and pre tax cash flow projections based on financed budgets approved by management covering a 5 years period. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Management has determined following assumptions for impairment testing of CGU as stated Below :-

Assumption	March 31, 2023	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	15.30%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis on overall economic growth rate, industry trend & expected long-term inflation in india.

Notes to Financial Statements

for the year ended March 31, 2023

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of GGU of the company. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount.

Intangible assets under development

As at March 31, 2023

(₹ in crores)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	2.99	-	-	-	**2.99**
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

(₹ in crores)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	0.46	-	-	-	0.46
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

5. Investments in Subsidiaries - Financial Assets

(₹ in crores)

	As at March 31, 2023		As at March 31, 2022	
Investments in equity instruments of subsidiary companies (unquoted)				
(valued at cost, unless stated otherwise) {refer note 32(1)}				
Havells Holdings Limited*	-		13.65	
Nil (March 31, 2022 : 17,37,362) ordinary shares of 1 GBP each fully paid up				
Less: Provision for impairment	-	-	12.47	1.18
Havells Guangzhou International Limited				
(100% contribution fully paid in capital) (March 31, 2022: 100% contribution fully paid in capital)		0.45		0.45
Aggregate amount of unquoted investments		**0.45**		**1.63**
Aggregate amount of Impairment in value of investments		**-**		**12.47**

** Havells Holdings Limited, a wholly owned subsidiary of the Company, situated in Isle of man was dissolved on October 27, 2022 after completing the process of voluntary winding up.*

Notes to Financial Statements

for the year ended March 31, 2023

6. Contract Balances

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(A) Trade Receivables {refer note (a) below and note 11(B) }	972.92	767.50
	972.92	**767.50**
(B) Contract Assets (Unsecured, considered good) {refer note (b)}	52.24	65.38
	52.24	**65.38**
Non-current portion	25.57	38.83
Current portion	26.67	26.55
(C) Contract Liability {refer note (c) and note 22(v)}	86.63	59.29
	86.63	**59.29**
Non-current portion	4.10	4.99
Current portion	82.53	54.30

Note:

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

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

(c) The Company has entered into the agreements with customer for sale of goods and services. The Company has identified these performance obligations and recognised the contract liabilities in respect of contracts, where the Company has obligation to deliver the goods and perform specified services to a customer for which the Company has received consideration. There has been no significant change in the contract liabilities.

7. Non-Current Financial Assets

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(A)	**NON-CURRENT INVESTMENT (valued at amortised cost)** **Unsecured, considered good**		
(i)	Deposits account with financial institution having remaining maturity period of more than twelve months (refer note (a) below)	-	272.68
(II)	Investment in preference shares (fully paid-up)		
	Unquoted		
	1,72,563 (0.001%) compulosorily convertible cumulative participative preference shares Singularity Furniture Pvt Ltd. (March 31, 2022 Nil)	20.00	-
		20.00	**272.68**
	Total non-current investments	20.00	-
	Aggregate amount of unquoted investments	20.00	-

(a) The deposits maintained by the Company with financial institution comprise of the time deposits and are made of varying periods between one year to two years depending on the cash requirements of the Company and earn interest at the respective deposit rates.

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(B)	**TRADE RECEIVABLES (valued at amortised cost)**		
	Unsecured {refer note 11(B)}		
	Trade receivables from contracts with customers - considered good	1.59	2.67
		1.59	**2.67**
(C)	**OTHER FINANCIAL ASSETS (valued at amortised cost)**		
	Unsecured, considered good		
	Earnest money and Security Deposits	33.62	21.74
	Others		
	Bank deposits with original and remaining maturity of more than twelve months	115.24	20.20
		148.86	**41.94**

Notes to Financial Statements

for the year ended March 31, 2023

8. Other Non-Current Assets

(₹ in crores)

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

9. Non Current Tax Assets (Net)

(₹ in crores)

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

10. Inventories

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components	836.69	754.89
Work-in-progress	165.56	202.06
Finished goods	1,764.20	1,359.07
Traded goods	851.64	581.31
Stores and spares	46.19	34.07
Loose tools	4.21	2.62
Packing materials	23.87	20.19
Scrap materials	16.11	13.87
	3,708.47	**2,968.08**

Notes:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(a) The above includes goods in transit as under:		
Raw materials	148.92	180.41
Finished goods	201.21	234.65
Traded goods	73.05	74.95
(b) The stock of scrap materials have been taken at net realisable value.		

Notes to Financial Statements

for the year ended March 31, 2023

11. Current Financial Assets

(A) Current Investment (valued at amortised cost)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Deposits account with financial institution with original maturity of more than twelve months but remaining maturity less than 12 months	180.87	153.42
	180.87	**153.42**
Aggregate amount of unquoted investments	**180.87**	**153.42**
Aggregate amount of impairment in the value of investments	**-**	**-**

Note:

(a) The deposits maintained by the Company with financial institution comprise of the time deposits and are made for varying periods between one year to two years depending on the cash requirements of the Company and earn interest at the respective deposit rates.

(B) Trade Receivables (valued at amortised cost)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Unsecured		
Trade receivables from contract with customers - considered good	1031.69	812.08
Trade receivables - Credit impaired	28.89	27.16
Trade receivables (gross)	**1060.58**	**839.24**
Less : Impairment allowance for trade receivables	87.66	71.74
Trade receivables (net)	**972.92**	**767.50**
Current portion	971.33	764.83
Non - current portion {refer note 7(B)}	1.59	2.67

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

Particulars		Outstanding for following periods from due date of payment							
		Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Undisputed Trade receivables - considered good	-	266.47	601.83	69.77	51.13	40.49	2.00	1031.69
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv)	Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v)	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed Trade receivables - credit impaired	-	-	0.18	1.59	5.03	1.53	20.56	28.89
	Total	-	266.47	602.01	71.36	56.16	42.02	22.56	1060.58
	Less : Allowance for trade receivables	-	(0.01)	(0.21)	(5.03)	(17.83)	(42.02)	(22.56)	(87.66)
	Total	-	266.46	601.80	66.33	38.33	-	-	972.92

Notes to Financial Statements

for the year ended March 31, 2023

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

Particulars		Outstanding for following periods from due date of payment							
		Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Undisputed Trade receivables - considered good	-	524.44	162.10	44.97	61.18	16.58	2.81	812.08
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv)	Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v)	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed Trade receivables - credit impaired	-	-	0.05	2.64	1.80	7.17	15.50	27.16
	Total	-	524.44	162.15	47.61	62.98	23.75	18.31	839.24
	Less : Allowance for trade receivables	-	(0.01)	(0.50)	(4.43)	(24.74)	(23.75)	(18.31)	(71.74)
	Total	-	524.43	161.65	43.18	38.24	-	-	767.50

Notes:

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

(b) *Neither trade nor other receivables are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.*

(C) Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
Current accounts (net) {refer note (c)}	63.24	24.72
Cash credit accounts	29.92	114.02
Deposits with original maturity of less than three months {refer notes (b) and (d)}	363.57	624.72
Cash on hand	0.13	0.24
	456.86	**763.70**

Notes:

(a) *There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.*

(b) *Short-term deposits are made for varying periods between one day to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposits rates.*

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

(d) *Includes Fixed Deposit amounting ₹ 1.03 crores (March 31, 2022 ₹ 0.96 crores) related to Havells Employees Welfare Trust.*

(e) *Change in liabilities arising from financing activities*

Notes to Financial Statements

for the year ended March 31, 2023

	Long Term Borrowing		Short Term Borrowing		Lease Liabilities	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	395.53	492.20	-	-	220.87	130.66
Addition on account of new leases during the year {refer Note 32(3)}	-	-	-	-	50.73	131.92
Deletion on account of termination of leases during the year {refer Note 32(3)}	-	-	-	-	(4.10)	(6.68)
Lease rent concession					(0.12)	(0.49)
Cash inflow from borrowings	-	0.04	-	-	-	-
Cash outflows	(393.69)	(97.35)	-	-	(44.28)	(34.54)
Interest expense	5.14	25.10	-	-	18.35	14.89
Interest paid	(6.98)	(24.46)	-	-	(18.35)	(14.89)
Closing balance	**-**	**395.53**	**-**	**-**	**223.10**	**220.87**
Non-current Borrowing {refer note 15 (A)}	-	272.57	-	-	-	-
Non-current lease liability {refer note 15 (B)}	-	-	-	-	186.91	178.82
Current maturity of long term borrowing {refer note 18 (A)}	-	122.96	-	-	-	-
Current maturity of long term lease liability {refer note 18 (B)}	-	-	-	-	36.19	42.05

(D) Other Bank Balances

(₹ in crores)

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

Notes:

(a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

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

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

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

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

(E) Other Financial Assets (valued at amortised cost)

(₹ in crores)

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

Notes:

(a) Contractual claims and other receivables includes claims in accordance with contract with vendors {refer Note 32(15)}

Notes to Financial Statements

for the year ended March 31, 2023

12. Other Current Assets

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	27.22	19.14
Others		
Prepaid expenses	46.37	26.50
Duty free licenses in hand	4.19	2.40
Government grant receivable	4.98	9.34
Balance with Statutory and Government authorities/Others	92.39	50.51
	175.15	**107.89**
Movement of Government grant receivable		
Opening balance	9.34	23.02
Accrual of grant related to income (credited to statement of profit and loss account) (refer note 22)	10.13	10.66
Grant related to asset realised	-	(3.72)
Grant related to income realised	(14.49)	(20.62)
Closing Balance	**4.98**	**9.34**

***Note:-** Government grant receivable includes export incentives, Budgetary support for refund of Goods and Service Tax and investment subsidy.*

13. Assets Classified as Held for Sale

(₹ in crores)

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

14. Equity

(A) Share capital

(₹ in crores)

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

Notes to Financial Statements

for the year ended March 31, 2023

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

	March 31, 2023		March 31, 2022	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	62,63,03,067	62.63	62,60,13,006	62.60
Add: Exercise of employee stock purchase plan - proceeds received {refer note 32(7)}	2,06,671	0.02	2,90,061	0.03
	62,65,09,738	62.65	62,63,03,067	62.63

d) Shareholding of promoters

S. No	Shares held by promoters at the end of the year	As at March 31, 2023		As at March 31, 2022		% change during the year
	Promoter Name	No. of equity shares	% of Total shares	No. of equity shares	% of Total shares	
1	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	7,74,25,200	12.35%	7,74,25,200	12.36%	-
2	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	3,64,32,180	5.82%	3,64,32,180	5.82%	-
3	QRG Investments and Holdings Limited	25,86,00,540	41.28%	6,87,41,660	10.98%	276.19%
4	QRG Enterprises Limited	-	-	18,98,58,880	30.31%	-100.00%
	Total	**37,24,57,920**	**59.45%**	**37,24,57,920**	**59.47%**	

S. No	Shares held by promoters at the beginning of the year	As at March 31, 2022		As at March 31, 2021		% change during the year
	Promoter Name	No. of equity shares	% of Total shares	No. of equity shares	% of Total shares	
1	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	7,74,25,200	12.36%	7,74,25,200	12.37%	-
2	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	3,64,32,180	5.82%	3,64,32,180	5.82%	-
3	QRG Investments and Holdings Limited	6,87,41,660	10.98%	6,87,41,660	10.98%	-
4	QRG Enterprises Limited	18,98,58,880	30.31%	18,98,58,880	30.33%	-
	Total	**37,24,57,920**	**59.47%**	**37,24,57,920**	**59.49%**	

e) Terms/rights attached to equity shares

The Company has only one class of issued share capital i.e. equity shares having a par value of ₹1/- per share (March 31, 2022 : ₹1/- per share). Each holder of equity shares is entitled to one vote per shares. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements

for the year ended March 31, 2023

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

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	7,74,25,200	12.35	7,74,25,200	12.36
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	3,64,32,180	5.82	3,64,32,180	5.82
QRG Enterprises Limited	-	-	18,98,58,880	30.31
QRG Investments and Holdings Limited	25,86,00,540	41.28	6,87,41,660	10.98
Nalanda India Equity Fund Limited	3,30,44,930	5.28	3,30,44,930	5.28

g) Shares reserved for issue under Employee stock purchase plan

Information relating to Employee stock purchase plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 32 (7).

(B) Other Equity

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
	Capital reserve	7.63	7.63
	Securities premium	148.15	121.50
	Share option outstanding account	2.30	0.53
	General reserve	722.72	722.72
	Retained earnings	5,671.03	5,073.63
	Total other equity	**6,551.83**	**5,926.01**
a)	**Capital reserve**	**7.63**	**7.63**
b)	**Securities premium**		
	Opening balance	121.50	90.38
	Add: Exercise of Employee stock purchase plan - proceeds received	26.65	31.12
	Closing balance	**148.15**	**121.50**
c)	**Stock options outstanding account**		
	Opening balance	0.53	0.64
	Add : Options recognised during the year	3.23	1.15
	Less : Options vested and exercised during the year	(1.46)	(1.26)
	Closing balance	**2.30**	**0.53**
d)	**General reserve**	**722.72**	**722.72**
e)	**Retained earnings**		
	Opening balance	5,073.63	4,280.48
	Net profit for the year	1,074.95	1,194.73
	Items of other comprehensive income recognised directly in retained earnings		
	Re-measurement gains / (losses) on defined benefit plans (net of tax)	(7.67)	5.52
	Dividends		
	Final Dividend of ₹ 4.50 per share for FY 2021-22 (₹ 3.50 per share for FY 2020-21)	(281.93)	(219.21)
	Interim dividend of ₹ 3 per share for FY 2022-23 (₹ 3.00 per share for FY 2021-22)	(187.95)	(187.89)
	Closing balance	**5,671.03**	**5,073.63**

(C) **Nature and Purpose of Reserves**

(a) Capital reserve

During amalgamation/ merger approved by honourable court, the excess of net assets taken over the consideration paid, if any, is treated as capital reserve. This capital reserve has arisen as a result of scheme of amalgamation in the past periods.

(b) **Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) **General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with scheme of Amalgamation in earlier years. The requirement to mandatorily transfer a specified percentage of the net profit to general reserve before declaration of dividend has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(d) **Share options outstanding account**

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock purchase plan.

Net of shares 41,960 (March 31, 2022: 41,960) held by employee welfare trust included in the financial statements

(e) **Retained earnings**

Retained Earnings are profits that the Company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

15. Non Current Financial Liabilities

(A) Borrowings (valued at amortised cost)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Term loans from bank (secured) {refer note (a) to (d) below}	-	395.49
Term loans others (secured)	-	0.04
	-	**395.53**
Less : Current maturity of long term borrowing {refer note 18 (A)}	-	121.12
Less: Interest accrued (included in current borrowing)	-	1.84
Non-current portion	**-**	**272.57**

Notes:

(a) The Company has availed secured loan of ₹ Nil (March 31, 2022: ₹ 250 crores), carrying interest rate of (3 months TBill rate plus (288 - 488 base points)) against the sanctioned term loan amount of ₹ Nil (March 31, 2022: ₹ 250 crores) from CITI Bank N.A. The Company has repaid its loan during the year. The current outstanding amount against the loan is ₹ Nil (March 31, 2022: ₹ 203.13 crores).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the company during the previous year.The term loan was repayable in 16 equated quarterly instalments commencing from 15th month from first drawdown date of April 21, 2020. This term loan was secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future situated at (i) SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India (ii) Unit-1 Village Dharampur,Sai Road,Baddi,Dist Solan,Himachal Pradesh,(iii) Unit-II Village Gulerwala,Dist Solan, Baddi,Himachal Pradesh,(iv) Unit-I,Sector -10,Plot No 2A,BHEL Complex,Haridwar (v) Unit-II, Plot No 2A and 2D/1 Sector-10,Sidcul Industrial Area,Haridwar, Uttarakhand

Notes to Financial Statements

for the year ended March 31, 2023

(b) *The Company has availed secured loan of ₹ Nil (March 31, 2022: ₹ 250 Crores) carrying interest rate of 4 - 6 % against the sanctioned amount of ₹ Nil (March 31, 2022: ₹ 350 crores) from HDFC Bank Limited. The Company has repaid its loan during the year. The current outstanding amount against the loan is ₹ Nil (March 31, 2022: ₹ 190.52 crores).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the company during 12 months of first drawdown date of May 29, 2020. The term loan was repayable in quarterly instalments over the period of 5 years as per terms of agreement starting from [1st Loan of ₹ 120 Crores (June 2020- May 2025) and 2nd Loan of ₹ 130 Crores (April 2021- May-2025)]. This loan was secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets, plant and machinery and all movable properties both present and future situated at (i) A-461/462,SP-215 and 204 & 204A, Matsya Industrial Area, Alwar, Rajasthan and (ii) SP-1-133,General Zone, RIICO Industrial Area, Ghiloth.*

(c) *The Company was required to maintain the Debt Covenants i.e., Fixed assets coverage ratio, Debt service coverage ratio, gearing ratio, leverage ratio and interest coverage ratio and Company had complied with all such covenants in the previous year i.e. March 31, 2022.*

(d) *During the previous year, The Company had borrowings from banks and financial institutions on the basis of security of current assets. The Company had complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022. During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the quarterly returns or statements are not required to be filed with banks or financial institutions.*

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

(f) *The borrowings obtained by the company from banks and financial institutions had been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous years, those were applied in the respective years for the purpose for which the loans were obtained.*

(g) *There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.*

(B) Lease Liabilities

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities {refer note 32(3)}	186.91	178.82
	186.91	**178.82**

(C) Other Financial Liabilities (valued at amortised cost)

(₹ in crores)

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

16. Non Current Provisions

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	4.15	-
Product warranties and E-waste {Refer note 19(a)}	132.57	76.25
	136.72	**76.25**

Notes to Financial Statements

for the year ended March 31, 2023

17. Income Taxes

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(a) Income tax expense in the statement of profit and loss comprises :		
Current tax charge	361.17	407.80
Adjustment in respect of current tax of previous year	3.24	(10.25)
Total current income tax	**364.41**	**397.55**
Deferred tax charge / (credit)		
Relating to origination and reversal of temporary differences	10.89	11.51
Income tax expense reported in the statement of profit or loss	**375.30**	**409.06**
(b) Other Comprehensive Income		
Current income tax related to items recognised in OCI during the year:		
Current income tax on re-measurement loss on defined benefit plans	2.58	(1.86)
Income tax related to items recognised in OCI during the year	**2.58**	**(1.86)**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :		
Accounting Profit before tax	1,450.25	1,603.79
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	**365.00**	**403.64**
Expenses not allowed for tax purpose	8.53	5.69
Additional allowances for tax	(0.08)	(0.03)
Provisons for litigation	2.97	-
Utilisation of previously unrecognised tax losses	-	(0.24)
Others	(1.12)	-
Income tax charged to Statement of Profit and Loss at effective rate of 25.88% (March 31, 2022: 25.51%) {Refer Note (ii) below}	**375.30**	**409.06**

(d) Deferred tax liabilities comprises :

(₹ in crores)

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

(e) Deferred tax liabilities (net)

(₹ in crores)

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

Notes to Financial Statements

for the year ended March 31, 2023

Notes:

(i) *The Company has unabsorbed capital loss of ₹ 390.84 crores as on March 31, 2023 (March 31, 2022: ₹ 369.61 crores) out of which capital loss of ₹ 219.75 crores will expire in financial year 2023-24, capital loss of ₹ 122.30 crores will expire in financial year 2025-26, capital loss of ₹ 27.51 crores will expire in financial year 2029-30 and capital loss of ₹ 21.27 crores will expire in financial year 2030-31, on which no deferred tax asset has been created by the management due to lack of probability of future capital gain against which such deferred tax assets can be realised. If the Company were able to recognise all unrecognised deferred tax assets, the profit after tax would have increased by ₹ 89.28 crores (March 31, 2022: ₹ 84.56 Crore).*

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

18. Current Financial Liabilities

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(A)	**Short Term Borrowings**		
	Current maturities of long term borrowings (Refer note 15(A))	-	121.12
	Add: Interest accrued	-	1.84
		-	**122.96**
(B)	**Lease Liabilities**		
	Current maturities of Lease liability {refer note 32 (3)}	36.19	42.05
		36.19	**42.05**
(C)	**Trade Payables**		
	Total outstanding dues of micro enterprises and small enterprises; and	154.96	114.08
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,487.58	2,265.33
		2,642.54	**2,379.41**

Trade payables ageing schedule as at March 31, 2023

		Outstanding for following periods from due date of payment						
Particulars		**Unbilled dues**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)	MSME	-	150.32	4.64	-	-	-	154.96
(ii)	Others	120.11	2,167.69	188.62	9.77	-	-	2,486.19
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	1.39	1.39
	Total	**120.11**	**2318.01**	**193.26**	**9.77**	-	**1.39**	**2642.54**

Trade payables ageing schedule as at March 31, 2022

		Outstanding for following periods from due date of payment						
Particulars		**Unbilled dues**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)	MSME	-	112.68	1.40	-	-	-	**114.08**
(ii)	Others	83.02	1,971.00	206.63	3.29	-	-	**2263.94**
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	1.39	**1.39**
	Total	**83.02**	**2,083.68**	**208.03**	**3.29**	**-**	**1.39**	**2379.41**

Notes:

(i) *Trade Payables include due to related parties ₹ 16.00 crores (March 31, 2022 : ₹16.92 crores) {refer note 32(6)(D)}*

(ii) *The amounts are unsecured and non interest-bearing and are usually on varying trade term.*

(iii) *For terms and conditions with related parties. {refer to note 32(6)}*

(iv) *The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.*

a) *Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.*

	March 31, 2023	March 31, 2022
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 as at the end of each accounting year		
Principal	154.96	114.08
Interest	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (March 31, 2022 : ₹ Nil)	-	-

(D) Other Financial Liabilities (valued at amortised cost)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Unpaid dividend {refer note (a)}	2.26	2.68
Other payables		
Employees payable pursuant to employee stock purchase plan		
Long Term Employee Retention Scheme	2.04	2.06
Creditors for capital goods	45.30	21.47
Deposits from customers	48.48	45.55
Retention Money	18.62	9.43
Other liabilities		
Employee benefit obligations	121.54	110.25
Interest accrued	-	5.94
Sales incentives payable	381.23	319.29
Others {refer note (b)}	5.38	8.79
	624.85	**525.46**

Notes:

a) *Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred ₹ 0.26 crores (March 31, 2022 : ₹0.26 crores) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act, 2013.*

b) *Other includes amount against E-waste liability {refer note 19(a)(ii)}.*

Notes to Financial Statements

for the year ended March 31, 2023

19. Current Provisions

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
i) **Provision for employee benefits**			
Gratuity {refer note no. 32(4)}		31.21	8.65
	(A)	**31.21**	**8.65**
ii) **Other provisions**			
Product warranties {refer note (a)}		237.00	237.30
Litigations {refer note (b)}		6.70	7.28
	(B)	**243.70**	**244.58**
	(A) + (B)	**274.91**	**253.23**

a) Provision for warranties

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within seven years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on one to seven years warranty period for all products sold and are consistent with those in the prior years. The assumptions made in relation to the current year are consistent with those in the prior year.

(ii) The table below gives information about movement in Warranty and E-waste provision

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
As at April 01, 2022	313.55	284.80
Charged/(credited) to profit or loss		
- additional provisions recognized (refer note 30)	292.44	211.27
- unused amounts reversed	-	-
- unwinding of discount {refer note no. 28 }	5.78	6.24
Amounts used during the period	(242.20)	(188.76)
As at March 31, 2023	**369.57**	**313.55**
Current portion	237.00	237.30
Non-current portion {refer note no. 16}	132.57	76.25

b) Provision for litigations

Provision for litigation amounting to ₹ 6.70 Crores (March 31, 2022: ₹7.28 Crores) is created against demands raised in various ongoing litigations in ordinary course of business. Based on the facts of the case and legal precedents, the management believes there would be a probable outflow of resources and accordingly, has created a provision in books of account.

The table below gives information about movement in litigation provisions:

(₹ in crores)

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

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

20. Current Tax Liabilities

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of advance tax and tax deducted at source amounting to ₹ 334.38 crores (March 31, 2022 ₹ 346.86 crores)	32.26	62.85
	32.26	**62.85**

21. Other Current Liabilities

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Advance against Land	0.50	-
Others		
Goods and Services Tax Payable	55.69	123.45
Other statutory dues payable	82.80	65.60
	138.99	**189.05**

22. Revenue From Operations:

(₹ in crores)

			Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from contract with customers:			
	Sale of products		16,694.74	13,706.50
	Sales of services		68.63	79.00
		(A)	**16,763.37**	**13,785.50**
	Other operating revenues			
	Export Incentive		10.13	10.66
	Scrap sales		94.88	92.37
		(B)	**105.01**	**103.03**
	Total revenue from operations	(A) + (B)	**16,868.38**	**13,888.53**
(i)	**Timing of revenue recognition**			
	Goods transferred at a point in time		16,789.62	13,798.87
	Services transferred over the time		68.63	79.00
	Total revenue from contract with customers		**16,858.25**	**13,877.87**
	Add : Export Incentive		10.13	10.66
	Total revenue from operations		**16,868.38**	**13,888.53**
(ii)	**Disaggregation of revenue based on product or service**			
	Switchgears		2,114.89	1,781.35
	Cables		5,529.16	4,642.77
	Lighting and fixtures		1,601.42	1,370.71
	Electrical consumer durables		3,294.21	3,064.11
	Lloyd Consumer*		3,368.43	2,260.21
	Others		950.14	758.72
	Total revenue from contract with customers		**16,858.25**	**13,877.87**

** Includes revenue from installation services and service-type warranties.*

Notes to Financial Statements

for the year ended March 31, 2023

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
(iii)	**Revenue by location of customers**		
	India	16,372.67	13,373.43
	Outside India	485.58	504.44
	Total revenue from contract with customers	**16,858.25**	**13,877.87**
	Add : Export Incentive	10.13	10.66
	Total revenue from operations	**16,868.38**	**13,888.53**
(iv)	**Reconciliation of revenue recognised in statement of profit and loss with contracted price**		
	Revenue as per contracted price	16,967.20	13,964.90
	Less: Cash discount	(108.95)	(87.03)
	Total revenue from contract with customers	**16,858.25**	**13,877.87**
	Add : Export Incentive	10.13	10.66
	Total revenue from operations	**16,868.38**	**13,888.53**

(v) Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Company provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2023 and expected time to recognise the same as revenue is as follows:-

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	82.53	54.30
More than one year	4.10	4.99
	86.63	**59.29**

Note: *The remaining performance obligation expected to be recognised in more than one year relates to amounts received from customer against which performance obligation is to be satisfied over the period of one to seven years. All other remaining performance obligation are expected to be recognised within one year. During the year ended March 31, 2023, revenue recognised from amount included in contract liability at the beginning of year is ₹ 54.30 crores (March 31, 2022: ₹ 34.94 crores).*

(vi) Disclosure pursuant to Appendix C of Ind AS 115

The Company was awarded a contract for replacement of existing conventional street/ park lights with LED street/ park lights by a Municipal Corporation in April 2017. As per the agreement, the Company shall also be responsible for the operation and maintenance of LED street/ park lights for a period of 7 years after installation. The consideration received by the Company under the contract is based on the energy savings resulting from the LED street/ park lights. The revenue recognised during the year and the contract assets balance as at year-end from such contract amounts to ₹ 45.89 Crores (March 31, 2022: ₹ 45.43 crores) and ₹ 43.57Crores (March 31, 2022: ₹ 56.83 crores) respectively.

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

23. Other Income

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest received on financial assets carried at amortised cost:		
Deposits with banks	104.17	80.74
Investment	12.99	15.26
Others - Finance Income and Interest	6.07	7.76
Other non-operating income		
Exchange fluctuations (net)	21.58	33.48
Liabilities no longer required written back	0.23	0.15
Lease rent concession {refer note 32(3)}	0.12	0.49
Profit on sale of Investments	-	0.97
Discount on License utilised	9.43	8.65
Subsidy Income	2.36	4.83
Miscellaneous income	20.07	8.09
	177.02	**160.42**

24. Cost of Raw Materials and Components Consumed

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Copper	3,361.20	2,604.08
Aluminium	1,009.60	922.07
General plastic and Engineering Plastic	438.02	365.51
Paints and chemicals	509.45	486.41
Steel	275.73	217.59
Packing materials	374.42	307.53
Other material	3,349.50	2,868.87
	9,317.92	**7,772.06**

25. Purchase of Traded Goods

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Switchgears	175.23	157.37
Lighting and fixtures	523.90	308.75
Electrical consumer durables	506.07	440.69
Lloyd Consumer	1,427.53	681.95
Cables	1.02	0.77
Others	360.83	241.95
	2,994.58	**1,831.48**

Notes to Financial Statements

for the year ended March 31, 2023

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

(₹ in crores)

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

(₹ in crores)

	As at March 31, 2022	As at March 31,2021	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	1,359.07	1,211.73	(147.34)
Traded goods	581.31	542.66	(38.65)
Work in progress	202.06	167.53	(34.53)
Scrap materials	13.87	14.91	1.04
	2,156.31	**1,936.83**	**(219.48)**

27. Employee Benefits Expenses

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus, commission and other benefits	1,148.29	922.01
Contribution towards Provident Fund, Family Pension and ESI	47.72	40.45
Employee stock purchase plan expense {refer note no. 32(7)}	25.33	26.76
Gratuity expense {refer note no. 32(4)}	25.11	16.03
Staff welfare expenses	15.21	9.40
	1,261.66	**1,014.65**

28. Finance Costs

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	5.14	25.10
Interest on income tax	4.17	7.01
Interest on lease liability {refer note no. 32(3)}	18.35	14.89
Miscellaneous financial expenses	0.18	0.17
Total interest expense	**27.84**	**47.17**
Unwinding of discount on long term provisions {refer note no. 19(a)(ii)}	5.78	6.24
Total Finance cost	**33.62**	**53.41**

29. Depreciation and Amortisation Expenses

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment {refer note 3}	219.37	192.04
Amortization of intangible assets {refer note 4}	26.13	27.02
Depreciation of Right of use assets (refer note 3)	50.61	41.77
	296.11	**260.83**

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Notes to Financial Statements

for the year ended March 31, 2023

30. Other Expenses

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	53.25	54.68
Power and fuel	119.27	99.57
Job work and service charges	332.96	279.10
Rent	31.57	23.76
Repairs and maintenance:		
Plant and machinery	41.04	15.35
Buildings	4.63	3.60
Others	68.62	52.57
Rates and taxes	2.41	2.58
Insurance	28.32	25.23
Trade mark fee and royalty	0.42	0.39
Travelling and conveyance	123.87	66.54
Communication expenses	5.95	6.59
Legal and professional charges	23.12	32.72
Payment to Auditors		
Audit fee	1.35	1.35
Certification fee	0.03	0.01
Reimbursement of expenses	0.16	0.05
Payment to Tax Auditors		
Tax audit fee	0.04	0.04
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 32(8)}	26.68	23.66
Directors sitting fees	0.90	0.45
Exchange fluctuations (net)	-	-
Freight and forwarding expense	547.07	431.21
Advertisement and sales promotion	437.40	246.82
Commission on sales	120.66	98.30
Product warranties and after sales services (net of reversals)	292.44	211.27
Bank Charges	21.34	13.34
Loss on sale/ discard of property, plant and equipment (net)	0.14	1.43
Credit impaired trade receivables written off	2.52	10.39
Impairment/ (reversal of impairment) on investment in subsidiary	(2.85)	-
Miscellaneous expenses	33.24	28.82
	2,316.55	**1,729.82**

30A. Net Impairment Losses on Financial and Contract Assets

(₹ in crores)

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

Notes to Financial Statements

for the year ended March 31, 2023

31. Commitments and Contingencies

(₹ in crores)

		As At March 31, 2023	As At March 31, 2022
A	**Contingent liabilities (to the extent not provided for)**		
a	Claims / Suits filed against the Company not acknowledged as debts (Refer point (i))	6.83	7.07
b	Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 13.04 crores (March 31, 2022: ₹ 29.13 crores}, included in "Deposit with Statutory and Government authorities" in note no. 8) {refer point (ii)}	54.74	74.88

Notes:

i) Claims / suits filed against the Company not acknowledged as debts which represents various legal cases filed against the company. The Company has disclaimed the liability and defending the action. The Company has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.

ii) The various disputed tax litigations are as under :

(₹ in crores)

Sl.	Description {refer note below}	Period to which relates	Disputed amount As At March 31, 2023	Period to which relates	Disputed amount As At March 31, 2022
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2009-10, 2015-16 to 2017-18 and 2019-20	16.32	2007-08 to 2009-10, 2015-16 to 2017-18 and 2019-20	16.34
b)	**Income Tax***				
	Disallowances / additions made by the income tax department.	2005-06, 2008-09 to 2014-15, 2016-17 to 2017-18 and 2019-20	35.17	2005-06, 2009-10 to 2014-15, 2016-17,2018-19 and 2019-20	38.78
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 and 2019-20	1.23	2017-18 and 2019-20	1.26
d)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department.	2003-04 to 2016-17	1.87	2005-06 to 2016-17	18.35
e)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			54.74		**74.88**

Notes:

The above figures are net off provisions made by the Company. The Company is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

**Based on favourable decisions in similar cases, the Company does not expect any liability against these matters in accordance with principles of Ind AS -12 'Income taxes' read with Ind AS -37 ;Provisions, Contingent Liabilities and Contingent Assets' and hence no provision has been considered in the books of accounts except for provision created in respect of few years {refer note 19(ii)}.*

The above amounts contain interest and penalty where included in the order issued by the department to the Company

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

B. Commitments

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances amounting to ₹ 52.52 crores (March 31, 2022: ₹ 7.45 crores))	476.73	59.27
	476.73	**59.27**

C Undrawn committed borrowing facility

(a) During the Year, the company has availed fund and non fund based unsecured working capital limit amounting to ₹ 1382.50 Crores under multiple banking arrangements from IDBI Bank Limited, Yes Bank Limited, Standard Chartered Bank Limited, HSBC Bank, ICICI Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, DBS Bank Limited and CITI Bank N.A. An amount of ₹ 1102.86 crores remain undrawn as at Mach 31, 2023.

D Other Litigations

The Company has some sales tax and other tax related litigation of ₹ 6.70 crores (March 31, 2022: ₹ 7.28 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E The Company has outstanding obligation amounting to ₹ 0.51 crores (March 31, 2022: ₹ 0.52 crores) in respect of bonds given to central tax department against import of goods at concessional rate of basic custom duty. The Company expects to fulfil the obligation in due course of time.

F The Company has export obligation of ₹ 158.68 crores (March 31, 2022: ₹ 34.95 crores) on account of import duty exemption of ₹ 8.72 crores (March 31, 2022: ₹1.50 crore) on capital goods under the Export Promotion Capital Goods (EPCG) and ₹ 0.15 crores Advance Authorisation scheme laid down by the Government of India. The Company expects to fulfil the obligation in due course of time.

32. Other Notes on Accounts

1 Investment in subsidiaries

The Company 's investments in subsidiaries are as under:

Name of the subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2023	Portion of ownership interest as at March 31, 2022	Method used to account for the investment
Havells Holdings Limited*	Isle of Man	0%	100%	At cost
Havells Guangzhou International Limited	China	100%	100%	At cost

**dissolved on October 27, 2022*

2 During the year, the Company has capitalised the following expenses directly relatable to the cost of property, plant and equipment, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(₹ in crores)

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

**Employee benefits expense includes overheads*

Notes to Financial Statements

for the year ended March 31, 2023

3 **Leases**

i The Company's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases. Payment made towards short term leases of low value assets (lease of assets worth less than ₹ 2 Lacs) other than building and warehouse are recognized in the statement of Profit and Loss as rental expenses over the tenure of such leases.

ii Following is carrying value of right of use assets and the movements thereof :

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 1, 2021	**224.57**	**122.89**	**347.46**
Additions during the year	1.87	132.69	134.56
Recognition of grant related to assets	-		-
Deletion during the year	-	(6.59)	(6.59)
Depreciation of Right of use assets (refer note 29)	(2.53)	(39.24)	(41.77)
Balance as at March 31, 2022	**223.91**	**209.75**	**433.66**
Additions during the year	1.34	51.86	53.20
Recognition of grant related to assets	-	-	-
Deletion during the year	-	(4.22)	(4.22)
Depreciation on Right of use assets (refer note 29)	(2.54)	(48.07)	(50.61)
Balance as at March 31, 2023	**222.71**	**209.32**	**432.03**

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

(₹ in crores)

Particulars	Amount
Balance as at April 1, 2021	**130.66**
Additions during the year	131.92
Finance cost accrued during the year	14.89
Deletion during the year	(6.68)
Lease rent concession	(0.49)
Payment of lease liabilities including interest	(49.43)
Balance as at March 31, 2022	**220.87**
Additions during the year	50.73
Finance cost accrued during the year	18.35
Deletion during the year	(4.10)
Lease rent concession	(0.12)
Payment of lease liabilities including interest	(62.63)
Balance as at March 31, 2023	**223.10**
Current maturities of Lease liability {refer note 18 (B)}	36.19
Non-Current Lease Liability {refer note 15 (B)}	186.91
	223.10

iv The maturity analysis of lease liabilities are disclosed in Note 32(10).

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

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

(₹ in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge of right-of-use assets - leasehold building	48.07	39.24
Depreciation charge of right-of-use assets - leasehold land	2.54	2.53
Finance cost accrued during the year (included in finance cost) (refer note 28)	18.35	14.89
Expense related to short term leases (included in other expense) (refer note 30)	**31.57**	**23.76**

Notes to Financial Statements

for the year ended March 31, 2023

vii The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

viii The Company has received the Covid-19-related rent concessions for lessees amounting to ₹ 0.12 crores (March 31, 2022: ₹ 0.49 crores) and on the basis of practical expedient as per Ind AS 116 "Leases", the same is not considered to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

ix The Company has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

x **Non-cash investing activities during the year:**

(₹ in crores)

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

4 **Gratuity and other post-employment benefit plans**

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

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

(₹ in crores)

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

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Bajaj Allianz Life Insurance Co. Ltd. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss, the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
a) **Reconciliation of opening and closing balances of Defined Benefit obligation**		
Present value of Defined Benefit obligation at the beginning of the year	140.29	129.22
Interest Expense	9.90	8.51
Current Service Cost	24.80	15.41
Benefit paid	(6.64)	(6.68)

Notes to Financial Statements

for the year ended March 31, 2023

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
	Remeasurement of (Gain)/loss recognised in other comprehensive income		
	Actuarial changes arising from changes in financial assumptions	3.62	(5.06)
	Actuarial changes arising from changes in experience adjustments	5.84	(1.11)
	Present value of Defined Benefit obligation at year end	**177.81**	**140.29**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	131.64	110.97
	Expected return on plan assets	9.59	7.89
	Employer contribution	8.65	18.25
	Remeasurement of Gain/(loss) in other comprehensive income		
	Return on plan assets excluding interest income	(0.79)	1.21
	Benefits paid	(6.64)	(6.68)
	Fair value of plan assets at year end	**142.45**	**131.64**
c)	**Net defined benefit asset/ (liability) recognised in the balance sheet**		
	Fair value of plan assets	142.45	131.64
	Present value of defined benefit obligation	(177.81)	(140.29)
	Amount recognised in Balance Sheet- Asset / (Liability)	**(35.36)**	**(8.65)**
	Current portion {refer note 19(i)}	(31.21)	(8.65)
	Non-current portion	(4.15)	-
d)	**Net defined benefit expense (recognised in the Statement of profit and loss for the year)**		
	Current service cost	24.80	15.41
	Interest cost (net)	0.31	0.62
	Net defined benefit expense debited to statement of profit and loss	**25.11**	**16.03**
e)	**Remeasurement (gain)/ loss recognised in other comprehensive income**		
	Actuarial changes arising from changes in financial assumptions	3.62	(5.06)
	Actuarial changes arising from changes in experience adjustments	5.84	(1.11)
	Return on Plan assets excluding amounts included in net interest expense	0.79	(1.21)
	Recognised in other comprehensive income	**10.25**	**(7.38)**
f)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds	100%	100%

g) **Principal assumptions used in determining defined benefit obligation**

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

Notes to Financial Statements

for the year ended March 31, 2023

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

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

	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	**Employees**	**Employees**
Increase by 0.50%	(5.89)	(4.90)
Decrease by 0.50%	6.71	5.59
Salary increase		
Increase by 0.50%	6.58	5.49
Decrease by 0.50%	(5.89)	(4.91)
Attrition rate		
Increase by 0.50%	(0.75)	(0.57)
Decrease by 0.50%	0.85	0.65

i) **Maturity profile of defined benefit obligation**

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

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

k) The Company expects to contribute ₹ 29.08 crores (March 31, 2022 : ₹ 8.65 crores) to the plan during the next financial year.

l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

o) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

5 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Company is organized into business units based on its products and services and has six reportable segments as follows:

a) **Operating Segments**

Switchgears	: Domestic and Industrial switchgears, electrical wiring accessories and capacitors.
Cables	: Domestic cables and Industrial underground cables.
Lighting and Fixtures	: Energy Saving Lamps (LED, Fixtures) and luminaries.
Electrical Consumer Durables	: Fans, Water Heaters, Coolers, and Domestic Appliances
Lloyd Consumer	: Air Conditioner, Television, Refrigerator and Washing Machine
Others	: Industrial motors, Pump, Water purifier, Solar, Personal Grooming

Notes to Financial Statements

for the year ended March 31, 2023

b) **Identification of Segments:**

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues

g) No operating segments have been aggregated to form the above reportable operating segments.

(₹ in crores)

Summary of Segmental Information		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Revenue from operations**		
	Segment Revenue (Sales and other operating revenue)		
	Switchgears	2,119.63	1,786.40
	Cables	5,532.60	4,645.08
	Lighting and fixtures	1,601.53	1,370.88
	Electrical consumer durables	3,295.80	3,066.85
	Lloyd Consumer	3,368.55	2,260.59
	Others	950.27	758.73
		16,868.38	**13,888.53**
	Inter Segment Sale	-	-
	Total segment revenue	**16,868.38**	**13,888.53**
B.	**Results**		
	Segment results		
	Switchgears	556.40	490.75
	Cables	524.67	540.26
	Lighting and fixtures	246.85	257.63
	Electrical consumer durables	418.88	457.55
	Lloyd Consumer	(220.89)	(71.10)
	Others	35.00	56.71
	Segment profit	**1,560.91**	**1,731.80**
	Reconciliation of segment operating profit to operating profit		
	Unallocated:		
	Other unallocable expenses net off	(254.06)	(235.02)
	Other unallocable income	177.02	160.42
	Operating Profit	**1,483.87**	**1,657.20**
	Finance Costs {refer note 28}	(33.62)	(53.41)
	Profit before exceptional items and tax	**1,450.25**	**1,603.79**
	Exceptional Items:		
	a) Loss due to fire	**112.52**	-
	b) Insurance claim receivable	**(112.52)**	-

Notes to Financial Statements

for the year ended March 31, 2023

(₹ in crores)

Summary of Segmental Information		Year ended March 31, 2023	Year ended March 31, 2022
	Net Profit/ (Loss) for the year before tax and after exceptional items	**1,450.25**	**1,603.79**
	Income tax expense {refer note 17}	(375.30)	(409.06)
	Profit after tax	**1,074.95**	**1,194.73**
C.	**Reconciliations to amounts reflected in the financial statements**		
	Segment Assets		
	Switchgears	580.76	611.98
	Cables	1,309.14	1,126.47
	Lighting and fixtures	694.29	612.07
	Electrical consumer durables	1,143.17	1,240.26
	Lloyd Consumer	4,262.91	3,076.03
	Others	285.57	239.43
	Segment operating assets	**8,275.84**	**6,906.24**
	Reconciliation of segment operating assets to total assets		
	Cash and bank balance {refer note, 7(C), 11(C) and (D)}	1,977.11	2,556.04
	Fixed deposits with financial institutions {refer note 7(A) and 11(A)}	200.87	426.10
	Investment in Subsidiaries{refer note 5}	0.45	1.63
	Other unallocable assets	688.93	615.15
	Total assets	**11,143.20**	**10,505.16**
	Segment Liabilities		
	Switchgears	387.87	336.80
	Cables	859.26	742.99
	Lighting and fixtures	345.74	254.37
	Electrical consumer durables	621.87	681.57
	Lloyd Consumer	1,105.28	911.84
	Others	201.92	124.07
	Segment operating liabilities	**3,521.94**	**3,051.64**
	Reconciliation of segment operating liabilities to total liabilities		
	Borrowings {refer note 15(A) and 18(A)}	-	395.53
	Lease Liabilities{refer note 15(B) and 18(B)}	223.10	220.87
	Deferred tax liability {refer note 17(d)}	361.51	350.62
	Current tax liabilities (net){refer note 20}	32.26	62.85
	Other unallocable liabilities	389.91	435.01
	Total liabilities	**4,528.72**	**4,516.52**
	Other non-current assets		
	Switchgears	1.24	0.62
	Cables	27.78	4.11
	Lighting and fixtures	7.15	0.01
	Electrical consumer durables	2.08	0.66
	Lloyd Consumer	5.10	0.35
	Others	2.64	0.10
		45.99	**5.85**
	Unallocable assets	32.95	37.08
		78.94	**42.93**
	Capital Expenditure		
	Switchgears	27.28	37.43
	Cables	19.67	21.04
	Lighting and fixtures	22.28	13.33

Notes to Financial Statements

for the year ended March 31, 2023

(₹ in crores)

Summary of Segmental Information	Year ended March 31, 2023	Year ended March 31, 2022
Electrical consumer durables	41.91	70.18
Lloyd Consumer	404.36	78.38
Others	6.88	7.43
	522.38	**227.79**
Unallocable capital expenditure	48.74	28.30
	571.12	**256.09**
Depreciation and Amortization Expenses		
Switchgears	49.83	47.29
Cables	64.38	61.01
Lighting and fixtures	18.92	17.45
Electrical consumer durables	54.30	49.23
Lloyd Consumer	95.58	74.30
Others	13.10	11.55
	296.11	**260.83**
Non-cash expenses (net) other than depreciation		
Switchgears	2.82	0.40
Cables	6.47	(1.07)
Lighting and fixtures	1.48	12.23
Electrical consumer durables	3.45	0.43
Lloyd Consumer	3.46	2.14
Others	0.89	0.08
	18.57	**14.21**
Impairment/ (reversal of impairment) on investment in subsidiary	(2.85)	-
	15.72	**14.21**
Note: *Non cash expenses other than depreciation includes loss on disposal of property, plant and equipment, bad debts and Impairment allowance for trade receivables and other assets considered doubtful*		
Segment Revenue by location of customers		
The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	16,382.80	13,384.09
Revenue-Overseas Market	485.58	504.44
	16,868.38	**13,888.53**
Geographical Segment assets		
Within India	11,085.34	10,443.61
Outside India	57.86	61.55
	11,143.20	**10,505.16**
Geographical Non-current assets		
Within India	3,858.58	3,532.41
Outside India	7.34	1.23
	3,865.92	**3,533.64**

Note:- Non Current assets for this purpose excludes investment in subsidiaries, Contract assets, non current financial assets and non current tax assets

Notes:

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed at company level.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at company level

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets

(iv) There is no single external customer accounting to 10 per cent or more of an Company's revenues

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

6 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", { under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)}, as disclosed below:-

(A)	**Names of related parties and description of relationship :**		
	Related party where control exists		
	Subsidiary Companies		**Relationship**
	1 Havells Holdings Limited		Wholly Owned Subsidiary (WOS), (dissolved on October 27, 2022)
	2 Havells Guangzhou International Limited		Wholly Owned Subsidiary (WOS)
(B)	**Names of other related parties :**		
(i)	**Enterprises having significant influence over company**	**(iv)**	**Key Management Personnel**
	QRG Enterprises Limited		Shri Anil Rai Gupta, Chairman and Managing Director
	QRG Investment and Holding Limited		Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
			Shri Ameet Kumar Gupta, Wholetime Director
(ii)	**Enterprises in which directors are having significant influence**		Shri Siddhartha Pandit, Wholetime Director
	QRG Foundation		Shri Sanjay Kumar Gupta, Company Secretary
	Guptajee & Company		**Non Executive Directors**
	QRG Medicare limited (till November 26, 2021)		Smt. Pratima Ram (retired w.e.f June 30, 2021)
	SRF Limited		Shri Puneet Bhatia
	Manipal Health Enterprises Pvt. Ltd		Shri T V Mohandas Pai
			Shri Surjit Kumar Gupta
			Shri Jalaj Ashwin Dani
(iii)	**Employee benefit trust for the benefited employees**		Shri U K Sinha
	Havells India Limited Employees Gratuity Trust		Shri B P Rao
	Havells Employees Welfare Trust		Shri S S Mundra
			Shri Vivek Mehra
			Smt Namrata Kaul
			Shri Ashish Bharat Ram (appointed w.e.f. May 20, 2021)
		(v)	**Other Related Parties**
			Shri Rakesh Mehrotra
			- Associate Director
			- HKHR Ventures LLP (Partner)
			Shri Yogesh Kumar Gupta
			- Associate Director
			- Eastern Distributors (Partner)
			- Gupta Enterprise (Partner)
			- YKG Enterprises (Partner)
			- OP Gupta and Company (Partner)
			- OPG Travels (Partner)

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

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
(C)	**Transactions during the year**		
(i)	**Commission paid on purchase**		
	Subsidiaries / Step down Subsidiaries		
	Havells Guangzhou International Ltd.	-	2.14
		-	**2.14**
(ii)	**Sale of products (refer note (c) below)**		
	Enterprises in which directors are having significant influence		
	Manipal Health Enterprises Pvt. Ltd	-	0.01
	Other Related Parties		
	OP Gupta and Company	1.63	0.77
		1.63	**0.78**
(iii)	**Purchase of goods and stores & spares**		
	SRF Limited	17.87	3.93
		17.87	**3.93**
(iv)	**Sale of products (refer note (c) below)**	7.21	-
	SRF Limited	**7.21**	**-**
(v)	**Commission on sales (refer note (c) below)**		
	Guptajee and Company	20.65	16.18
	Other Related Parties		
	Eastern Distributors	19.07	16.24
	Gupta Enterprise	2.01	2.23
	YKG Enterprises	2.95	2.95
	HKHR Ventures LLP	38.10	31.85
		82.78	**69.45**
(vi)	**Rent / Usage Charges Paid**		
	Enterprises having significant influence over company		
	QRG Enterprises Limited	**29.52**	**27.07**
(vii)	**Reimbursement of expenses paid**		
	Enterprises having significant influence over company		
	QRG Medicare limited	-	0.02
	Other Related Parties		
	OPG Travels	1.15	0.45
		1.15	**0.47**
(viii)	**CSR Contribution**		
	Enterprises having significant influence		
	QRG Foundation	9.70	3.63
		9.70	**3.63**
(ix)	**Contribution to post employee benefit plan**		
	Havells India Limited Employees Gratuity Trust	**8.65**	**18.25**
(x)	**Managerial remuneration**		
	Key Management Personnel		
	Salaries, wages, bonus, commission and other benefits	51.44	53.20
	Contribution towards PF, Family Pension and ESI	2.01	1.82
	Post-employment benefits	1.15	1.00
	ESPP expense	13.01	15.16
	Non-Executive Directors		
	Director sitting fees	0.90	0.45

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
	Commission	1.80	0.93
	Remuneration to other Related Parties		
	Salaries, wages, bonus, commission and other benefits	3.00	3.00
		73.31	**75.56**
(D)	**Balances at the year end**		
(i)	**Amount Payables**		
	Enterprises in which directors are interested		
	Guptajee & Company	5.26	1.68
	SRF Limited	1.39	1.25
	Other Related Parties		
	Eastern Distributors	5.28	4.51
	Gupta Enterprise	0.24	0.71
	OP Gupta and Company	-	0.03
	HKHR Ventures LLP	3.80	8.73
	OPG Travels	0.03	0.01
		16.00	**16.92**

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) As at March 31, 2023, the Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person (March 31, 2022: Nil),

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

7 Share based payments

The Company has in place following employee stock purchase plan approved by shareholders of the Company in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2021 :

(a) Havells Employee Long Term Incentive Plan 2014 : In accordance with this scheme, 41,817 (March 31, 2022 : 68,356) share options of Re. 1 each were granted, out of which 41,415 (March 31, 2022: 68,356) share options of Re. 1 each were vested and allotted on June 03, 2022 (March 31, 2022 : June 05, 2021) to eligible employees at ₹ 1,289.85 (March 31, 2022: ₹ 1,074.10) per share as contributed by these employees. As per the scheme, 50% of the shares are under lock in period of 13 months and balance 50% for 2 years. Also as per the scheme, the Company is obliged to pay 50% of the contribution made by eligible employees as retention bonus over a period of two years in equal instalments. Accordingly, a sum of ₹ 2.23 crores (March 31, 2022 : ₹ 2.94 crores) has been recognised as employee stock purchase plan expense (refer note 27).

(b) Havells Employee Stock Purchase Plan 2015 : In accordance with this scheme, 150,000 (March 31, 2022: 210,000) share options of Re. 1 each were granted, vested and allotted on June 03,2022 (March 31, 2022: June 05, 2021) at ₹ 1,289.85 (March 31, 2022: ₹ 1,074.10) per share to eligible employees as contributed by the Company. As per the scheme, 78% of the shares are under lock in period of 13 months and remaining 22% are under lock in period for 2 years. Accordingly, a sum of ₹ 19.35 crores (March 2022 :₹ 22.56 crores) has been recognised as employee stock purchase plan expenses (refer note 27).

Notes to Financial Statements

for the year ended March 31, 2023

(c) Havells Employee Stock Purchase Plan 2016 : In accordance with the said scheme, 24,942 (March 31, 2022: 8,454) share options of Re. 1 each were granted to eligible employees with graded vesting in three years starting from 2022. During the year, 13534 equity shares of Re. 1 each (March 31, 2022 : 11705 equity shares) were allotted at ₹ 1,289.85 (March 31, 2022 : ₹1,074.10) per share on June 03, 2022. Accordingly, a sum of ₹2.69 crores (March 31,2021: 1.26 crores) has been recognised as employee stock purchase plan expense refer note 29 and balance outstanding of ₹ 1.48 crores (March 31, 2022 : 0.53 crores) (refer note 14).'

(d) Havells Employee Stock Purchase Plan 2022 : In accordance with the said scheme, 17,733 (March 31, 2022: NIL) share options of Re. 1 each were granted to eligible employees with graded vesting in three years starting from 2022. During the year, 1722 equity shares of Re. 1 each (March 31, 2022 : NIL equity shares) were allotted at ₹ 1,348.55 (March 31, 2022 : NIL) per share on Nov 03, 2022. Accordingly, a sum of ₹1.06 crores (March 31,2021: NIL) has been recognised as employee stock purchase plan expense refer note 27 and balance outstanding of ₹ 0.82 crores (March 31, 2022 : NIL) (refer note 14).'

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

Summary of Stock Options	2022-23		2021-22	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	10,023	-	13,274	-
Options granted during the year	2,34,492	1,290.34	2,86,810	1,074.10
Options vested and exercised during the year	(2,06,671)	1,290.34	(2,90,061)	1,074.10
Options lapsed during the year	(3,153)	-	-	-
Options outstanding at the end of the year	**34,691**	-	**10,023**	

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

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

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

The fair value at grant date of options granted during the year ended March 31, 2023 was within range of ₹ 1271.53 to ₹ 1348.16 per share (March 31, 2022 was within range of ₹ 1059.27 to ₹ 1073.90 per share). The fair value at the grant date is determined using Black Scholes valuation model which takes into account the exercise price, the terms of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the option.

Notes to Financial Statements

for the year ended March 31, 2023

(iii) **The Model inputs for options granted (ESPP 2016) :**

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

The Model inputs for options granted (ESPP 2022) :

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

(iv) The expected price volatility is based on the historical volatility (based on remaining life of the options), adjusted for any expected change to future volatility due to publically available information.

(v) Expense arising from shared based payment transactions

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

8 **Corporate Social Responsibility**

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

Details of CSR Expenditure:

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

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for the year ended March 31, 2023

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(ii) Contribution to Trust/Universities/Society	8.30	15.19
(iii) On purpose other than above	4.04	7.69
Total Amount Spent	26.89	22.88
Excess spent from previous year utilised during the current year	0.72	1.50
Amount yet to be spent	-	-
Total	27.61	24.38
Less: Excess spent during the year to be carry forward to next year	0.93	0.72
Total	**26.68**	**23.66**

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

Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With the Company	In Separate CSR Unspent A/c		From Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
FY 2020-21	-	-	16	4.00	-	12	-
FY 2021-22	-	12.00	-	-	4.00	-	8.00
FY2022-23	-	8.00	-	-	4.00	-	4.00

Note: *The company had earned an interest of INR 0.41 crores (0.48 crores in March 2021) on the funds in CSR unspent bank account during the year, which is proposed to be spent in FY 2023-24 on ongoing project.*

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

Year	Opening Balance unspent	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance unspent
FY 2021-22	-	-	23.66	23.66	-
FY2022-23	-	-	26.68	26.68	-

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

Year	Opening balance excess spent	Amount required to be spent during the year	Amount spent during the year	Closing balance excess spent
FY 2021-22	1.50	23.66	22.88	0.72
FY2022-23	0.72	26.68	26.89	0.93

9 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in crores)

	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial instruments by category				
Financial assets valued at amortized cost				
Investments with financial institution	200.87	426.10	200.87	426.10
Cash and bank balances (Current)	1,861.87	2,535.84	1,861.87	2,535.84
Trade Receivables	972.92	767.50	972.92	767.50
Other Financial assets (Current)	116.89	29.89	116.89	29.89
Other Financial assets (Non-current)	148.86	41.94	148.86	41.94
	3,301.41	**3,801.27**	**3,301.41**	**3,801.27**

(₹ in crores)

	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Liabilities valued at amortized cost				
Trade Payables	2,642.54	2,379.41	2,642.54	2,379.41
Borrowings (current and non-current)	-	395.53	-	395.53
Lease Liability (current and non current)	223.10	220.87	223.10	220.87
Other financial liabilities (non-current)	7.21	3.96	7.21	3.96
Other financial liabilities (current)	624.85	525.46	624.85	525.46
	3,497.70	**3,525.23**	**3,497.70**	**3,525.23**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the other financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows (DCF model) using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

3) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

4) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognised and measured at Fair value

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

Notes to Financial Statements

for the year ended March 31, 2023

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

	Carrying Value	Fair Value		
	March 31, 2023	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (Non-current)	148.86	-	-	148.86
Other Financial assets (Current)	116.89	-	-	116.89
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current and non-current)	-	-	-	-
Lease Liability (current and non current)	223.10	-	-	223.10
Other financial liabilities (non-current)	7.21	-	-	7.21
Other financial liabilities (current)	624.85	-	-	624.85

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

	Carrying Value	Fair Value		
	March 31, 2022	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (non-current)	41.94	-	-	41.94
Other Financial assets (current)	29.89	-	-	29.89
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (non-current)	395.53	-	-	395.53
Lease Liability (current and non current)	220.87	-	-	220.87
Other financial liabilities (non-current)	3.96	-	-	3.96
Other financial liabilities (current)	525.46	-	-	525.46

10 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD,EUR, JPY, CNY and other currencies including KES,NPR, CHF, LKR, MWK,AED,SLL and GBP exchange rates, with all other variables held constant. The impact on the Company profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

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

		March 31, 2022		Impact on profit before tax and equity	
Currency	Currency Symbol	Foreign Currency	Indian Rupees	5% increase	5% decrease
		in Crores	in Crores	in Crores	in Crores
United States Dollar	USD	$ (4.22)	(319.78)	(15.99)	15.99
EURO	EUR	€ (0.06)	(5.02)	(0.25)	0.25
Chinese RMB\CNY	CNY	CNY (0.55)	(6.51)	(0.33)	0.33
Other currencies		(0.60)	(0.50)	(0.03)	0.03

Note:

Figures in bracket represents payables

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for the year ended March 31, 2023

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's borrowings outstanding as at March 31, 2023 and March 31, 2022 comprise of long term loans.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

	March 31, 2023		March 31, 2022	
	Increase/decrease in basis points	Impact on profit before tax and Equity	Increase/decrease in basis points	Impact on profit before tax and Equity
Term Loan	-	-	+0.50	(1.97)
	-	-	-0.50	1.97

(iii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. To mitigate the risk of supply and price fluctuations, Domestic and overseas sources are bench-marked to Optimize the allocation of business share among various sources. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company mitigated the risk of price volatility by entering Long Term & Short term contracts for the Purchase of these commodities basis estimated annual requirements.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables and Contract Assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Notes to Financial Statements

for the year ended March 31, 2023

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

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

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

Particulars	Unbilled dues	Not due	Less than 6 months	Outstanding for following periods from due date of payment				Total
				6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Gross carrying amount – trade receivables	-	266.47	602.01	71.36	56.16	42.02	22.56	1,060.58
(ii) Gross carrying amount – contract assets	-	52.24	-	-	-	-	-	52.24
(iii) Expected loss rate	-	0.00%	0.03%	7.05%	31.75%	100.00%	100.00%	8.27%
(iv) Expected credit losses – trade receivables	-	0.01	0.21	5.03	17.83	42.02	22.56	87.66
(v) Expected credit losses – contract assets	-	-	-	-	-	-	-	-
(vi) Carrying amount of trade receivables (net of impairment)	-	266.46	601.80	66.33	38.33	-	-	972.92
Carrying amount of contract assets (net of impairment)	-	52.24	-	-	-	-	-	52.24

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

Particulars	Unbilled dues	Not due	Less than 6 months	Outstanding for following periods from due date of payment				Total
				6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Gross carrying amount – trade receivables	-	524.44	162.15	47.61	62.98	23.75	18.31	839.24
(ii) Gross carrying amount – contract assets	-	65.38	-	-	-	-	-	65.38
(iii) Expected loss rate	-	0.00%	0.31%	9.30%	39.28%	100.00%	100.00%	8.55%
(iv) Expected credit losses– trade receivables	-	0.01	0.50	4.43	24.74	23.75	18.31	71.74
(v) Expected credit losses– contract assets	-	-	-	-	-	-	-	-
(vi) Carrying amount of trade receivables (net of impairment)	-	524.43	161.65	43.18	38.24	-	-	767.50
Carrying amount of contract assets (net of impairment)	-	65.38	-	-	-	-	-	65.38

Notes to Financial Statements

for the year ended March 31, 2023

(ii) **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Investment with financial institution	200.87	426.10
Cash and cash equivalents (Current)	456.86	763.70
Bank balances other than above (Current)	1405.01	1,772.14
Other bank balances (Non-current)		
Others Non Current financial assets	148.86	41.94
Others Current financial assets	116.89	29.89
	2,328.49	**3,033.77**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	972.92	767.50
	972.92	**767.50**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

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

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Particulars		
Trade Receivables		
Not past due	266.46	524.43
0 to 180 days due past due date	601.80	161.65
More than 180 days past due date	104.66	81.42
Total Trade Receivables	**972.92**	**767.50**
The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-		
As at the beginning of year	71.74	69.35
Addition and utilization during the year	15.91	2.39
As at the end of year	**87.65**	**71.74**

(c) **Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term loans, short term commercial papers and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Notes to Financial Statements

for the year ended March 31, 2023

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2023

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Other non current financial liabilities	-	7.21	-	7.21
Trade payables	2,642.54	-	-	2,642.54
Lease Liability (undiscounted)	54.49	166.07	121.92	342.48
Other current financial liabilities	624.85	-	-	624.85

As at March 31, 2022

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	139.40	289.23	-	428.63
Other non current financial liabilities	-	3.96	-	3.96
Trade payables	2,379.41	-	-	2,379.41
Lease Liability (undiscounted)	60.07	148.29	140.62	348.98
Other current financial liabilities	525.46	-	-	525.46

11 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Loans and borrowings **	-	428.63
Cash and cash equivalents {refer note 11(C)}	(456.86)	(763.70)
Net Debt	**(456.86)**	**(335.07)**
Equity / Net Worth	6,614.48	5,988.64
Total Capital	**6,614.48**	**5,988.64**
Capital and Net Debt	**6,157.62**	**5,653.57**
Gearing ratio (Net Debt/Capital and Net Debt)	**NA***	**NA***

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

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

*** Borrowings does not includes Lease liabilities*

Notes to Financial Statements

for the year ended March 31, 2023

12 Earnings per share

(₹ in crores)

			Year ended March 31, 2023	Year ended March 31, 2022
a)	**Basic Earnings per share**			
	Numerator for earnings per share			
	Profit after taxation	(₹ in crores)	**1074.95**	**1194.73**
	Denominator for earnings per share			
	Weighted average number of equity shares outstanding during the year	(Numbers)	62,64,88,642	62,62,50,618
	Earnings per share-Basic (one equity share of Re. 1/- each)	₹	**17.16**	**19.08**
b)	**Diluted Earnings per share**			
	Numerator for earnings per share			
	Profit after taxation	(₹ in crores)	**1074.95**	**1194.73**
	Denominator for earnings per share			
	Weighted average number of equity shares for basic earning per share	(Numbers)	62,64,88,642	62,62,50,618
	Effect of dilution			
	Share options	(Numbers)	44,860	10,610
	Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	**62,65,33,502**	**62,62,61,228**
	Earnings per share- Diluted (one equity share of Re. 1/- each)	₹	**17.16**	**19.08**

13 Dividend Paid and Proposed

(₹ in crores)

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

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

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

Particulars of Investments made:

		As at March 31, 2023		As at March 31, 2022	
Sl. No	Name of the Investee	Investment made	Outstanding Balance	Investment made	Outstanding Balance
1	Havells Holdings Limited	-	-	-	1.18
2	Havells Guangzhou International Limited	-	0.45	-	0.45
3	Singularity Furniture Pvt Ltd.	20.00	20.00	-	-
4	Deposits account with financial institution	-	180.87	50.00	426.10

Notes to Financial Statements

for the year ended March 31, 2023

15 Fire Incident in Neemrana Plant

There was a fire at Neemrana plant of the Company in July 2022 resulting in destruction/ damage of property, plant and equipment and inventories with book value of ₹ 47.53 crores and ₹ 64.99 crores respectively. The loss aggregating to ₹ 112.52 crores has been accounted for in the books and disclosed as "Exceptional Items" in the standalone statement of profit and loss. The process relating to filing of claim with the insurance company has been completed for property, plant and equipment and subsequent to the year-end, the Company has received interim payment amounting to ₹ 23.98 crores. The process of filing the surveyor report in respect of claim for inventories is in progress. The Company has adequate insurance coverage for the aforesaid loss and based on its assessment of the loss and the terms and conditions of the insurance policies, the claim is fully admissible. Accordingly, ₹ 112.52 crores has been disclosed as part of "Exceptional Items" in the standalone statement of profit and loss. Also refer to Note 11 (E)."

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

17 Analytical ratio 2022-23

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
(a) Current Ratio (times) = Current assets/ Current liabilities	March 31, 2023: 7041.25 (March 31, 2022 :6586.50)	March 31, 2023: 3832.27 (March 31, 2022 :3629.31)	1.84	1.81	1.24%	Not Applicable
(b) Debt-Equity Ratio (times) = Total Borrowings/ Shareholder's equity*	March 31, 2023: NA (March 31, 2022 : 395.53)	March 31, 2023:6614.48 (March 31, 2022 :5988.64)	0.00	0.07	-100.00%	Debt repayment
(c) Debt Service Coverage Ratio = Earnings available for debt service/ Debt service {refer note 15(A)(c)}	March 31, 2023: 1388.44 (March 31, 2022 : 1491.43)	March 31, 2023: 463.29 (March 31, 2022: 171.24)	3.00	8.71	-65.59%	Debt repayment
(d) Return on Equity Ratio % = Net Profits after taxes/ Average shareholder's equity	March 31, 2023: 1074.95 (March 31, 2022 : 1194.73)	March 31, 2023: 6301.56 (March 31, 2022: 5576.55)	17.06%	21.42%	-4.37%	Not Applicable
(e) Inventory turnover ratio (times) = Revenue from operations/ Average inventory	March 31, 2023: 16858.25 (March 31, 2022 : 13877.87)	March 31, 2023: 3338.28 (March 31, 2022: 2793.99)	5.05	4.97	1.67%	Not Applicable
(f) Trade receivables turnover ratio (times) = Net credit revenue from operations/ Average trade receivables	March 31, 2023: 16858.25 (March 31, 2022 : 13,877.87)	March 31, 2023: 870.21 (March 31, 2022: 665.57)	19.37	20.85	-7.09%	Not Applicable
(g) Trade payables turnover ratio (times) = Net credit purchases/ Average trade payables	March 31, 2023: 14715..14 (March 31, 2022 : 11480.37)	March 31, 2023: 2508.53 (March 31, 2022: 1988.10)	5.87	5.77	1.58%	Not Applicable

Notes to Financial Statements

for the year ended March 31, 2023

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
(h) Net capital turnover ratio (times) = Revenue from operations/ Working capital	March 31, 2023: 16858.25 (March 31, 2022 : 13877.87)	March 31, 2023: 3208.98 (March 31, 2022: 2957.19)	5.25	4.69	11.94%	Not Applicable
(i) Net profit ratio % = Net profit/ Revenue from operations	March 31, 2023: 1074.95 (March 31, 2022 : 1194.73)	March 31, 2023: 16858.25 (March 31, 2022:13877.87)	6.38%	8.61%	-2.23%	Not Applicable
(j) Return on capital employed % = EBIT/ Capital employed {refer note ii}	March 31, 2023: 1306.85 (March 31, 2022 : 1496.78)	March 31, 2023: 6975.99 (March 31, 2022: 6734.79)	18.73%	22.22%	-3.49%	Not Applicable
(k) Return on investment % = EBIT/ Average total assets	March 31, 2023: 1306.85 (March 31, 2022 : 1496.78)	March 31, 2023: 10824.18 (March 31, 2022: 9662.69)	12.07%	15.49%	-3.42%	Not Applicable

Analytical ratio 2021-2022

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
(a) Current Ratio (times) = Current assets/ Current liabilities	March 31, 2022: 6586.50 (March 31, 2021 : 5286.57)	March 31, 2022: 3629.31 (March 31, 2021 : 2757.19)	1.81	1.92	-5.35%	Not Applicable
(b) Debt-Equity Ratio (times) = Total Borrowings/ Shareholder's equity*	March 31, 2022 : 395.53 (March 31, 2021 : 492.2)	March 31, 2022 : 5988.64 (March 31, 2021 : 5164.45)	0.07	0.10	-30.70%	Debt repayment
(c) Debt Service Coverage Ratio = Earnings available for debt service/ Debt service {refer note 15(A)(c)}	March 31, 2022 : 1491.43 (March 31, 2021 : 1306.17)	March 31, 2022 : 171.24 (March 31, 2021 : 132.25)	8.71	9.88	-11.82%	Not Applicable
(d) Return on Equity Ratio % = Net Profits after taxes/ Average shareholder's equity	March 31, 2022 : 1194.73 (March 31, 2021 : 1039.64)	March 31, 2022 : 5576.55 (March 31, 2021 : 4734.63)	21.42%	21.96%	-2.43%	Not Applicable
(e) Inventory turnover ratio (times) = Revenue from operations/ Average inventory	March 31, 2022 : 13877.87 (March 31, 2021 : 10418.05)	March 31, 2022:2793.99 (March 31, 2021 :2245.89)	4.97	4.64	7.08%	Not Applicable
(f) Trade receivables turnover ratio (times) = Net credit revenue from operations/ Average trade receivables	March 31, 2022: 13,877.87 (March 31, 2021 : 10418.05)	March 31, 2022 : 665.57 (March 31, 2021 : 406.26)	20.85	25.64	-18.69%	Not Applicable

Notes to Financial Statements

for the year ended March 31, 2023

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
(g) Trade payables turnover ratio (times) = Net credit purchases/ Average trade payables	March 31, 2022: 9773.06 (March 31, 2021 : 7256.74)	March 31, 2022: 1988.10 (March 31, 2021 : 1505.43)	4.92	4.82	1.98%	Not Applicable
(h) Net capital turnover ratio (times) = Revenue from operations/ Working capital	March 31, 2022 : 13,877.87 (March 31, 2021 : 10,418.05)	March 31, 2022: 2957.19 (March 31, 2021 : 2529.38)	4.69	4.12	13.94%	Not Applicable
(i) Net profit ratio % = Net profit/ Revenue from operations	March 31, 2022: 1194.73 (March 31, 2021 : 1039.64)	March 31, 2022 : 13877.87 (March 31, 2021 : 10418.05)	8.61%	9.98%	-13.73%	Not Applicable
(j) Return on capital employed % = EBIT/ Capital employed {refer note ii}	March 31, 2022 : 1496.78 (March 31, 2021 : 1316.4)	March 31, 2022: 6734.79 (March 31, 2021 : 5995.76)	22.22%	21.96%	1.23%	Not Applicable
(k) Return on investment % = EBIT/ Average total assets	March 31, 2022 : 1496.78 (March 31, 2021 : 1316.4)	March 31, 2022 : 9662.69 (March 31, 2021 : 7934.04)	15.49%	16.59%	-6.64%	Not Applicable

Notes:

(i) Debt service = Interest & Lease Payments + Principal Repayments

(ii) Capital Employed = Tangible Net Worth + Total Borrowings + Deferred Tax Liability

(iii) Tangible Net worth is computed as Total Assets - Total Liabilities.

**Borrowings does not includes Lease liabilities*

18 Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2023 (Nos.)	Balance outstanding as at March 31, 2022 (Nos.)	Relation with struck off Company
Manilal Patel Private Limited (CIN: U17110MH1947PTC005911)	Shares held by struck off company	35 number of shares of ₹ 1/- each	35 number of shares of ₹ 1/- each	Shareholder
Multitech System Industrial Automation Private Limited U28910TN2014PTC097924	Purchase	₹ 0.01 crore	-	Vendor
Naveli Decor Pvt. Ltd. U52609UP2017PTC099523	Sales	₹ 0.04 crore	-	Customer
Apostle Solutions Private Limited U74110UP2007PTC032990	Sales	₹ 0.00 crore	₹ 0.01 crore	Customer
Samadhan Srbh Opc Private Limited U74999UP2020OPC126709	Sales	₹ 0.00 crore	-	Customer
Extreme Automation Pvt Ltd U29220PN2010PTC135444	Sales	₹ 0.08 crore	₹ 0.08 crore	Customer
Ramesh Sales Corporation Pvt.Ltd. U52390DL2014PTC266899	Sales	₹ 0.21 crore	₹ 0.21 crore	Customer

Notes to Financial Statements

for the year ended March 31, 2023

19 Additional regulatory information required by Schedule III of Companies Act, 2013

(i) **Details of Benami property:** No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) **Utilisation of borrowed funds and share premium:**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) **Compliance with approved scheme(s) of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(viii) The company has not granted any loans or advances in the nature of loans either repayable on demand.

20 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

21 Note No.1 to 32 form integral part of the Standalone Balance Sheet and Standalone Statement of Profit and Loss.

As per our report of even date attached

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

Independent Auditor's Report

To the Members of Havells India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Havells India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 30B to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful lives **Refer Note 4 to the consolidated financial statements.** As at March 31, 2023, the consolidated financial statements includes goodwill of ₹ 310.47 crores and intangible assets with indefinite useful lives of ₹ 1,029 crores pertaining to acquisition of Lloyd business in an earlier year. In accordance with the requirements of Indian Accounting Standard (Ind AS) - 36 'Impairment of Assets', the management has allocated the said goodwill and intangible assets to the underlying Cash Generating Unit (CGU), and tested the same for impairment using a Discounted Cash Flow (DCF) model. Based on such test, the recoverable amount of the CGU is higher than the carrying amount of the said assets and accordingly no adjustment for impairment is necessary. We considered this as a key audit matter because of the significant carrying value of the above mentioned assets and high estimation uncertainty in assumptions used such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.	**Our audit procedures among others, included the following:** a. Understanding and evaluating the design and operating effectiveness of internal controls over the impairment assessment process, including preparation of the DCF model; b. Evaluating the Group's accounting policy in respect of impairment assessment of goodwill and intangible assets with indefinite useful lives; c. Understanding the cash flow projections and assumptions used in the DCF model, evaluating the mathematical accuracy and reading the report of the management's expert; d. Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate that the recoverable amount of the CGU is within a reasonable range; and e. Testing related presentation and disclosures in the consolidated financial statements. Based on the above procedures performed, the management's impairment assessment of the goodwill and intangible assets was found to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of one subsidiary located outside India, whose financial statements reflect total assets of ₹ Nil and net assets of ₹ Nil as at March 31, 2023, total revenue of ₹ Nil, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (0.04) crores and net cash outflows amounting to ₹ 4.39 crores for the period April 01, 2022 till October 27, 2022 (dissolution date), as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

15. The financial statements of one subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 14.69 crores and net assets of ₹ 11.42 crores as at March 31, 2023, total revenue of ₹ 42.35 crores, total comprehensive income (comprising of loss and other comprehensive income) of ₹ 0.36 crores and net cash inflows amounting to ₹ 0.55 crores for the year then ended have been prepared in accordance with accounting principles generally accepted in its country and have been audited by other auditors under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in its country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued in respect of the standalone financial statements of the Holding Company which are included in these Consolidated Financial Statements.

    In our opinion, and according to the information and explanations given to us, CARO 2020 is not applicable to the subsidiary companies included in these Consolidated Financial Statements, hence, this report does not contain a statement on the matter specified in paragraph 3(xxi) of CARO 2020 in relation to the subsidiary companies.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 30A to the consolidated financial statements.

ii. The Group was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2023.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year.

iv. (a) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 31(16)(ii) to the consolidated financial statements).

(b) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 31(16)(ii) to the consolidated financial statements).

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

18. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

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

Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRC1110

Place: Gurugram
Date: May 03, 2023

HAVELLS

Annexure A to Independent Auditor's Report

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

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Havells India Limited (hereinafter referred to as "the Holding Company"). Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two subsidiaries as they are not incorporated in India namely Havells Guangzhou International Limited and Havells Holdings Limited (dissolved on October 27, 2022).

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRC1110

Place: Gurugram
Date: May 03, 2023

HAVELLS

Consolidated Balance Sheet

as at March 31, 2023

(₹ in crores)

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

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

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in crores)

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

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

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A) Equity Share Capital

(₹ in crores)

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

B) Other Equity

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company							
		Reserves and surplus					Items of OCI	
	Notes	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Total
As at April 1, 2021		**7.63**	**90.38**	**722.72**	**0.64**	**4,292.09**	**0.24**	**5,113.70**
Profit for the year	{13(B)e}	-	-	-	-	1,196.47		1,196.47
Other comprehensive income for the year								
Re-measurement gains/(losses) on defined benefit plans net of tax		-	-	-	-	5.52		5.52
Exchange difference on translation of financial statements of foreign operations		-	-	-	-	-	0.66	0.66
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**1,201.99**	**0.66**	**1,202.65**
Transactions with owners in their capacity as owners:								
Final and interim dividend paid during the year	{13(B)e}	-	-	-	-	(407.10)		(407.10)
Equity shares issued under employee stock purchase plan	{13(B)b}	-	31.12	-	-	-		31.12
Options recognised during the year	{13(B)c}	-	-	-	1.15	-		1.15
Options vested and exercised during the year	{13(B)c}	-	-	-	(1.26)	-		(1.26)
As at March 31, 2022		**7.63**	**121.50**	**722.72**	**0.53**	**5,086.98**	**0.90**	**5,940.26**
Profit for the year	{13(B)e}	-	-	-	-	1,071.73		1,071.73
Other comprehensive income for the year								
Re-measurement gains/(losses) on defined benefit plans net of tax		-	-	-	-	(7.67)	(0.06)	(7.73)
Total Comprehensive income for the year		**-**	**-**	**-**	**-**	**1,064.06**	**(0.06)**	**1,064.00**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(₹ in crores)

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

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

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

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

HAVELLS

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crores)

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in crores)

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

Notes:

1 The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents:

(₹ in crores)

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

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

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1. Corporate Information

Havells India Limited ('the Group') is a public limited Group domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The Group is listed on BSE Limited and National Stock Exchange of India Limited. The CIN of the Group is L31900DL1983PLC016304

The Group is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Solar Products, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Coolers and Domestic Appliances, Personal Grooming, Air Purifier, Water Purifier, Air conditioner, Television, Washing machine and Refrigerator covering the entire range of household, commercial and industrial electrical needs.

The Group's manufacturing facilities are located at Faridabad in Haryana, Alwar, Ghiloth and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad in Uttar Pradesh, Baddi in Himachal Pradesh, Sri City in Andhra Pradesh. The research and development facilities are located at Noida (Uttar Pradesh), Bangalore and Ghiloth (Rajasthan)

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

The Group along with its subsidiaries has been collectively hereinafter referred to as "the Group". These consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 03, 2023.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) CONSOLIDATED financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

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

2.01 Basis of preparation of Consolidated Financial Statements

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i) Certain financial assets and liabilities that is measured at fair value

ii) Assets held for sale-measured at fair value less cost to sell

iii) Defined benefit plans-plan assets measured at fair value

iv) Share based payments

2.02 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. the Group has identified twelve months as its operating cycle.

2.03 Basis of Consolidation

The consolidated financial statements comprises the financial statement of the Havells India Limited ('the Parent company') and subsidiaries (collectively "the Group) as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

2.04 Consolidation Procedure:

(A) Subsidiaries:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

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

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

(iii) Derecognises the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration received

(v) Recognises the fair value of any investment retained

(vi) Recognises any surplus or deficit in profit or loss

(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(B) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment less cost to sell is recognised in profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

(C) Business combination and goodwill

Business combinations other than those under common control transactions are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. In respect to the business combination for acquisition of subsidiary, the Group has opted to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter

(i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

(ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

(iii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

(iv) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale" and Discontinued Operations are measured in accordance with that standard.

(v) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

(D) Change in ownership interest

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.05 Property, plant and equipment

Freehold Land is carried at historical cost. All other items of Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The historical cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30 and 60
Plant and Equipment	15
Moulds and Dies	6
Furniture and Fixtures	10
Vehicles	8 and 10
R & D Equipment	5 and15
Office Equipment	3 and 5
Mobile Phones	3
Electric Fans and Installations	10
Computers	3
Laptops	4

The useful lives of all the assets except moulds and dies, mobile phones and laptops have been determined as those specified by part 'C' of Schedule II to the Companies Act, 2013. In respect of moulds and dies and mobile phones, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years respectively, in respect of laptop useful life is more than those specified by schedule II to the Group Act 2013 and are depreciated over the estimated useful life of 4 years, in order to reflect the actual usage of assets. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their lease term unless the entity expects to use the asset beyond the lease term.

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

2.06 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group has assessed indefinite life for such brand considering the expected usage, expected investment on brand, business forecast and challenges to establish a premium electronic segment. These are carried at historical cost and tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under

Assets	Useful life (in years)
Computer Software	6
R&D Software	6
Distributor/Dealer Network	8
Non-Compete Fee	7
Brand and Trademarks	Indefinite

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Trademarks

Brand and Trademarks acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, brand and trademark are carried at the above recognised value less accumulated amortization and accumulated impairment losses, if any. These Brand and trademarks have been in existence for considerable period and Group intends to continue use this intangible assets. Consequently it is believed that they have an indefinite life and are not amortised. Instead impairment testing is performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount.

Distributor/Dealer Network

Distributor/Dealer Network acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, Distributor/ Dealer Network are carried at the above recognised value less accumulated amortization and accumulated impairment losses, if any. They are amortised on a straight line basis over their estimated useful life of 8 years assessed by the management.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or earlier, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.07 Impairment of non- financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement

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of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.08 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them

Initial recognition measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) **Business Model Test:** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and

b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related

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to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

  (a) the Group has transferred substantially all the risks and rewards of the asset, or

  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

In accordance with IND AS 109, the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; Trade receivables which are held to collect and sale basis accounted for as FVTPL
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(b) **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the accumulated impairment amount.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss

(ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Trade Payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the

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specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.09 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

(iii) Hedges of a net investment in a foreign operation

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

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

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

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.10 Inventories

a) Basis of valuation:

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

ii) Inventory of scrap materials have been valued at net realizable value.

b) Method of Valuation:

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.11 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is considered highly probable. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Group treats sale of the asset to be highly probable when:

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i) The appropriate level of management is committed to a plan to sell the asset

ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.12 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

a) Current income tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided in full using the balance sheet method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.

2.13 Revenue from contract with customers

The Group manufactures/trades and sells a range of consumer electrical and electronic products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery of goods. The Group also provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. The Group recognizes these service revenue from sales of services over a period of time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group has objective evidence that all criterion for acceptance has been satisfied. A receivable is recognised when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Group considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group allocates a portion of the transaction price to different performance obligations goods bases on its relative consolidated prices and also considers the following:

(i) Variable consideration

The Group recognizes revenue from the sale of goods measured at the consolidated selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group operates several sales incentive programmes

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wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Warranty obligations

The Group generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). However, in certain non-standard contracts in respect of sale of consumer durable goods, the Group provides extended warranties and such warranties are termed as service-type warranties and therefore, accounted for as separate performance obligations to which the Group allocates a portion of the transaction price. Revenue from service-type warranties is recognised over the period in which the service is provided based on the time elapsed

(iii) Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

In respect of long term contracts, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance).

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

(b) Sale of services

The Group provides installation, annual maintenance and extended warranty services that are sold separately. The Group recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

(c) Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

(d) Income from Service Concession Arrangement

Revenue related to Street Lights Upgrade services provided under service concession arrangement is recognized as per the agreement with the grantor. The Group recognizes a financial asset arising from the service concession agreement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the upgrade services provided. Such financial assets are measured at fair value upon initial recognition.

2.14 Other Income

(a) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.15 Other Operating Revenues

(a) Export benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme, Remission of duties and taxes on exported product scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(b) Government Grants

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognised at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.16 Retirement and other employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post employment

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Bajaj Allianz Life Insurance Co.Ltd. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/(liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. the Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the

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contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

(iii) Other employee benefits

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

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

The Group provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(a) **Havells Employee Stock Purchase Plan:** The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments when grant is made. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

(b) **Havells Employees Long term Incentive plan:** These are in nature of employee benefit wherein employees (including senior executives) of the Group purchase shares of the Group at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognised at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period.

2.17 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group's lease asset classes primarily comprise of lease for land and building. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

The Group classifies ROU assets as part of Property plant and equipment in Balance Sheet and lease liability in " Financial Liability".

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.18 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the decision making authority. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter - segment revenue.

2. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

3. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

2.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the

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period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.20 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.22 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Group Companies

On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (INR) are translated to the presentation currency (INR) in the following manner:

a) Assets and liabilities are translated at the rate of exchange prevailing at the reporting date

b) Their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions

c) All resulting exchange differences arising on translation of financial statement of foreign operations for consolidation are recognised in other comprehensive income.

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

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e) Any Goodwill arising on the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

f) Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

2.23 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. the Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to seven years.

Provision for E-Waste/Plastic-Waste

Provision for E-Waste/Plastic-Waste management costs are recognized when the liability in respect of products sold to customer is established in accordance with E-waste Management Rules, 2016 as notified by Government of India. Initial recognition is based on liability computed based on Extended Producer Responsibility as promulgated in said Rules including cost to comply the said regulation and as reduced by expected realisation of collectable waste. The Group has assessed the liability to arise on year to year basis.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.24 Dividend Distributions

The Group recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.26 Business Combinations

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

(ii) Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves/capital reserves.

2.27 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

b) Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 16)

c) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 31(3).

d) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past rend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

e) Provision for warranty

Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being

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determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The assumptions are consistent with prior years. (Refer Note 18)

f) Provision for expected credit losses (ECL) of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 31(9)

g) Property, Plant and Equipment and intangible assets

Property, Plant and Equipment represent significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

2.28 Exceptional Item

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

2.29 New and amended standards adopted by the Group

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

New and amended standards issued but not effective

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

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

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

3. Property, plant and equipment

(₹ in crores)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Machinery	Moulds and Dies	Furniture and fixtures	Vehicles	R&D Equipments	Office Equipments	Electrical Installations	Right of use asset: Leasehold Land	Right of use asset: Leasehold Buildings	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)															
At April 01, 2021	**27.28**	**775.08**	**13.16**	**859.19**	**295.45**	**53.53**	**12.74**	**42.13**	**116.97**	**46.82**	**228.28**	**182.50**	**2,653.13**	**86.26**	**2,739.39**
Additions	0.50	16.37	2.02	129.51	79.45	20.67	6.19	5.11	12.35	4.18	1.87	132.69	410.91	243.32	654.23
Recognition of grant related to assets {Refer note 3 (iv)}	-	(0.47)	-	(1.59)	(1.41)	(0.05)	-	-	(0.10)	(0.10)	-	-	(3.72)	-	(3.72)
Disposals/Adjustments *	(0.01)	(1.09)	(0.06)	(11.20)	(1.31)	(0.77)	(2.75)	(0.91)	(9.51)	(0.15)	-	(13.13)	(40.89)	(272.83)	(313.72)
At March 31, 2022	**27.77**	**789.89**	**15.12**	**975.91**	**372.18**	**73.38**	**16.18**	**46.33**	**119.71**	**50.75**	**230.15**	**302.06**	**3,019.43**	**56.75**	**3,076.18**
Additions	-	95.11	0.03	200.51	97.65	11.28	5.87	9.97	26.93	6.56	1.34	51.86	507.11	514.87	1,021.98
Recognition of grant related to assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/adjustments *	-	(9.50)	(1.10)	(28.77)	(13.41)	(4.37)	(0.72)	(1.66)	(5.08)	(1.64)	-	(8.85)	(75.10)	(408.20)	(483.30)
At March 31, 2023	**27.77**	**875.50**	**14.05**	**1,147.65**	**456.42**	**80.29**	**21.33**	**54.64**	**141.56**	**55.67**	**231.49**	**345.07**	**3,451.44**	**163.42**	**3,614.86**
Accumulated Depreciation															
At April 01, 2021	**-**	**148.57**	**6.86**	**309.93**	**119.85**	**20.15**	**8.05**	**16.52**	**78.09**	**20.96**	**3.71**	**59.61**	**792.30**	**-**	**792.30**
Charge for the year	-	29.93	1.60	76.52	48.85	6.34	1.10	6.68	17.17	3.91	2.53	39.24	233.87	-	233.87
Disposals/adjustments	-	(0.81)	(0.04)	(6.93)	(1.08)	(0.53)	(2.59)	(0.76)	(8.78)	(0.13)	-	(6.54)	(28.19)	-	(28.19)
At March 31, 2022	**-**	**177.69**	**8.42**	**379.52**	**167.62**	**25.96**	**6.56**	**22.44**	**86.48**	**24.74**	**6.24**	**92.31**	**997.98**	**-**	**997.98**
Charge for the year	-	30.88	1.81	90.18	61.37	7.22	1.66	7.07	15.26	3.98	2.54	48.07	270.04	-	270.04
Disposals/adjustments	-	(2.75)	(0.95)	(14.54)	(11.33)	(2.48)	(0.64)	(1.55)	(4.47)	(1.09)	-	(4.63)	(44.43)	-	(44.43)
At March 31, 2023	**-**	**205.82**	**9.28**	**455.16**	**217.66**	**30.70**	**7.58**	**27.96**	**97.27**	**27.63**	**8.78**	**135.75**	**1,223.59**	**-**	**1,223.59**
Net carrying amount															
At April 01, 2021	**27.28**	**626.51**	**6.30**	**549.26**	**175.60**	**33.38**	**4.69**	**25.61**	**38.88**	**25.86**	**224.57**	**122.89**	**1,860.83**	**86.26**	**1,947.09**
At March 31, 2022	**27.77**	**612.20**	**6.70**	**596.39**	**204.56**	**47.42**	**9.62**	**23.89**	**33.23**	**26.01**	**223.91**	**209.75**	**2,021.45**	**56.75**	**2,078.20**
At March 31, 2023	**27.77**	**669.68**	**4.77**	**692.49**	**238.76**	**49.59**	**13.75**	**26.68**	**44.29**	**28.04**	**222.71**	**209.32**	**2,227.85**	**163.42**	**2,391.27**

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

Notes:

(i) Right of Use asset includes:

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

(b) Leasehold Buildings represent properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 31(2)

(ii) Capital work in progress as at March 31, 2023 includes assets under construction at various plants including air conditioning plant,washing machine, cable and flexible cable, lighting and fixtures etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

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

(iv) The grant related to assets incudes:

(a) Subsidy of ₹ Nil (March 31, 2022 ₹ 3.72 core) on account of Modified Special Incentive Package (MSIP) scheme for making capital investment at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

(₹ in crores)

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

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

As at March 31, 2023

(₹ in crores)

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	163.42	-	-	-	**163.42**
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

(₹ in crores)

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	53.58	3.17	-	-	**56.75**
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Capital Work in progress where the completion is overdue or has exceeded its cost compared to its original plan.

(viii) Title deeds of Immovable Property not held in the name of the Group

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for Immovable Property not held in the name of Group
Property, plant and equipment	Freehold land in Delhi	15.89	Late Shri Qimat Rai Gupta, on behalf of M/s Guptajee & Co.	Erstwhile Promoter/Director	March 31, 2011	The possession and original agreement to sell, of the property is in the name of Group. The title deeds will be registered in the name of the Group once state government's policy on registry is changed.
Property, plant and equipment	Building In Bengaluru	0.04	Shakereh Shraddhanand	No	April 01, 2012	The possession and original agreement to sell, of the property is in the name of Group. The Group is taking adequate legal steps to get the title deeds registered with appropriate authority.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(ix) Property where Group is a lessee but agreements are not executed

(₹ in crores)

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

4. Goodwill and other Intangible assets

(₹ in crores)

Particulars	Computer Software	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Assets	Goodwill	Intangibles assets under development	Total Intangible Assets
Gross carrying amount (at cost)									
At April 01, 2021	**53.72**	**9.66**	**1,029.00**	**82.40**	**58.50**	**1,233.28**	**310.47**	**3.65**	**1,547.40**
Additions	8.70	1.91	-	-	-	10.61	-	0.69	11.30
Disposals/adjustments	(9.75)	(0.06)	-	-	-	(9.81)	-	(3.88)	(13.69)
At March 31, 2022	**52.67**	**11.51**	**1,029.00**	**82.40**	**58.50**	**1,234.08**	**310.47**	**0.46**	**1,545.01**
Additions	2.88	3.89	-	-	-	6.77	-	2.99	9.76
Disposals/adjustments	-	-	-	-	-	-	-	(0.46)	(0.46)
At March 31, 2023	**55.55**	**15.40**	**1,029.00**	**82.40**	**58.50**	**1,240.85**	**310.47**	**2.99**	**1,554.31**
Accumulated amortization									
At April 01, 2021	**35.81**	**5.56**	**-**	**40.20**	**32.58**	**114.15**	**-**	**-**	**114.15**
Charge for the year	6.93	1.43	-	10.30	8.36	27.02	-	-	27.02
Disposals/adjustments	(8.74)	(0.04)	-	-	-	(8.78)	-	-	(8.78)
At March 31, 2022	**34.00**	**6.95**	**-**	**50.50**	**40.94**	**132.39**	**-**	**-**	**132.39**
Charge for the year	5.75	1.72	-	10.30	8.36	26.13	-	-	26.13
Disposals/adjustments	-	-	-	-	-	-	-	-	-
At March 31, 2023	**39.75**	**8.67**	**-**	**60.80**	**49.30**	**158.52**	**-**	**-**	**158.52**
Net carrying amount									
At April 01, 2021	**17.91**	**4.10**	**1,029.00**	**42.20**	**25.92**	**1,119.13**	**310.47**	**3.65**	**1,433.25**
At March 31, 2022	**18.67**	**4.56**	**1,029.00**	**31.90**	**17.56**	**1,101.69**	**310.47**	**0.46**	**1,412.62**
At March 31, 2023	**15.80**	**6.73**	**1,029.00**	**21.60**	**9.20**	**1,082.33**	**310.47**	**2.99**	**1,395.79**

Note:

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Brand & Trademarks acquired on acquisition of Lloyd business having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumers. The Group has performed an annual impairment test to ascertain the recoverable amount of such goodwill and intangible assets. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and pre tax cash flow projections based on financed budgets approved by management covering a 5 years period. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Management has determined following assumptions for impairment testing of CGU as stated Below:

Assumption	March 31, 2023	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	15.30%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis on overall economic growth rate, industry trend & expected long-term inflation in India.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of GGU of the Group. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount.

Intangible assets under development

As at March 31, 2023

(₹ in crores)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	2.99	-	-	-	**2.99**
Projects temporarily suspended	-	-	-	-	**-**

As at March 31, 2022

(₹ in crores)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	
Projects in progress	0.46	-	-	-	0.46
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects under Intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

5. Contract Balances

(₹ in crores)

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

Note:

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(c) The Group has entered into the agreements with customer for sale of goods and services. The Group has identified these performance obligations and recognised the contract liabilities in respect of contracts, where the Group has obligation to deliver the goods and perform specified services to a customer for which the Group has received consideration. There has been no significant change in the contract liabilities.

6. Non-Current Financial Assets

(₹ in crores)

		As at March 31, 2023	As at March 31, 2022
(A)	**NON-CURRENT INVESTMENT (valued at amortised cost)**		
	Unsecured, considered good		
(i)	Deposits account with financial institution having remaining maturity period of more than twelve months (refer note (a) below)	-	272.68
(II)	Investment in preference shares (fully paid-up)		
	Unquoted		
	1,72,563 (0.001%) compulsorily convertible cumulative participative preference shares Singularity Furniture Pvt Ltd. (March 31, 2022 Nil)	20.00	-
		20.00	**272.68**
	Total non-current investments	20.00	-
	Aggregate amount of unquoted investments	20.00	-
	(a) The deposits maintained by the Group with financial institution comprise of the time deposits and are made of varying periods between one year to two years depending on the cash requirements of the Group and earn interest at the respective deposit rates.		
(B)	**TRADE RECEIVABLES (valued at amortised cost)**		
	Unsecured {refer note 10(B)}		
	Trade receivables from contracts with customers - considered good	1.59	2.67
		1.59	**2.67**
(C)	**OTHER FINANCIAL ASSETS (valued at amortised cost)**		
	Unsecured, considered good		
	Earnest money and Security Deposits	**33.84**	**21.98**
	Others		
	Bank deposits with original and remaining maturity of more than twelve months	115.24	20.20
		149.08	**42.18**

7. Other Non-Current Assets

(₹ in crores)

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

8. Non Current Tax Assets (Net)

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

9. Inventories

(₹ in crores)

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

10. Current Financial Assets

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(A) CURRENT INVESTMENT (valued at amortised cost)		
Unsecured, considered good		
Deposits account with financial institution with original maturity of more than twelve months but remaining maturity less than 12 months	180.87	153.42
	180.87	**153.42**
Aggregate amount of unquoted investments	180.87	153.42
Aggregate amount of impairment in the value of investments	-	-
Note:		
(a) The deposits maintained by the Group with financial institution comprise of the time deposits and are made for varying periods between one year to two years depending on the cash requirements of the Group and earn interest at the respective deposit rates.		
(B) TRADE RECEIVABLES (valued at amortised cost)		
Unsecured		
Trade receivables from contract with customers - considered good	1034.30	813.51
Trade receivables - Credit impaired	28.89	27.16
Trade receivables (gross)	**1063.19**	**840.67**
Less: Impairment allowance for trade receivables	87.66	71.74
Trade receivables (net)	**975.53**	**768.93**
Current portion	973.94	766.26
Non - current portion {refer note 6(B)}	1.59	2.67

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

(₹ in crores)

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

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

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	524.44	163.53	44.97	61.18	16.58	2.81	813.51
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	0.05	2.64	1.80	7.17	15.50	27.16
Total	**-**	**524.44**	**163.58**	**47.61**	**62.98**	**23.75**	**18.31**	**840.67**
Less: Allowance for trade receivables	-	(0.01)	(0.50)	(4.43)	(24.74)	(23.75)	(18.31)	(71.74)
Total	**-**	**524.43**	**163.08**	**43.18**	**38.24**	**-**	**-**	**768.93**

Notes:

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(b) Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(₹ in crores)

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

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) Short-term deposits are made for varying periods between one day to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

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

(d) Includes Fixed Deposit amounting ₹ 1.03 crores (March 31, 2022 ₹ 0.96 crores) related to Havells Employees Welfare Trust.

(e) Change in liabilities arising from financing activities

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

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

Notes:

(a) The deposits maintained by the Group with banks comprise of the time deposits, which may be withdrawn by the Group at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

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

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

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

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

(₹ in crores)

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

Note:

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

11. Other Current Assets

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

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

Note: Government grant receivable includes export incentives, Budgetary support for refund of Goods and Service Tax and investment subsidy.

12. Assets Classified as held for Sale

(₹ in crores)

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

13. Equity

(A) Share Capital

(₹ in crores)

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

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

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d) Shareholding of promoters

(₹ in crores)

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

(₹ in crores)

S. No	Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021		% change during the year
	Promoter Name	No. of equity shares	% of Total shares	No. of equity shares	% of Total shares	
1	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	77,425,200	12.36%	77,425,200	12.37%	-
2	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	36,432,180	5.82%	36,432,180	5.82%	-
3	QRG Investments and Holdings Limited	68,741,660	10.98%	68,741,660	10.98%	-
4	QRG Enterprises Limited	189,858,880	30.31%	189,858,880	30.33%	-
	Total	**372,457,920**	**59.47%**	**372,457,920**	**59.49%**	

e) Terms/rights attached to equity shares

The Group has only one class of issued share capital i.e. equity shares having a par value of ₹ 1/- per share (March 31, 2022: ₹ 1/- per share). Each holder of equity shares is entitled to one vote per shares. The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(₹ in crores)

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.35	77,425,200	12.36
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	36,432,180	5.82	36,432,180	5.82
QRG Enterprises Limited	-	-	189,858,880	30.31
QRG Investments and Holdings Limited	258,600,540	41.28	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

g) **Shares reserved for issue under Employee stock purchase plan**

Information relating to Employee stock purchase plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 31 (6).

(B) Other Equity

(₹ in crores)

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

(C) Nature and Purpose of Reserves

(a) **Capital reserve**

During amalgamation/merger approved by honourable court, the excess of net assets taken over the consideration paid, if any, is treated as capital reserve. This capital reserve has arisen as a result of scheme of amalgamation in the past periods.

(b) **Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with scheme of Amalgamation in earlier years. The requirement to mandatorily transfer a specified percentage of the net profit to general reserve before declaration of dividend has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(d) Share options outstanding account

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock purchase plan.

Net of shares 41,960 (March 31, 2022: 41,960) held by employee welfare trust included in the financial statements

(e) Retained earnings

Retained Earnings are profits that the Group has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

(f) Foreign currency translation reserve

Exchange differences arising on translation of financial statements foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when net investment is disposed of/liquidated or classified as held for sale.

14. Non Current Financial Liabilities

(A) BORROWINGS (valued at amortised cost)

(₹ in crores)

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

Notes:

(a) The Group has availed secured loan of ₹ Nil (March 31, 2022: ₹ 250 crores), carrying interest rate of (3 months TBill rate plus (288 - 488 base points)) against the sanctioned term loan amount of ₹ Nil (March 31, 2022: ₹ 250 crores) from CITI Bank N.A. The Group has repaid its loan during the year. The current outstanding amount against the loan is ₹ Nil (March 31, 2022: ₹ 203.13 crores). The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the Group during the previous year. The term loan was repayable in 16 equated quarterly instalments commencing from 15th month from first drawdown date of April 21, 2020. This term loan was secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future situated at (i) SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India (ii) Unit-1 Village Dharampur,Sai Road, Baddi, Dist Solan, Himachal Pradesh, (iii) Unit-II Village Gulerwala,Dist Solan, Baddi, Himachal Pradesh, (iv) Unit-I,Sector -10,Plot No 2A,BHEL Complex,Haridwar (v) Unit-II, Plot No 2A and 2D/1 Sector-10,Sidcul Industrial Area,Haridwar, Uttarakhand.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

the year. The current outstanding amount against the loan is ₹ Nil (March 31, 2022: ₹ 190.52 crores). The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the Group during 12 months of first drawdown date of May 29, 2020. The term loan was repayable in quarterly instalments over the period of 5 years as per terms of agreement starting from [1st Loan of ₹ 120 Crores (June 2020- May 2025) and 2nd Loan of ₹ 130 Crores (April 2021- May-2025)]. This loan was secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets, plant and machinery and all movable properties both present and future situated at (i) A-461/462,SP-215 and 204 & 204A, Matsya Industrial Area, Alwar, Rajasthan and (ii) SP-1-133,General Zone, RIICO Industrial Area, Ghiloth.

(c) The Group was required to maintain the Debt Covenants i.e., Fixed assets coverage ratio, Debt service coverage ratio, gearing ratio, leverage ratio and interest coverage ratio and Group had complied with all such covenants in the previous year i.e. March 31, 2022.

(d) During the previous year, The Company had borrowings from banks and financial institutions on the basis of security of current assets. The Company had complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022. During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the quarterly returns or statements are not required to be filed with banks or financial institutions.

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

(f) The borrowings obtained by the Group from banks and financial institutions had been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous years, those were applied in the respective years for the purpose for which the loans were obtained.

(g) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(B) LEASE LIABILITIES

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities {refer note 31(2)}	186.91	178.82
	186.91	**178.82**

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

(₹ in crores)

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

15. Non Current Provisions

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

16. Income Taxes

(₹ in crores)

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

(d) Deferred tax liabilities comprises:

(₹ in crores)

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

(e) Deferred tax liabilities (net)

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

(i) The Group has unabsorbed capital loss of ₹ 390.84 crores as on March 31, 2023 (March 31, 2022: ₹ 369.61 crores) out of which capital loss of ₹ 219.75 crores will expire in financial year 2023-24, capital loss of ₹ 122.30 crores will expire in financial year 2025-26, capital loss of ₹ 27.51 crores will expire in financial year 2029-30 and capital loss of ₹ 21.27 crores will expire in financial year 2030-31, on which no deferred tax asset has been created by the management due to lack of probability of future capital gain against which such deferred tax assets can be realised. If the Group were able to recognise all unrecognised deferred tax assets, the profit after tax would have increased by ₹ 89.28 crores (March 31, 2022: ₹ 84.56 Crore).

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

17. Current Financial Liabilities

(₹ in crores)

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

Trade payables ageing schedule as at March 31, 2023

(₹ in crores)

	Particulars	Outstanding for following periods from due date of payment						
		Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	149.25	5.71	-	-	-	154.96
(ii)	Others	120.11	2,168.34	188.62	9.77	-	-	2,486.84
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	1.39	1.39
	Total	**120.11**	**2,317.59**	**194.33**	**9.77**	**-**	**1.39**	**2,643.19**

Trade payables ageing schedule as at March 31, 2022

(₹ in crores)

	Particulars	Outstanding for following periods from due date of payment						
		Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	112.68	1.40	-	-	-	114.08
(ii)	Others	83.02	1,971.00	207.24	3.29	-	-	2,264.55
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	1.39	1.39
	Total	**83.02**	**2,083.68**	**208.64**	**3.29**	**-**	**1.39**	**2,380.02**

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

Notes:

(i) Trade Payables include due to related parties ₹ 16.00 crores (March 31, 2022: ₹ 16.92 crores) {refer note 31(5)(D)}

(ii) The amounts are unsecured and non interest-bearing and are usually on varying trade term.

(iii) For terms and conditions with related parties. {refer to note 31(5)}

(iv) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

(₹ in crores)

		March 31, 2023	March 31, 2022
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 as at the end of each accounting year		
	Principal	**154.96**	**114.08**
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
	The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (March 31, 2022: ₹ Nil)	-	-

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

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Group has transferred ₹ 0.26 crores (March 31, 2022: ₹ 0.26 crores) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act, 2013.

b) Other includes amount against E-waste liability {refer note 18(a)(ii)}.

18. Current Provisions

(₹ in crores)

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

a) Provision for warranties

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within seven years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on one to seven years warranty period for all products sold and are consistent with those in the prior years. The assumptions made in relation to the current year are consistent with those in the prior year.

(ii) The table below gives information about movement in Warranty and E-waste provisions:

(₹ in crores)

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

b) Provision for litigations

Provision for litigation amounting to ₹ 6.70 Crores (March 31, 2022: ₹ 7.28 Crores) is created against demands raised in various ongoing litigations in ordinary course of business. Based on the facts of the case and legal precedents, the management believes there would be a probable outflow of resources and accordingly, has created a provision in books of account.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The table below gives information about movement in litigation provisions:

(₹ in crores)

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

19. Current Tax Liabilities

(₹ in crores)

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

20. Other Current Liabilities

(₹ in crores)

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

21. Revenue from Operations:

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

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

(v) Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Group provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative consolidated prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2023 and expected time to recognise the same as revenue is as follows:

(₹ in crores)

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

Note: The remaining performance obligation expected to be recognised in more than one year relates to amounts received from customer against which performance obligation is to be satisfied over the period of one to seven years. All other remaining performance obligation are expected to be recognised within one year. During the year ended March 31, 2023, revenue recognised from amount included in contract liability at the beginning of year is ₹ 57.03 crores (March 31, 2022: ₹ 34.94 crores).

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Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(vi) Disclosure pursuant to Appendix C of Ind AS 115

The Group was awarded a contract for replacement of existing conventional street/park lights with LED street/park lights by a Municipal Corporation in April 2017. As per the agreement, the Group shall also be responsible for the operation and maintenance of LED street/park lights for a period of 7 years after installation. The consideration received by the Group under the contract is based on the energy savings resulting from the LED street/park lights. The revenue recognised during the year and the contract assets balance as at year-end from such contract amounts to ₹ 45.89 Crores (March 31, 2022: ₹ 45.43 crores) and ₹ 43.57Crores (March 31, 2022: ₹ 56.83 crores) respectively.

22. Other Income

(₹ in crores)

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

23. Cost of Raw Materials and Components Consumed

(₹ in crores)

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

24. Purchase of Traded Goods

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

(₹ in crores)

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	1,359.07	1,211.73	(147.34)
Traded goods	581.31	542.66	(38.65)
Work in progress	202.06	167.53	(34.53)
Scrap materials	13.87	14.91	1.04
	2,156.31	**1,936.83**	**(219.48)**

26. Employee Benefits Expenses

(₹ in crores)

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

27. Finance Costs

(₹ in crores)

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

28. Depreciation and Amortisation Expenses

(₹ in crores)

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

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

29. Other Expenses

(₹ in crores)

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

29A. Net Impairment Losses on Financial and Contract Assets

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

30A. Commitments and Contingencies

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

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

Notes:

i) Claims/suits filed against the Group not acknowledged as debts which represents various legal cases filed against the Group. The Group has disclaimed the liability and defending the action. The Group has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.

ii) The various disputed tax litigations are as under:

(₹ in crores)

Sl.	Description {refer note below}	Period to which relates	Disputed amount As at March 31, 2023	Period to which relates	Disputed amount As at March 31, 2022
a)	**Excise/Customs/Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2009-10, 2015-16 to 2017-18 and 2019-20	16.32	2007-08 to 2009-10, 2015-16 to 2017-18 and 2019-20	16.34
b)	**Income Tax***				
	Disallowances/additions made by the income tax department.	2005-06, 2008-09 to 2014-15, 2016-17 to 2017-18 and 2019-20	35.17	2005-06, 2009-10 to 2014-15, 2016-17, 2018-19 and 2019-20	38.78
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 and 2019-20	1.23	2017-18 and 2019-20	1.26
d)	**Sales Tax/VAT**				
	Demands raised by Sales tax/VAT department.	2003-04 to 2016-17	1.87	2005-06 to 2016-17	18.35
e)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	-	2010-11	0.03
			54.71		**74.88**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

The above figures are net off provisions made by the Group. The Group is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

**Based on favourable decisions in similar cases, the Group does not expect any liability against these matters in accordance with principles of Ind AS -12 'Income taxes' read with Ind AS -37 ;Provisions, Contingent Liabilities and Contingent Assets' and hence no provision has been considered in the books of accounts except for provision created in respect of few years {refer note 18(ii)}.*

The above amounts contain interest and penalty where included in the order issued by the department to the Company.

B Commitments

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances amounting to ₹ 52.52 crores (March 31, 2022: ₹ 7.45 crores))	476.73	59.27
	476.73	**59.27**

C Undrawn committed borrowing facility

a) During the Year, the Group has availed fund and non fund based unsecured working capital limit amounting to ₹ 1382.50 Crores under multiple banking arrangements from IDBI Bank Limited, Yes Bank Limited, Standard Chartered Bank Limited, HSBC Bank, ICICI Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, DBS Bank Limited and CITI Bank N.A. An amount of ₹ NIL remain undrawn as at Mach 31, 2023.

D Other Litigations

The Group has some sales tax and other tax related litigation of ₹ 6.70 crores (March 31, 2022: ₹ 7.28 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E The Group has outstanding obligation amounting to ₹ 0.51 crores (March 31, 2022: ₹ 0.52 crores) in respect of bonds given to central tax department against import of goods at concessional rate of basic custom duty. The Group expects to fulfil the obligation in due course of time.

F The Group has export obligation of ₹ 158.68 crores (March 31, 2022: ₹ 34.95 crores) on account of import duty exemption of ₹ 8.72 crores (March 31, 2022: ₹ 1.50 crore) on capital goods under the Export Promotion Capital Goods (EPCG) and ₹ 0.15 crores Advance Authorisation scheme laid down by the Government of India. The Group expects to fulfil the obligation in due course of time.

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

30B. Other Notes on Accounts

(1) Group information

(i) The Consolidated financial statement of the Group includes subsidiaries and joint venture are mentioned below:

S.N	Name of the entity	Country of incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive income	
						As % of consolidated Net Assets	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated other comprehensive Income	Amount (₹ In crores)	As % of consolidated comprehensive Income	Amount (₹ In crores)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	Havells India Limited	India	Parent Company		Mar 31, 2023	100%	6,614.48	100%	1,074.95	99%	(7.67)	100%	1,067.28
					Mar 31, 2022	100%	5,988.64	100%	1,194.73	89%	5.52	100%	1,200.25
(II)	**Foreign Subsidiaries having no non-controlling interest**												
1	Havells Holdings Limited	Isle of Man	Wholly Owned Subsidiary (WOS), (dissolved on October 27, 2022)	0.00%	Mar 31, 2023	0%	-	0%	(0.04)	0%	-	0%	(0.04)
				0.00%	Mar 31, 2022	0%	4.10	0%	0.32	-1%	(0.07)	0%	0.25
2	Havells Guangzhou International Limited	China	Wholly Owned Subsidiary	100.00%	Mar 31, 2023	0%	11.42	0%	(0.32)	1%	(0.06)	0%	(0.38)
				100.00%	Mar 31, 2022	0%	11.78	0%	1.42	12%	0.73	0%	2.15
	Consolidation adjustment				Mar 31, 2023	0%	(0.45)	0%	(2.85)	0%	-	0%	(2.85)
	Consolidation adjustment				Mar 31, 2022	0%	(1.63)	0%	-	0%	-	0%	-
	Total - March 31, 2023					100%	6,625.45	100%	1,071.73	100%	- 7.73	100%	1,064.00
	Total - March 31, 2022					100%	6,002.89	100%	1,196.47	100%	6.18	100%	1,202.65

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Notes to Consolidated Financial Statements

for the year ended March 31, 2023

31. Other Notes on Accounts

1 During the year, the Group has capitalised the following expenses directly relatable to the cost of property, plant and equipment, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

(₹ in crores)

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

Employee benefits expense includes overheads

2 Leases

(i) The Group's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases. Payment made towards short term leases of low value assets (lease of assets worth less than ₹ 2 Lacs) other than building and warehouse are recognized in the statement of Profit and Loss as rental expenses over the tenure of such leases.

(ii) Following is carrying value of right of use assets and the movements thereof:

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 1, 2021	**224.57**	**122.89**	**347.46**
Additions during the year	1.87	132.69	134.56
Recognition of grant related to assets	-		-
Deletion during the year	-	(6.59)	(6.59)
Depreciation of Right of use assets (refer note 28)	(2.53)	(39.24)	(41.77)
Balance as at March 31, 2022	**223.91**	**209.75**	**433.66**
Additions during the year	1.34	51.86	53.20
Recognition of grant related to assets	-		-
Deletion during the year	-	(4.22)	(4.22)
Depreciation on Right of use assets (refer note 28)	(2.54)	(48.07)	(50.61)
Balance as at March 31, 2023	**222.71**	**209.32**	**432.03**

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

(₹ in crores)

Particulars	Amount
Balance as at April 1, 2021	**130.66**
Additions during the year	131.92
Finance cost accrued during the year	14.89
Deletion during the year	(6.68)
Lease rent concession	(0.49)
Payment of lease liabilities including interest	(49.43)
Balance as at March 31, 2022	**220.87**
Additions during the year	50.73
Finance cost accrued during the year	18.35
Deletion during the year	(4.10)
Lease rent concession	(0.12)
Payment of lease liabilities including interest	(62.63)
Balance as at March 31, 2023	**223.10**

Notes to Consolidated Financial Statements
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(₹ in crores)

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

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

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

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

(₹ in crores)

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

(vii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Group has received the Covid-19-related rent concessions for lessees amounting to ₹ 0.12 crores (March 31, 2022: ₹ 0.49 crores) and on the basis of practical expedient as per Ind AS 116 "Leases", the same is not considered to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

(ix) The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

(x) Non-cash investing activities during the year:

(₹ in crores)

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

3 Gratuity and other post-employment benefit plans

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below:

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

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Bajaj Allianz Life Insurance Co. Ltd. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss, the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

g) Principal assumptions used in determining defined benefit obligation

(₹ in crores)

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

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

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

(₹ in crores)

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

i) Maturity profile of defined benefit obligation

(₹ in crores)

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

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

k) The Group expects to contribute ₹ 29.08 crores (March 31, 2022: ₹ 8.65 crores) to the plan during the next financial year.

l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

o) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

4 Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Group is organized into business units based on its products and services and has six reportable segments as follows:

a) Operating Segments

Switchgears	:	Domestic and Industrial switchgears, electrical wiring accessories and capacitors.
Cables	:	Domestic cables and Industrial underground cables.
Lighting and Fixtures	:	Energy Saving Lamps (LED, Fixtures) and luminaries.
Electrical Consumer Durables	:	Fans, Water Heaters, Coolers, and Domestic Appliances
Lloyd Consumer	:	Air Conditioner, Television, Refrigerator and Washing Machine
Others	:	Industrial motors, Pump, Water purifier, Solar, Personal Grooming

b) Identification of Segments:

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product/services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues

g) No operating segments have been aggregated to form the above reportable operating segments.

Summary of Segmental Information

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Other non-current assets		
Switchgears	1.24	0.62
Cables	27.78	4.11
Lighting and fixtures	7.15	0.01
Electrical consumer durables	2.08	0.65
Lloyd Consumer	5.10	0.35
Others	2.64	0.10
	45.99	**5.84**
Unallocable assets	32.95	37.09
	78.94	**42.93**
Capital Expenditure		
Switchgears	27.28	37.43
Cables	19.67	21.04
Lighting and fixtures	22.28	13.33
Electrical consumer durables	41.91	70.18
Lloyd Consumer	404.36	78.38
Others	6.88	7.43
	522.38	**227.79**
Unallocable capital expenditure	48.74	28.30
	571.12	**256.09**
Depreciation and Amortization Expenses		
Switchgears	49.83	47.29
Cables	64.38	61.01
Lighting and fixtures	18.94	17.45
Electrical consumer durables	54.30	49.23
Lloyd Consumer	95.62	74.30
Others	13.10	11.54
	296.17	**260.82**
Non-cash expenses (net) other than depreciation		
Switchgears	2.82	0.38
Cables	6.47	(1.10)
Lighting and fixtures	1.48	12.22
Electrical consumer durables	3.45	0.41
Lloyd Consumer	3.46	2.13
Others	0.89	0.07
	18.57	**14.11**
Impairment allowance on other assets	-	-
	18.57	**14.11**
Note: Non cash expenses other than depreciation includes loss on disposal of property, plant and equipment, bad debts and Impairment allowance for trade receivables and other assets considered doubtful		
Segment Revenue by location of customers		
The following is the distribution of Group's revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	16,425.15	13,434.04
Revenue-Overseas Market	485.58	504.44
	16,910.73	**13,938.48**
Geographical Segment assets		
Within India	11,099.58	10,443.61

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

(₹ in crores)

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

Note: Non Current assets for this purpose excludes investment in subsidiaries, Contract assets, non current financial assets and non current tax assets

Notes:

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed at Group level.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at Group level.

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets.

(iv) There is no single external customer accounting to 10 per cent or more of an Group's revenues

5 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", { under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)}, as disclosed below:

(A) Names of related parties and description of relationship:

Related party where control exists

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

(B) Names of other related parties:

(i) Enterprises having significant influence over Group

QRG Enterprises Limited
QRG Investment and Holding Limited

(ii) Enterprises in which directors are having significant influence

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

(iii) Employee benefit trust for the benefited employees

(iv) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Wholetime Director
Shri Siddhartha Pandit, Wholetime Director

Shri Sanjay Kumar Gupta, Company Secretary

Non Executive Directors

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Havells Employees Welfare Trust		Shri U K Sinha Shri B P Rao Shri S S Mundra Shri Vivek Mehra Smt Namrata Kaul Shri Ashish Bharat Ram (appointed w.e.f. May 20, 2021)
	(v)	**Other Related Parties** Shri Rakesh Mehrotra - Associate Director - HKHR Ventures LLP (Partner) Shri Yogesh Kumar Gupta - Associate Director - Eastern Distributors (Partner) - Gupta Enterprise (Partner) - YKG Enterprises (Partner) - O.P. Gupta & Co.(Partner) - OPG Travels (Partner)

(C) Transactions during the year

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

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

(D) Balances at the year end

(₹ in crores)

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

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) As at March 31, 2023, the Group has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person (March 31, 2022: Nil),

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

6 Share based payments

The Group has in place following employee stock purchase plan approved by shareholders of the Group in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2021:

(a) Havells Employee Long Term Incentive Plan 2014: In accordance with this scheme, 41,817 (March 31, 2022: 68,356) share options of Re. 1 each were granted, out of which 41,415 (March 31, 2022: 68,356) share options of Re. 1 each were vested and allotted on June 03, 2022 (March 31, 2022: June 05, 2021) to eligible employees at ₹ 1,289.85 (March 31, 2022: ₹ 1,074.10) per share as contributed by these employees. As per the scheme, 50% of the shares are under lock in period of 13 months and balance 50% for 2 years. Also as per the scheme, the Group is obliged to pay 50% of the contribution made by eligible employees as retention bonus over a period of two years in equal instalments. Accordingly, a sum of ₹ 2.23 crores (March 31, 2022: ₹ 2.94 crores) has been recognised as employee stock purchase plan expense (refer note 26).

(b) Havells Employee Stock Purchase Plan 2015: In accordance with this scheme, 150,000 (March 31, 2022: 210,000) share options of ₹ 1 each were granted, vested and allotted on June 03, 2022 (March 31, 2022: June 05, 2021) at ₹ 1,289.85 (March 31, 2022: ₹ 1,074.10) per share to eligible employees as contributed by the Group. As per the scheme, 78% of the shares are under lock in period of 13 months and remaining 22% are under lock in period for 2 years. Accordingly, a sum of ₹ 19.35 crores (March 2022: ₹ 22.56 crores) has been recognised as employee stock purchase plan expenses (refer note 26).

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

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

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

(₹ in crores)

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

(₹ in crores)

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

The fair value at grant date of options granted during the year ended March 31, 2023 was within range of ₹ 1271.53 to ₹ 1348.16 per share (March 31, 2022 was within range of ₹ 1059.27 to ₹ 1073.90 per share). The fair value at the grant date is determined using Black Scholes valuation model which takes into account the exercise price, the terms of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the option.

(iii) The Model inputs for options granted (ESPP 2016):

(₹ in crores)

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

The Model inputs for options granted (ESPP 2022):

(₹ in crores)

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

(iv) The expected price volatility is based on the historical volatility (based on remaining life of the options), adjusted for any expected change to future volatility due to publically available information.

(v) Expense arising from shared based payment transactions

(₹ in crores)

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

7 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Group has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Details of CSR Expenditure:

(₹ in crores)

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

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

(₹ in crores)

Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With the Group	In Separate CSR Unspent A/c		From Group's bank account	From Separate CSR Unspent account	With the Group	In Separate CSR Unspent account
FY 2020-21	-	-	16	4.00	-	12	-
FY 2021-22	-	12.00	-	-	4.00	-	8.00
FY2022-23	**-**	**8.00**	**-**	**-**	**4.00**	**-**	**4.00**

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

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

(₹ in crores)

Year	Opening Balance unspent	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance unspent
FY 2020-21	-	-	23.66	23.66	-
FY2022-23	-	**-**	**26.68**	**26.68**	**-**

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for the year ended March 31, 2023

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

(₹ in crores)

Year	Opening balance excess spent	Amount required to be spent during the year	Amount spent during the year	Closing balance excess spent
FY 2020-21	1.50	23.66	22.88	0.72
FY2022-23	**0.72**	**26.68**	**26.89**	**0.93**

8 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ in crores)

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

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the other financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows (DCF model) using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Group's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

3) Long-term receivables/payables are evaluated by the Group based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

4) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognised and measured at Fair value

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

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

(₹ in crores)

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

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

(₹ in crores)

	Carrying Value	Fair Value		
	March 31, 2022	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (non-current)	42.18	-	-	42.18
Other Financial assets (current)	29.89	-	-	29.89
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (non-current)	395.53	-	-	395.53
Lease Liability (current and non current)	220.87	-	-	220.87
Other financial liabilities (non-current)	3.96	-	-	3.96
Other financial liabilities (current)	525.48	-	-	525.48

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

9 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, CNY and other currencies including JPY, KES, NPR, CHF, LKR, MWK, AED, SLL and GBP exchange rates, with all other variables held constant. The impact on the Group profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

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

(₹ in crores)

Currency	Currency Symbol	March 31, 2022		Gain/(loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	5% increase	5% decrease
United States Dollar	USD	$(4.22)	(319.78)	(15.99)	15.99
EURO	EUR	€ (0.01)	(0.98)	(0.05)	0.05
Chinese RMB\CNY	CNY	CNY (0.57)	1.91	0.10	(0.10)
Other currencies		(0.60)	(0.50)	(0.03)	0.03

Note:

Figures in bracket represents payables

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group's borrowings outstanding as at March 31, 2023 and March 31, 2022 comprise of long term loans.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

(₹ in crores)

	March 31, 2023		March 31, 2022	
	Increase/ decrease in basis points	Impact on profit before tax and Equity	Increase/ decrease in basis points	Impact on profit before tax and Equity
Term Loan	0	-	+0.50	(1.97)
	0	-	-0.50	1.97

(iii) Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. To mitigate the risk of supply and price fluctuations, Domestic and overseas sources are bench-marked to Optimize the allocation of business share among various sources. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group mitigated the risk of price volatility by entering Long Term & Short term contracts for the Purchase of these commodities basis estimated annual requirements.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(i) Trade Receivables and Contract Assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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

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

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

(₹ in crores)

	Particulars	Outstanding for following periods from due date of payment							
		Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Gross carrying amount – trade receivables	-	266.47	602.01	71.36	56.16	42.02	22.56	1,060.58
(ii)	Gross carrying amount – contract assets	-	52.24	-	-	-	-	-	52.24
(iii)	Expected loss rate	-	0.00%	0.03%	7.05%	31.75%	100.00%	100.00%	8.27%
(iv)	Expected credit losses– trade receivables	-	0.01	0.21	5.03	17.83	42.02	22.56	87.66
(v)	Expected credit losses– contract assets	-	-	-	-	-	-	-	-
(vi)	Carrying amount of trade receivables (net of impairment)	-	266.46	601.80	66.33	38.33	-	-	972.92
	Carrying amount of contract assets (net of impairment)	-	52.24	-	-	-	-	-	52.24

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

(₹ in crores)

	Particulars	Outstanding for following periods from due date of payment							
		Unbilled dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Gross carrying amount – trade receivables	-	525.87	162.15	47.61	62.98	23.75	18.31	840.67
(ii)	Gross carrying amount – contract assets	-	65.38	-	-	-	-	-	65.38
(iii)	Expected loss rate	-	0.00%	0.31%	9.30%	39.28%	100.00%	100.00%	8.53%
(iv)	Expected credit losses– trade receivables	-	0.01	0.50	4.43	24.74	23.75	18.31	71.74
(v)	Expected credit losses– contract assets	-	-	-	-	-	-	-	-
(vi)	Carrying amount of trade receivables (net of impairment)	-	525.86	161.65	43.18	38.24	-	-	768.93
	Carrying amount of contract assets (net of impairment)	-	65.38	-	-	-	-	-	65.38

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Group's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

(₹ in crores)

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

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

(₹ in crores)

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

(c) **Liquidity risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term loans, short term commercial papers and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in crores)

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

(₹ in crores)

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	139.40	289.23	-	428.63
Other non current financial liabilities	-	3.96	-	3.96
Trade payables	2,380.02	-	-	2,380.02
Lease Liability (undiscounted)	60.07	148.29	140.62	348.98
Other current financial liabilities	360.47	-	-	360.47

10 Capital Management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in crores)

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

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

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

11 Earnings per share

(₹ in crores)

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

12 Dividend Paid and Proposed

(₹ in crores)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

13 Fire Incident in Neemrana Plant

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

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

15 Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

(₹ in crores)

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2023 (Nos.)	Balance outstanding as at March 31, 2022 (Nos.)	Relation with struck off Company
Manilal Patel Private Limited (CIN: U17110MH1947PTC005911)	Shares held by struck off Company	35 number of shares of ₹ 1/- each	35 number of shares of ₹ 1/- each	Shareholder
Multitech System Industrial Automation Private Limited U28910TN2014PTC097924	Purchase	₹ 0.01 crore	-	Vendor
Naveli Decor Pvt. Ltd. U52609UP2017PTC099523	Sales	₹ 0.04 crore	-	Customer
Apostle Solutions Private Limited U74110UP2007PTC032990	Sales	₹ 0.00 crore	₹ 0.01 crore	Customer
Samadhan Srbh Opc Private Limited U74999UP2020OPC126709	Sales	₹ 0.00 crore	-	Customer
Extreme Automation Pvt Ltd U29220PN2010PTC135444	Sales	₹ 0.08 crore	₹ 0.08 crore	Customer
Ramesh Sales Corporation Pvt.Ltd. U52390DL2014PTC266899	Sales	₹ 0.21 crore	₹ 0.21 crore	Customer

16 Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Details of Benami property: No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium:
The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) Compliance with number of layers of companies: The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Compliance with approved scheme(s) of arrangements: The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) Details of crypto currency or virtual currency: The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) Valuation of PP&E, intangible asset and investment property: The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(viii) The Group has not granted any loans or advances in the nature of loans either repayable on demand.

17 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

18 Note No.1 to 31 form integral part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

As per our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Date: May 03, 2023
Place: Gurugram

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head–Finance and Accounts

Date: May 03, 2023
Place: Noida

Form AOC -1

Salient features of Financial Statements of Subsidiaries / Joint Ventures pusuant section 129 (3) read with Rule 5 of companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

SL No.	Name of Subsidiary Company	Country	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on last date of financial year in case of foreign subsidiaries		Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Assets-Liabilities	Investment other than Subsidiaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	OCI	Total OCI	Proposed Dividend	% of Shareholding
				Currency	Exchange Rate														
1	Havells Holdings Limited (dissolved on October 27, 2022)	Isle of Man	31/03/2023	EURO	89.61	-	-	-	-	-	-	-	(0.04)	-	(0.04)	-	(0.04)	-	100%
2	Havells Guanzhou International Limited	China	31/03/2023	CNY	11.96	0.45	10.97	14.69	3.27	11.42	-	42.35	(0.29)	0.03	(0.32)	(0.06)	(0.38)	-	100%

Note:-

1. *Names of subsidiaries which are yet to commence operations: None*
2. *Names of subsidiaries which have been liquidated or sold during the year: Havells Holding Limited (Isle of Man)*

Part "B" : Joint Ventures

Note:-

1. *Joint ventures : Company do not have any joint venture as on reporting date.*

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN : 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts and Finance

Date: May 03, 2023
Place: Noida

Progress at a Glance of Last 10 Years- Havells India Limited (Standalone)

Performance for the Year	2014	2015	2016	2017	2018	2019**	2020	2021	2022	2023
Turnover (Gross)*	5,031.11	5,557.79	5,775.42	6,585.96	8,260.27	10,067.71	9,429.20	10,427.92	13,889.00	16,868.38
Less: Excise Duty	311.42	319.10	397.10	450.70	121.70	-	-	-	-	-
Turnover (Net)	4,719.69	5,238.69	5,378.32	6,135.26	8,138.57	10,067.71	9,429.20	10,427.92	13,889.00	16,868.38
Profitability										
Earnings Before Interest, Depreciation, Taxes and Amortisation	641.60	699.10	754.93	824.14	1,049.29	1,183.83	1,027.38	1,565.26	1,757.61	1,602.96
Profit before Tax	595.10	646.25	909.03	768.83	1,014.70	1,146.10	901.73	1,431.58	1,603.79	1,450.25
Profit After Tax	478.69	464.94	712.03	539.04	712.52	787.34	733.03	1,039.64	1,194.73	1,074.95
Financial Position										
Share Capital	62.39	62.44	62.46	62.49	62.51	62.55	62.58	62.60	62.63	62.65
Other Equity	2,067.46	2,313.35	2,891.21	3,211.09	3,676.64	4,129.65	4,242.23	5,101.85	5,926.01	6,551.83
Loan funds	195.52	83.46	44.40	198.05	108.00	94.50	40.50	492.20	395.53	-
Other Liabilities	1,020.99	1,146.23	1,004.65	1,374.60	2,487.31	2,468.27	2,267.56	2,658.64	3,629.31	3,832.27
Gross Block	1,188.23	1,349.03	1,328.52	1,452.27	3,111.48	3,635.37	4,142.81	4,286.37	4,620.73	5,168.68
Net Block	934.06	1,007.32	1,208.56	1,221.74	2,755.42	3,136.49	3,435.55	3,380.21	3,490.71	3,786.98
Investment in Subsidiaries/ JV	882.52	1,011.76	309.61	227.41	41.70	1.66	1.63	1.63	1.63	0.45
Cash and Bank Balance	626.16	522.34	1,365.21	1,937.53	1,526.17	1,287.71	1,106.92	1,931.04	2,982.14	2,157.98
Other Assets	955.36	1,107.43	1,205.60	1,573.31	2,218.12	2,699.80	2,503.76	3,507.34	4,030.68	4,559.75
Earning per share										
EPS-as reported	38.36	7.45	11.40	8.63	11.40	12.59	11.71	16.61	19.08	17.16
EPS-adjusted for bonus issue/split	7.67	7.45	11.40	8.63	11.40	12.59	11.71	16.61	19.08	17.16

Note: *The financial results summary for financial years 2015-16 and onwards are prepared in accordance with Ind-AS and financial results for other financial years are prepared as per the prevailing GAAP.*

**Turnover gross is after deducting turnover discount , incentive and rebates.*

***The Company has received approval from the NCLT on January 31, 2020 in respect of a Scheme of Amalgamation, among the Company and its wholly owned subsidiaries namely; Promptec Renewable Energy Solutions Private Limited, Havells Global Limited, Standard electrical Limited, LLOYD Consumer Private Limited. Appointed date as per scheme is April 01, 2018 and accordingly the figures for FY 2018-19 have been restated.*

GRI Content Index 2022-23

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2-1	Name Of the Organisation	About Havells	4
2-2	Entities included in the organization's sustainability reporting	About this report	
2-3	Reporting period, frequency and contact point	About this report	
2-4	Restatements of information	Business Responsibility and Sustainability report	In FY 2022-23 Intregated report following figures are being restated • Total Fuel Consumption as reported last year i.e. 133489 GJ(IR FY 2021-22 Page no 109) while the correct number was 133609. • Total Volume of water Consumption as reported last year i.e. 217034 KL (IR FY 2021-22 Page no 109) while the correct number was 217077 KL • Total Non hazardous waste as reported last year i.e. 8662 MT(IR FY 2021-22 Page no 111) while the correct number was 13591 MT We have further strengthened our reporting checks and balance to prevent such misinformation in future.
2-5	External assurance	About This report	M/S KPMG has been appointed for assuring the non-financial information [included in the Integrated Report in accordance with the 'limited assurance' criteria of the International Standards on Assurance Engagements ISAE 3000 (Revised)].
General Disclosures - Activities and workers			
2-6	Activities, value chain and other business relationships	Manufacturing, Business model	2, 12
2-7	Employees	Business Responsibility and Sustainability report	95
2-8	Workers who are not employees	Business Responsibility and Sustainability report	95
General Disclosures - Governance			
2-9	Governance structure and composition	Report on Corporate Governance	129-130
2-10	Nomination and selection of the highest governance body	Board's report	64
2-11	Chair of the highest governance body	Governance - Board of Directors	58-59
2-12	Role of the highest governance body in overseeing the management of impacts	Board's report	76
2-13	Delegation of responsibility for managing impacts	Governance	58

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2-16	Communication of critical concerns	Stakehoder Engagement Business Responsibility and Sustainability Report	22 104
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General Disclosures - Strategy, policies and practices			
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2-23	Policy Commitments	Business Responsibility and Sustainability report	98-99
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2-25	Processes to remediate negative impacts	Value Cration Story	12 - 31
2-26	Mechanisms for seeking advice and raising concerns	ESG Business Responsibility and Sustainability Report	24, 104
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General Disclosures - Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder engagement	22
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3-3	Management of material topics	Materiality	28
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201-2	Financial Implications and Other Risks and Opportunities Due To Climate Change	Financial capital	21,53,54
201-3	Defined Benefit Plan Obligations and Other Retirement Plans	Business Reponsibility and Sustainability Report	103
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GRI 203 – Indirect Economic Impacts			
203-1	Infrastructure Investments and Services Supported	Social and Relationship Capital	45
203-2	Significant Indirect Economic Impacts	Social and Relationship Capital	45
GRI 204 – Procurement Practices			
204-1	Proportion of spending on local suppliers	Business Reposnsibility and Sustainability Report	119
GRI 205 – Anti-corruption			
205-1	Operations Assessed for Risks Related to Corruption	Business Reposnsibility and Sustainability Report	99-100
205-2	Communication And Training About Anti-Corruption Policies And Procedures	Business Reposnsibility and Sustainability Report	99
205-3	Confirmed Incidents of Corruption and Actions Taken	Business Reposnsibility and Sustainability Report	100
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302-4	Reduction Of Energy Consumption	Natural Capital	52-54
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303-2	Management of water discharge-related impacts	Natural Capital Business Responsibility and Sustainability Report	55-56 112-118
303-3	Water withdrawal	Natural Capital Business Responsibility and Sustainability Report	55-56 112-118
303-4	Water discharge	Natural Capital Business Responsibility and Sustainability Report	55-56 112-118
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GRI 401 - Employment			
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401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	Business Responsibility and Sustainability report	102-103
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GRI – 402 Labour Management Relations			
402-1	Minimum Notice Periods Regarding Operational Changes	Business Responsibility and Sustainability Report	The prescribed notice given to employees pertaining to various Labour Acts are adhered with, prior to the implementation of any significant operational changes that could substantially affect them.
GRI 404 – Training and Education			
404-1	Average Hours of Training Per Year Per Employee	Human Capital	In FY 22-23 average hour of training per year/per employees are 5.6 hour.
404-2	Programs For Upgrading Employee Skills and Transition Assistance Programs	Human Capital	42-43
404-3	Percentage of Employees Receiving Regular Performance And Career Development Reviews	Business Responsibility and Sustainability Report	105
GRI 405 – Diversity and Equal Opportunity			
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GRI 406 – Non-discrimination			
406-1	Incidents Of Discrimination and Corrective Actions Taken	Human Capital	111
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407-1	Operations And Suppliers in Which the Right to Freedom Of Association and Collective Bargaining May Be at Risk	Business Responsibility and Sustainability Report Social and Relationship Capital	114 50
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408-1	Operations and suppliers at significant risk for incidents of child labour	Human Capital Business Repsonsibility and Sustainability Report	42-43 107, 110
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412-2	Employee training on human rights policies or procedures	Human Capital Business Repsonsibility and Sustainability Report	42-43 107, 110
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening 1	Human Capital Business Repsonsibility and Sustainability Report	42-43 107, 110

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413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	44-48
413-2	Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	44-48
GRI 414 - Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Social and Relationship Capital	101
414-2	Negative social impacts in the supply chain and actions taken	Social and Relationship Capital	101
GRI 415 – Public Policy			
415-1	Political contributions	Business Responsibility and Sustainability Report	We do not make any monetary and in kind contribution to any political parties. Our political contribution for FY 22-23 was Zero.
GRI 417 – Marketing and Labeling			
417-1	Requirements For Product and Service Information and Labelling	About Havells, Value Creation Story, Business Responsibility and Sustainability Report	06, 12, 121
417-2	Incidents Of Non-Compliance Concerning Product and Service Information and Labelling	Business Responsibility and Sustainability Report	121
417-3	Incidents Of Non-Compliance Concerning Marketing Communications	Business Responsibility and Sustainability Report	121
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HAVELLS

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