30th May, 2020

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

Sub: Annual Report for FY 2019-20 alongwith Notice of AGM

Dear Sir,

Please find enclosed herewith the **37th Annual Report of the Company** for the financial year 2019-20 as the 2nd Integrated Report of the Company alongwith the **Notice convening the 37th Annual General Meeting** of the Company scheduled to be held on 22nd day of June, 2020.

Also enclosed is the Sustainability Report of the Company published in respect of financial year 2019-20.

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

Kindly acknowledge receipt.

Thanking you.

Yours faithfully,
for **Havells India Limited**

Sd/-

(Sanjay Kumar Gupta)
Company Secretary

Encl: As above

Please note that due to restrictions imposed by complete lockdown to contain the Covid-19 pandemic, SD/- version of the documents is being filed. This filing is being submitted by the Compliance Officer who can be contacted at 9810906470.

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

HAVELLS

HAVELLS INDIA LIMITED

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi - 110001
Corp. Office: QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

NOTICE

NOTICE is hereby given that the 37th (Thirty Seventh) Annual General Meeting of Havells India Limited will be held on 22nd June, 2020, Monday at 10:00 am through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110001 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020, the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Report of Auditors thereon.
2. To confirm the payment of Interim Dividend of Rs. 4 per equity share already paid during the year as the Final Dividend for the Financial Year 2019-20.
3. To appoint a Director in place of Shri T. V. Mohandas Pai (DIN:00042167), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Puneet Bhatia (DIN:00143973), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **Ratification of Cost Auditor's Remuneration**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

6. **Re-appointment of Shri Vellayan Subbiah (DIN:01138759) as an Independent Director for a Second Term**

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

   "RESOLVED THAT Shri Vellayan Subbiah (DIN:01138759), who was appointed as an Independent Director by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2017 for a term of 3 (Three) years upto the forthcoming AGM of 2020 and who meets the criteria of Independence as provided under section 149(6) of the Act and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Director for a further period of 5 (Five) years with effect from the date of this Annual General Meeting."

7. **Appointment of Shri B Prasada Rao (DIN:01705080) as an Independent Director**

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

   "RESOLVED THAT Shri B Prasada Rao (DIN:01705080), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of 5 (Five) years with effect from the date of this Annual General Meeting."

8. **Appointment of Shri Subhash S Mundra (DIN:00979731) as an Independent Director**

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

   "RESOLVED THAT Shri Subhash S Mundra (DIN:00979731), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of 5 (Five) years with effect from the date of this Annual General Meeting."

9. **Appointment of Shri Vivek Mehra (DIN:00101328) as an Independent Director**

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

   "RESOLVED THAT Shri Vivek Mehra (DIN:00101328), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of 5 (Five) years with effect from the date of this Annual General Meeting."

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

Sanjay Kumar Gupta
Company Secretary
Membership No. F3348

Delhi, May 12, 2020

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

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.

6. The Notice calling the AGM has been uploaded on the website of the Company in the Investor Relations Section under Financials in the Annual Reports tab. The complete Annual Report is also available in the same section. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.

8. The recorded transcript of the forthcoming AGM on 22nd June, 2020, shall also be made available on the website of the Company www.havells.com in the Investor Relations Section, as soon as possible after the Meeting is over.

9. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID investors@havells.com till the date of AGM.

10. i) Members holding shares in physical form are requested to immediately intimate any change in their residential address to Link Intime India Private Limited, Noble

Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Registrars and Transfer Agent of the Company, so that change could be effected in the Register of Members.

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

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

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

11. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

12. During the year, amount of Un-claimed Dividend for the financial year 2011-12 has been deposited in the Investors Education and Protection Fund. Further, amount of Unclaimed Final Dividend for financial year 2012-13 is due for deposit to the Investors Education and Protection Fund on 11th August, 2020.

    The Company also transmitted 11,120 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such Shareholders whose unclaimed/ unpaid dividend pertaining to financial year 2011-12 had been transferred into IEPF and who have not encashed their dividends for 7(Seven) subsequent financial years.

    Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on www.iepf.gov.in

13. In case the Dividend has remained unclaimed in respect of financial year 2012-13 to 2019-20 the Shareholders may approach the Company with their dividend warrants for revalidation with the Letter of Undertaking for issue of duplicate dividend warrants. The Company regularly sends letters/ emails to this effect to the concerned Shareholders.

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

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

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

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

18. Corporate Members are encouraged to attend the AGM through their Authorized Representatives. They are requested to send by email, a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf in the Meeting.

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

20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.

    A member may exercise his/her vote at the General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule.

    For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.

    The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.

    The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

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

Members may contact Shri Sanjay Kumar Gupta, Company Secretary, for any grievances connected with electronic means at investors@havells.com, Tel. # 0120-3331000.

21. The remote e-voting period commences on 19th June, 2020, Friday (8:30 am) and ends on 21st June, 2020, Sunday (5:00 pm).

    - Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 15th June, 2020, Monday may opt for remote e-voting and cast their vote electronically.

    - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting.

    - Any person, who acquires shares of the Company and becomes member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 15th June, 2020 may obtain the login ID and password by sending an email to evoting@nsdl.co.in or investors@havells.com by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on www.evoting.nsdl.com

    - Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

    - Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

    - At the end of remote e-voting period, the facility shall forthwith be blocked.

22. The Board vide its Resolution passed on 12th May, 2020 has appointed Ms Balika Sharma, Practicing Company Secretary (Membership No. F4816, COP No. 3222), as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

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

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

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 19th June, 2020, Friday at 08:30 A.M. and ends on 21st June, 2020, Sunday at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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

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

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:

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

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

c) How to retrieve your 'initial password'?

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

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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

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

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

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

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:
How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csbalikasharma.h@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@havells.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@havells.com

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.

com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at investors@havells.com atleast 48 hours before the start of the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

Sanjay Kumar Gupta
Company Secretary
Membership No. F3348

Delhi, May 12, 2020

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

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

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, in its Meeting held on 12th May, 2020 has approved the appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, (Registration No. 00212), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at a fee of ₹ 9.00 Lakhs subject to TDS, GST etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the Financial Year 2020-21.

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

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2021.

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

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

ITEM NO. 6

Shri Vellayan Subbiah (DIN:01138759) was appointed as an Independent Director on the Board of Directors of the Company in the Annual General Meeting (AGM) held in the Calendar year 2017 to hold office for a period of 3 (Three) years with effect from 7th July, 2017 (the date of AGM 2017).

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

Shri Vellayan Subbiah being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (Five) years from the date of end of his tenure of the First Term.

In the opinion of the Board, Shri Vellayan Subbiah fulfills the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management.

In the Performance Evaluation conducted for the year 2019-20, the performance of Shri Vellayan Subbiah was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as an Independent Director of the Company. The Board and its allied Committees have benefitted from his relevant specialisation and expertise. Details on his attendance of various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 12th May, 2020, has approved the re-appointment of Shri Vellayan Subbiah as an Independent Director and recommends the same for the approval by the Shareholders of the Company by way of Special Resolution.

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

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

ITEM NO. 7

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Shri B Prasada Rao (DIN:01705080) as an Additional Director with effect from 12th May, 2020 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Shri B Prasada Rao will hold office only upto the date of ensuing Annual General Meeting.

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

Shri B Prasada Rao, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years from the date of this AGM.

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

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 12th May, 2020 has approved the appointment of Shri B Prasada Rao as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

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

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

ITEM NO. 8

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Shri Subhash S Mundra (DIN:00979731) as an Additional Director with effect from 12th May, 2020 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Shri Subhash S Mundra will hold office only upto the date of ensuing Annual General Meeting.

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

Shri Subhash S Mundra, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years from the date of this AGM.

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

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 12th May, 2020 has approved the appointment of Shri Subhash S Mundra as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

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

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

ITEM NO. 9

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Shri Vivek Mehra (DIN:00101328) as an Additional Director with effect from 12th May, 2020 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Shri Vivek Mehra will hold office only upto the date of ensuing Annual General Meeting.

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

Shri Vivek Mehra, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years from the date of this AGM.

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

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 12th May, 2020 has approved the appointment of Shri Vivek Mehra as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

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

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

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

Sanjay Kumar Gupta
Company Secretary
Membership No. F3348

Delhi, May 12, 2020

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

ANNEXURE

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

Name of Director (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/ she holds Directorship#	Name of Committees of the Companies of which he/ she holds Membership
Shri T.V. Mohandas Pai (DIN: 00042167)	5th November, 1958 (Nil)	FCA,LLB,B.Com (Not related with any Director/KMP of the Company)	The fundamental activist in the development of the IT services industry in India, Shri T. V. Mohandas Pai have successfully instituted several industry-firsts in the Country. Prior to this, he was a Member of the Board at Infosys Ltd., where he also served as CFO and the lead for Human Resources and Education & Research. He co-founded Aarin Capital Partners in early 2012 to fund opportunities in Health Care, Life Sciences, Education and Technology-led businesses. He is also the Chairman of SEBI Primary Markets Advisory Committee (PMAC). He was a Trustee of the International Financial Reporting Standards (IFRS) Foundation and a Member of the Dr. Anil Kakodkar Committee on Autonomy for the IITs and the Karnataka Knowledge Commission. Pai is currently a Member on the Boards of IIT, Hyderabad. Chairperson, FICCI Higher Education Committee. He was a Member of various important national committees like the Kelkar Committee, constituted by the Ministry of Finance, GoI; the Non-Resident Taxation Committee as well as the Chair of the Karnataka ICT Group 2020. A keen philanthropist, Sh. T.V. Mohandas Pai helped set up the Akshaya Patra Foundation in Bangalore with other likeminded persons. In April 2015, the President of India awarded him the Padma Shri in recognition of his efforts for the betterment of the nation in areas of Trade and Industry.	• Havells India Limited	Havells India Limited - ERM Committee- Member
Shri Puneet Bhatia (DIN: 00143973)	16th December, 1966 (Nil)	B.Com Honors, SRCC, MBA, IIM-Calcutta. (Not related with any Director/KMP of the Company)	Shri Puneet Bhatia is the successful Managing Director and Country Head of India for TPG Asia. Prior to joining TPG Asia in April 2002, Shri Puneet Bhatia was Chief Executive, Private Equity Group for GE Capital India, where he was responsible for conceptualizing and creating its direct and strategic private equity investment group. Before that, he was also associated with ICICI Ltd. from 1990 to 1995 in the Project and Corporate Finance group and thereafter worked as Senior Analyst with Crosby Securities from 1995 to 1996 covering the automobiles and consumer sectors. Presently Bhatia serves as the Director on the Boards of Shriram Transport Finance.	• Havells India Limited • Shriram Transport Finance Company Limited. • Jana Capital Limited • Shriram Capital Limited • Sai Life Sciences Limited • R.R Kabel Limited • Ram Ratna Electricals Limited • Jana Small Finance Bank Limited	Shriram Transport Finance Company Limited - Nomination Remuneration & Compensation Committee-Member - Debt Issuance Committee-Member - Audit Committee-Member - Business Responsibility Committee-Member - Securities Issue/Allotment Committee-Member Shriram Capital Limited - Audit Committee-Member - Nomination and Remuneration Committee- Member Shriram Capital Limited - Audit Committee-Member - Nomination & Remuneration Committee-Member R R Kabel Limited - Nomination & Remuneration Committee- Member - CSR Committee-Member Ram Ratna Electricals Limited - Nomination & Remuneration Committee- Member Sai Life Sciences Limited - Nomination & Remuneration Committee-Member - CSR Committee-Member

Name of Director (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/ she holds Directorship#	Name of Committees of the Companies of which he/ she holds Membership
Shri Vellayan Subbiah (DIN: 01138759)	7th August,1969 (Nil)	BE,MBA (Not related with any Director of the Company)	The Managing Director of Tube Investments of India Limited, Shri Vellayan Subbiah holds a Bachelor degree in Technology in Civil Engineering from IIT Madras and a Masters in Business Administration from the University of Michigan, USA. He has over 2 decades of experience in the varied fields of technology, projects and financial services. He has worked with Mckinsey and Company, Chicago, 24/7 Customer Inc. and Sundram Fasteners. He was the Managing Director of Laserwords from 2007-2010 and of Cholamandalam Investment and Finance Company Limited from 2010-17. Shri Vellayan is a recipient of the Extraordinary Entrepreneur of the Year - TiECON 2014 Award.	• Havells India Limited • SRF Limited • Shanthi Gears Limited • Tube Investments of India Limited • Ambadi Investments Limited	SRF Limited - Audit Committee(Member) Tube Investments of India Limited - Stakeholders and Investors' Grievance Committee-Member - Shares &Debenture Committee-Member - Loans Committee-Member - Risk Management Committee-Member Havells India Limited - Corporate Social Responsibility- Member - Nomination & Remuneration Committee- Chairman
Shri B Prasada Rao (DIN: 01705080)	1st January,1954 (Nil)	Mechanical Engineering Graduate from Jawaharlal Nehru Technological University, Kakinada, Post Graduate in Industrial Engineering from NITIE, Mumbai (Not related with any Director of the Company)	Mr. B Prasada Rao served as the Chairman and Managing Director (CMD) of Bharat Heavy Electricals Limited, India till 31st December 2015, a Maharatna enterprise that ranks among the world's leading companies engaged in Power Plant Equipment (PPE) manufacture with sales spread over 76 countries. During a career spanning more than 37 years in BHEL, Mr. Rao handled a variety of assignments and has diversified, versatile and varied experience both in Strategic as well as operational areas in all business segments of BHEL. He was elevated to the Board of BHEL in 2007 and as its Chairman & Managing Director in 2009. Mr. Rao served as member of the Studies Group of World Energy Council for two terms. He was the Chairman of CII Public Sector Enterprises Council, was on the Board of Governors of IIM, Kashipur and is a Fellow of the Institution of Engineers (India) and Indian National Academy of Engineering. He has to his credit a number of awards and accolades, both institutional and individual. Post retirement from BHEL, he has taken up the responsibility as Managing Director of Steag Energy Services India, a 100% owned subsidiary of Steag Energy Services Germany- an organization involved in offering Engineering, consultancy and other services related to improvement of Energy Efficiency, in Power Sector including Operation and Maintenance of all types of Power Plants. Mr. Rao was conferred with the "Engineering Excellence Award by the title of "Prof. S N Mitra Memorial Award 2018" – by the Indian National Academy of Engineers. Further Mr. Rao was conferred "Honorary Doctorate" by Jawaharlal Nehru Technological University, Kakinada. Honourable Governor of Andhra Pradesh presented the same during Aug'19 at the University convocation function.	• Magma FinCorp Limited • Tata Boeing Aerospace Limited • Havells India Limited	Havells India Limited - CSR Committee- Member TATA Boeing Aerospace Limited - Audit Committee- Member - Nomination and Remuneration Committee- Chairman Magma Fincorp Limited - Nomination and Remuneration Committee- Member - IT Strategy Committee-Member - Stakeholders Relationship Committee- Chairman - CSR Committee- Member

Name of Director (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/ she holds Directorship#	Name of Committees of the Companies of which he/ she holds Membership
Shri Subhash S Mundra (DIN: 00979731	18th July,1954 (Nil)	B.Com, M.Com, Fellow Indian Institute of Banking & Finance, D. Phil (HonorisCausa) (Not related with any Director of the Company)	Mr. Subhash S Mundra retired as Deputy Governor of Reserve Bank of India on 30th July 2017 after completing a stint of three years. Prior to that, the last position held by him was as Chairman and Managing Director of Bank of Baroda from where he superannuated in July 2014. In his banking career spanning over four decades, Mr. Mundra held several important positions including that of Executive Director of Union Bank of India, Chief Executive of Bank of Baroda (European Operations) amongst others. He also served as RBI's nominee on the Financial Stability Board (G20 Forum) and its various committees. Mr. Mundra was also the Vice-chair of OECD's International Network on Financial Education (INFE). Amity University has conferred the Degree of Doctor of Philosophy (D.Phil.), Honoris Causa, upon Mr. Mundra, in recognition of his services in the field of banking and related areas. He is now on the Board of BSE Ltd., DSP Investment Managers Pvt. Ltd., Indiabulls Housing Finance Limited, Airtel Payments Bank Limited, Acuite Ratings & Research Ltd., and Ayana Renewable Power Private Limited as Independent Director, besides being on various Advisory Boards such as of M/s. Encore Asset Reconstruction Pvt. Ltd., Global Risk Advisory Committee of PayU Global – Netherlands, India Advisory Board of Master Cards, Governing Board of IMT – Ghaziabad, to name a few.	• Indiabulls Housing Finance Limited • BSE Limited • Airtel Payment Bank Limited • Acuite Ratings & Research Limited • Havells India Limited	Havells India Limited - Audit Committee- Member BSE Limited - Audit Committee- Member - Stakeholders Committee- Member Airtel Payment Bank Limited - Audit Committee- Chairman
Shri Vivek Mehra (DIN : 00101328)	21st April, 1945 (Nil)	B. Com (Hons) from SRCC, DU, Chartered Accountant (Not related with any Director of the Company)	Mr. Vivek Mehra is a well-respected senior Chartered Accountant with an illustrious professional career spanning over 40 years and experience spanning across sectors in Tax and Regulatory domains of Merger & Acquisition specializing in Cross-border Investment and Transaction Structuring. He has held various leadership roles till April 2017 in PriceWaterhouseCoopers Private Ltd. ('PWC') as Partner/ Executive Director. He was the founder and national leader for PwC Regulatory and M&A Practices and has been elected on PwC Governance Oversight Board for two consecutive terms. He has been a fellow member of the Institute of Chartered Accountants of India since 1979 and has also given his valuable contribution as a member of the Federation of Indian Chambers of Commerce and Industry (FICCI) Steering Committee and National Executive Committee.	• Havells India Limited • Jubilant Life Sciences Limited • Bharat Hotels Limited • HT Media Limited • DLF Limited • Chambal Fertilisers and Chemicals Limited • Digicontent Limited	Havells India Limited - Nomination and Remuneration Committee- Member Jubilant Life Sciences Limited - Audit Committee- Member Bharat Hotels Limited - Audit Committee- Member DLF Limited - Audit Committee- Member Chambal Fertilisers and Chemicals Limited - Audit Committee- Member HT Media Limited - Audit Committee- Chairman Digicontent Limited - Audit Committee- Chairman

 # Directorship indicates directorship in Indian Public Companies including Havells India Limited.
Note: For other details, please refer to the Corporate Governance Section of the Annual Report.

HAVELLS

HAVELLS INDIA LIMITED

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi - 110001
Corp. Office: QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

Dear Member,

Sub: Updation of KYC Details in the Master Data

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

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

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

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

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

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

Assuring you of our best services.

Thanking you.

Yours faithfully,
For **Havells India Limited**

(Sanjay Kumar Gupta)
Company Secretary

Encl.: KYC Form

KYC FORM
(Only for physical shareholding)

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

Date:______//____//___________

Folio No:_____________________

No of Shares:_____________________

Dear Sir/ Madam,

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

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

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

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

B For registering Bank details of the registered shareholder

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

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

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

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

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

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

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

☐ Affidavit ☐ Banker verification ☐ Original cancelled cheque leaf

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

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

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

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

____

E For updating the Mobile No

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

Sign:______________	Sign:______________	Sign:________________	Sign:________________
Registered holder	Joint holder 1	Joint holder 2	Joint holder 3

ECS (ELECTRONIC CLEARING SERVICE) MANDATE FORM
FOR PAYMENT OF DIVIDEND

The Share Department Date: ....

HAVELLS INDIA LIMITED
QRG Towers, 2D
Sector – 126, Expressway,
Noida (U.P.) – 201 304

Dear Sir,

I wish to participate in the Electronic Clearing Services and given below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

1.	Name of the First holder (IN BLOCK LETTERS)	
2.	Registered FOLIO NO.	
3.	PAN **(Please attach Self-attested photocopy of PAN card)**	
4.	E-mail Id	
5.	Telephone/ Mobile No.	
6.	Name of the Bank	
7.	Branch Name & Address	
8.	Account Number (as appearing on your Cheque Book)	
9.	Account Type (Saving Bank A/c, Current A/c or Cash Credit A/c)	
10.	9 digit code number of the Bank & Branch appearing on the MICR Cheque issued by the Bank. **(Please attach a cancelled Cheque leaf for verifying accuracy of IFSC and MICR Code Number)**	

I hereby declare that the particulars given above are correct and complete. I undertake to inform of any subsequent changes in the above particulars. If the ECS payment transaction is delayed or not effected for any reasons I would not hold the Company responsible.

____
Signature of the first named shareholder

Name ____

Address ____

Tel No. ______________________________

NOTE: Shareholders are requested to enclose the following without fail.

MANDATORY ENCLOSURES:-

1. **Self-attested copy of PAN Card of the Sole/ First Shareholder.**
2. **Copy of / Cancelled Cheque Leaf of the Bank Account bearing shareholder's Name. In case the cheque does not bear the name, please submit copy of bank passbook /statement attested by your Bank.**

NOTE: In case of shares held in demat form, the above particulars for ECS Facility have to be provided to your Depository Participant (DP), quoting your Client ID No. to them.

HAVELLS

HAVELLS INDIA LIMITED

2ND INTEGRATED REPORT 2019-20

37TH ANNUAL REPORT

INNOVATION AT FORE

PEOPLE AT CORE

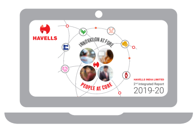
TABLE OF CONTENTS

This report discloses both the financial and non-financial performance of Havells' operations (plants and offices) across India for the reporting period from 1st April 2019 to 31st March 2020. This report is prepared in line with the requirements of the Integrated Reporting framework suggested by the International Integrated Reporting Council (IIRC).

The Statutory Reports and Financial Statements which are part of this report, adhere with the requirements of the Companies Act, 2013 (including the rules made thereunder), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Indian Accounting Standards and the applicable Secretarial Standards. The financial information of the Integrated Report has been extracted from the audited financial statements and the non-financial information from the Sustainability Report. For more details please refer to Financial Statements and Statutory Reports.

Those charged with governance at Havells have provided direction for the report and reviewed the content disclosed within. This report discloses pertinent information that is material to Havells' value creation process in the short, medium and long-term.

The numbers in the Integrated Report have been rounded off to nearest rupees.



To view this report online, please visit:
www.havells.com

Forward-looking Statements:

Statements in this 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. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Our Vision

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

Our Mission

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

Our Values

Customer Delight

A commitment to surpass our customer expectations

Leadership by Example

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

Integrity and Transparency

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

Pursuit of Excellence

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

INNOVATION AT FORE, PEOPLE AT CORE

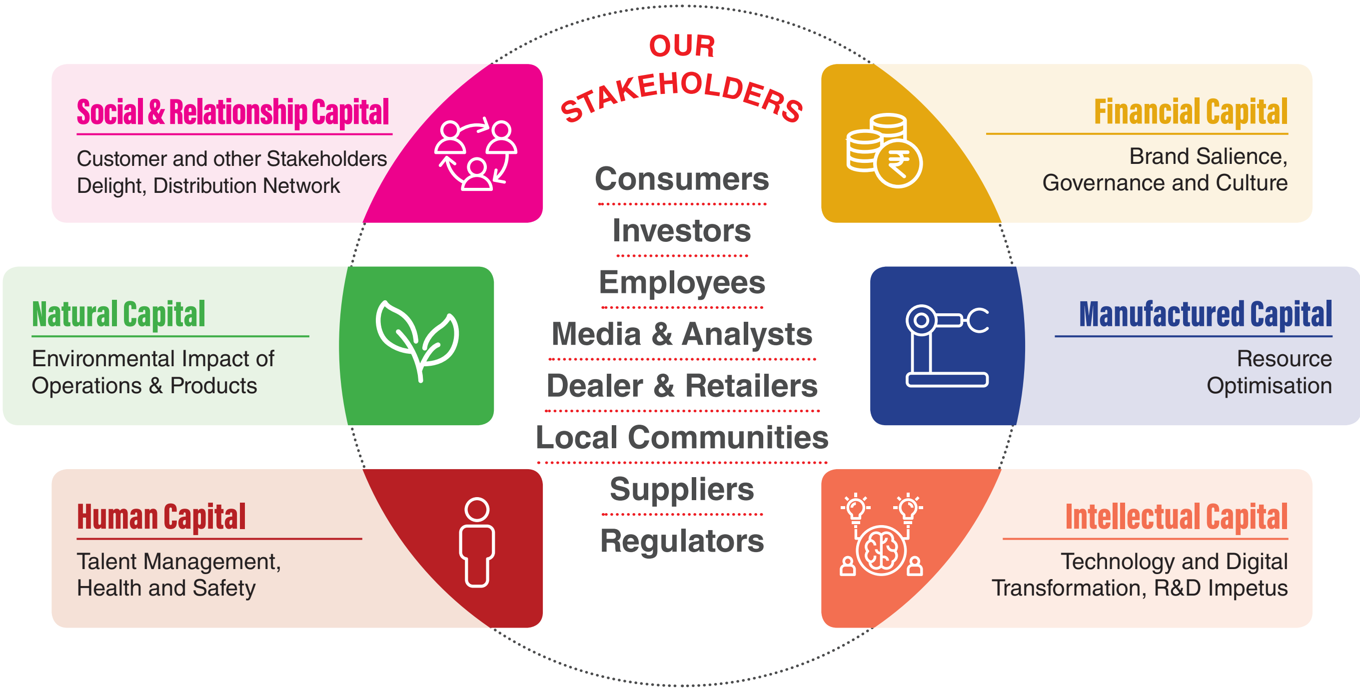
In the process of building Havells, one ethos we have strongly echoed is 'Making a Difference' in the lives of our consumers, employees, dealers, vendors and society as a whole. We believe keeping **'Innovation at fore'** and **'People at core'** is the key to deliver this brand promise that we consistently stand for.

At Havells, people are the heart of the organisation supported by enabling processes and technologies. Our passionate belief in a human-centric approach means that the digital and technological innovation we pursue – be it the adoption of sophisticated technology at our workplace to empower employees; intuitive mobile applications for dealers, distributors and vendors to facilitate better inventory control and seamless transactions; the automation we pursue at our manufacturing locations for reducing repetitive and manual work, so that employees can apply their expertise at more critical applications; the intelligent products and services that we create for our customers by connecting it with the Internet of Things and Artificial Intelligence – it is all aimed at making the lives of people we touch, happier, better and fuller.

Our efforts are oriented towards enriching financial, manufactured, intellectual, human, natural & social and relationship capitals through result-driven processes and initiatives that enable us to create a better tomorrow while consolidating business gains.

We present to you, Havells India Limited, where we put **INNOVATION AT THE FORE**, in order to serve the **PEOPLE AT THE CORE.**

This report is our second Integrated Annual Report, taking you through the six capitals that display our commitment towards innovation, human health and environment. Interlinkage of the capitals has been showcased throughout the report, and how each capital contributes to the UN Sustainable Development Goals.



We map our material aspects to six capitals and align them to identified strategic pillars and foreseeable risks, creating an integrated approach to our value creation model. This ensures that our business model delivers value to our stakeholders in a holistic and equitable manner.

We remain closely connected with stakeholder groups and employ various modes of communications such as annual meets, surveys, face-to-face interactions and grievance redressal mechanism, apart from the day-to-day interactions as part of the business. The insights from the interactions are fed into our materiality assessment process to derive our material focus areas. These focus areas help us in consistently delivering our value proposition in the short, medium and long-term.

CHAIRMAN'S MESSAGE

Anil Rai Gupta
Chairman

We demonstrated considerable business resilience against this backdrop to achieve revenue of ₹ 9,429 crores and net profit of ₹ 733 crores. In the coming years, we will continue to focus on brand building, growing our portfolio through research and development and expanding our distribution network with key focus on semi-urban and rural markets.

Dear Shareholders,

Over the last two decades, the global economy has been grappling with a VUCA (Volatile, Uncertain, Complex & Ambiguity) environment. COVID-19 pandemic has ravaged the economic foundations of world trade and is forcing an unprecedented social, economic, and business response. It has fundamentally changed the way we live, work, and has made 'Work from Home', 'Social distancing', and 'Higher technology adoption' as the 'new normal'.

As the world deals with the spiralling effects of the pandemic, at Havells, we quickly took decisive action to respond to the unfolding challenges. We have been in constant engagement with all our stakeholders to understand and allay their anxieties. I conducted a live address to over 9,000 channel partners, reaffirming Havells commitment to protect their interests in these tough times and updated them on the steps taken to support them. These include, prioritising their payments and starting online product training conducted by in-house experts. Our timely efforts have been appreciated and further strengthened our relationship with our channel partners.

Our employees have been 'Working from Home' (WFH) during the nationwide lockdown to contain the spread of the virus and protect their health. To ensure seamless business continuity with least disruption, our employees had access to the latest technological tools. We are also using this opportunity to upskill through online platforms that are actively operated by our business heads and trainers.

In these tumultuous times, we have strived to provide efficient consumer services. We are applying our digital and electronic capabilities to resolve consumer issues and have quickly mobilised self-help videos for our consumers. For issues that were urgent and could not be resolved remotely, site visits were arranged after taking necessary safety measures.

FY 2019-20 was a period of significant external challenges, even before the COVID-19 crisis. Weakening macroeconomic environment, sectoral liquidity tightening and slowdown in infrastructure segment impacted the demand for industrial products within cables, professional lighting and switchgear. In addition, muted consumer sentiment impacted the demand for electrical goods. We demonstrated considerable business resilience against this backdrop to achieve revenue of ₹ 9,429 crores and net profit of ₹ 733 crores. In the coming years, we will continue to focus on brand building, growing our portfolio through research and development and expanding our distribution network with key focus on semi-urban and rural markets.

Lloyd is evolving as a mass premium brand in the consumer durables market. This has been brought about through innovative and aggressive brand-building initiatives, a proliferating product range and by reinforcing our distribution network. Lloyd air conditioners are now being manufactured in-house at our new state-of-the-art plant, which is amongst the most integrated and modern facilities in Asia. The high level of automation, along with backward integration, gives us greater control over quality while optimising costs and boosts consumer confidence in the brand.

At Havells, our constant endeavour is to put people at the centre of all the efforts towards innovation and technology. We passionately believe that this is the right approach to make a meaningful difference in the lives of our stakeholders and get the best out of human potential. Our conviction leads us to launch intelligent products that make our customers' lives happier, safer and better. Through our Internet of Things (IoT) ecosystem, we are going beyond and deeper into making homes smarter and powering a holistic digital experience. With our production facilities increasingly embedding smart technologies, the need for routine manual work is reducing, giving our workforce more time to focus their expertise on critical tasks, leading to improved efficiencies and productivity. We remain dedicated to our strategy of 'Innovation at Fore' 'People at Core' to deliver a higher level of outcomes for all our stakeholders.

Our determination to be a responsible business, reflects in our energy-efficient products and sustainable processes. We continue to replenish more water than we consume across our sites, enabling us to maintain our water positive status. Today, we are proud to be delivering 1.6 times more water than what we are consuming, highlighting the success of our efforts. We are steadily increasing the usage of renewable energy at our facilities to minimise our environmental footprint. During the year, we planted over 3.5 lakh saplings to be wood and paper negative company. These initiatives, combined with energy-saving projects, have enabled us to reduce our carbon footprint immensely.

Furthermore, we continue to extend our support for the provision of mid-day meals for children at schools, to help them focus better at studies. As part of our efforts to promote health and hygiene, we built around 400 bio-toilets and distributed over 56,000 sanitary napkins to girls in government schools in Alwar and Haridwar district. Another key initiative was partnering with BL Munjal Foundation and Ashoka University to provide financial assistance to needy students and creating the infrastructure for their benefit.

In closing, while it is early to predict the severity of the pandemic fully, I am an optimist on mankind resilience to bounce back in the face of any adversity.

Amidst all the disruption and economic fallout, there is an opportunity for India to acquire new overseas markets as companies across the world look to de-risk and diversify their supply chains or relocate their manufacturing hubs. In these circumstances, Havells renews its commitment to collaborate for a greater good of our stakeholders and our nation. I would also like to take this opportunity to show our appreciation to our employees who, individually and collectively, make us a better and stronger organisation. As to our customers, business partners and shareholders, we look forward to your steadfast support as we continue our path of sustainable growth and value creation. Thank you for believing in us and be our companion in this journey!

With warm regards,

Anil Rai Gupta

FUTURE BEGINS TODAY

Incorporated in 1983, Havells India Limited (Havells) is India's leading fast-moving electrical goods (FMEG) and consumer durable Company, with an influential pan-India presence and growing global footprint.

Our brands

HAVELLS

LLOYD

Crabtree

STANDARD

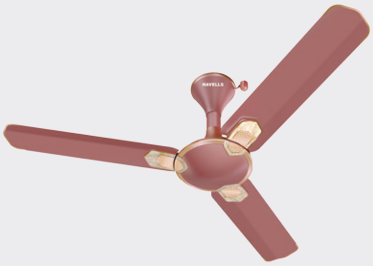
REO

Diversified product portfolio

Switchgears	Domestic Switchgears	Switches	Industrial Switchgears	Automation	
Cable	Power Cables	Flexible Cables			
Lighting & Fixtures	Lighting Strips	Street Light	Solar Light	LED	
Electrical Consumer Durables	Fans	Water Heaters	Small Domestic Appliances	Water Purifier	Personal Grooming
Lloyd Consumers	Air Conditioners	LED TVs	Washing Machines		

New products launched

Grande Heavy Duty AC



Havells Carnesia i Metallic

Smart H Switches

Havells STADx FP Isolator

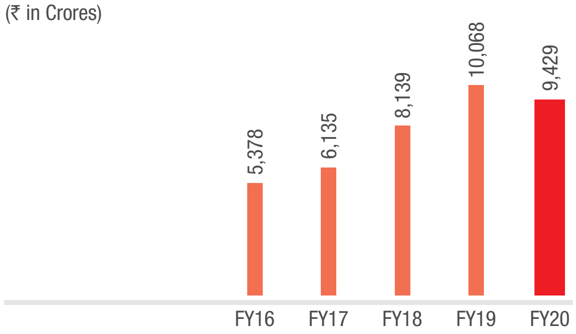
STADx RCCB-DP

Delite Alkaline Water Purifier

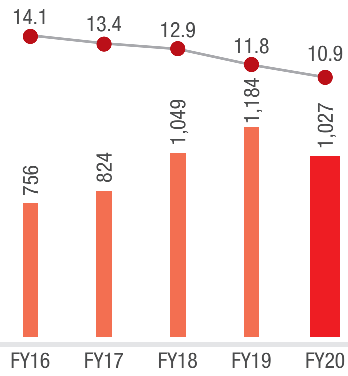
Aindrila Pedestal

PERFORMANCE HIGHLIGHTS

Net Revenue
(₹ in Crores)

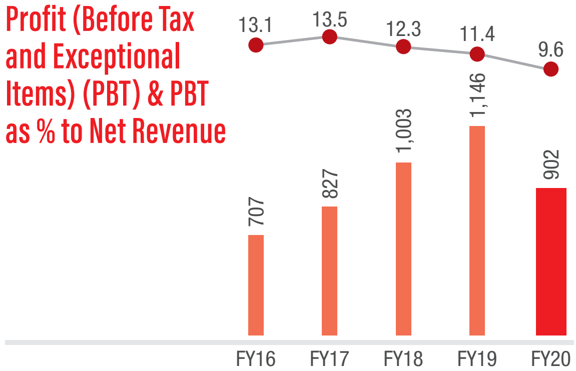


EBIDTA & EBIDTA Margin (%)



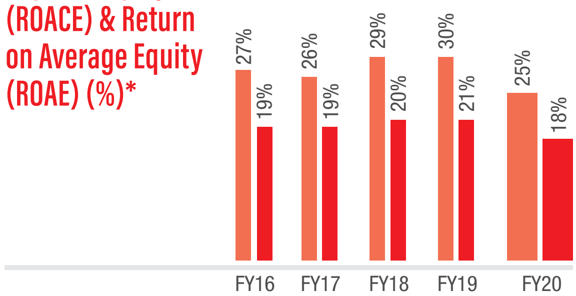
EBIDTA (₹ in Crores) EBIDTA Margin (%)

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



PBT as % to Net Revenue (₹ in Crores)
Profit Before Tax (PBT)

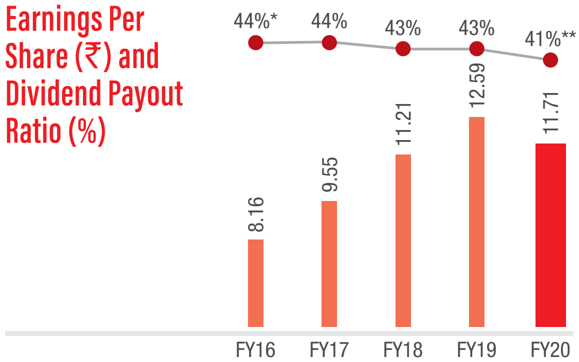
Return on Average Capital Employed (ROACE) & Return on Average Equity (ROAE) (%)*



ROACE ROAE

*on normalised basis

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

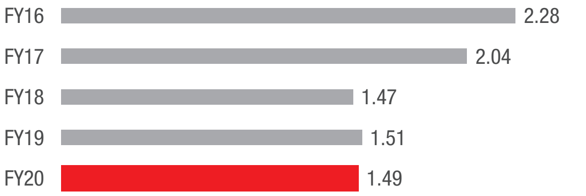


EPS adjusted for bonus issue / split (₹) and exceptional items

Dividend payout ratio = (Dividend + Dividend Tax) / PAT

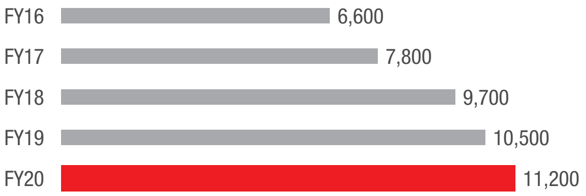
* Dividend Payout ratio for FY16 excludes interim dividend of ₹ 3 per share
** Dividend payout for FY20 is calculated based on interim dividend paid during FY20

Current Ratio (in Times)



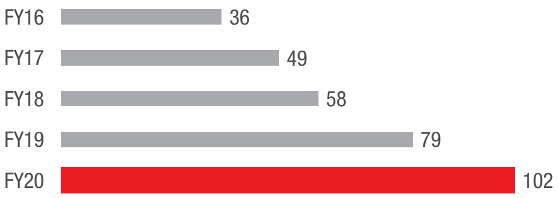
Fixed Asset Turnover (in Times)

Dealer Network (in Nos.)

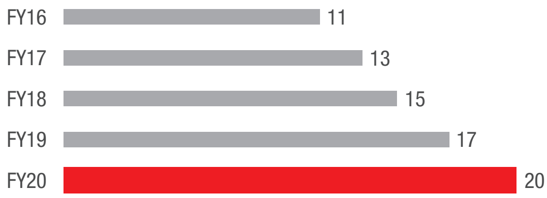


Product Categories (in Nos.)

Research and Development Spend (₹ in Crores)

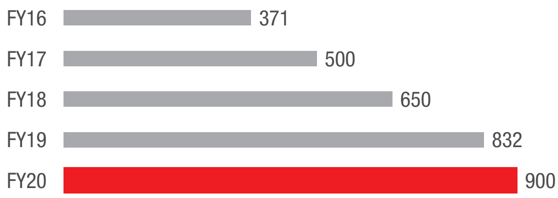


CSR Spend (₹ in Crores)

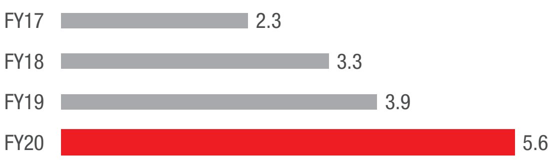


Employee Strength (in Nos.)

Employee Spend (₹ in Crores)



Renewable Energy Capacity (in MW)



Children served per day (in Nos.)

INNOVATION FOR PRO-ACTIVE GOVERNANCE

At Havells, we are committed towards good governance, greater transparency and sustainable value creation for our stakeholders. Our Board members remain highly engaged and dedicated to the Company philosophy of 'Innovation at Fore, People at Core' creating long-term, sustainable value, based on strong principles of governance. This is further supported by the senior management in disseminating the ethos to employees at all levels. Our diverse Board with 50% Independent Directors add to the diverse skillsets required for effectively governing the Company in the present times and directions for the future.

Promoter Directors

Anil Rai Gupta
Chairman and Managing Director

Surjit Kumar Gupta
Non-Executive, Non-Independent

Ameet Kumar Gupta
Whole-time Director

Note: Please refer to the Corporate Governance Report for more on Governance at Havells.

Non-Promoter Directors

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

Siddhartha Pandit
Whole-time Director

Puneet Bhatia
Non-Executive, Non-Independent

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

Pratima Ram
Independent Director

Vellayan Subbiah
Independent Director

Jalaj Ashwin Dani
Independent Director

Upendra Kumar Sinha
Independent Director

Subhash S Mundra
Independent Director

B Prasada Rao
Independent Director

Vivek Mehra
Independent Director

1. With effect from 1st April, 2020, Shri Surender Kumar Tuteja, Shri Vijay Kumar Chopra and Dr Adarsh Kishore ceased to be the Independent Directors due to completion of their tenure.
2. With effect from 12th May 2020, Shri Subhash S Mundra, Shri B Prasada Rao and Shri Vivek Mehra were appointed as Additional Directors (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 22nd June, 2020

NAVIGATING UNCERTAINTY

The world has changed, and it may not be the same again. The novel coronavirus or COVID-19 has seen to that. Not only affecting countless lives, COVID-19 has unleashed a blow to the global economy, disrupting supply chains while choking off demand. The current environment has created uncertainties in business ecosystems, rapidly exposing them to risks.

Our business practices and strong enterprise risk management framework (ERM) has helped in dealing with such an unprecedented crisis. Our approach has been to respond and not react to critical situations. In these testing times, focussing on business continuity plans, adopting “new ways of doing business” and to the “new normal” have been our priority along with nurturing relationship with our stakeholders by supporting them.

The challenges posed by COVID-19 led to closing our plant operations as per Government of India’s directives and thus impacting production. We are utilising this opportunity to prepare ourselves to respond to the post COVID-19 reality by focussing on readiness to jumpstart operations by implementing social distancing at factories with cautious optimism; once the plants re-open. In the short-term, however, we have taken certain steps to sail through this crisis. New habits and behaviours are slowly becoming a way of life and are likely to remain forever; and we percieve them as bringing opportunities to further innovate.

Our COVID-19 response plan consists of our approach based on the strong pillars supporting our business.

Workforce

With due consideration to our employees’ health, safety and well-being, we established “work from home” policy for our entire workforce as a pre-emptive measure even before formalisation of the same by the Government. We launched various initiatives to facilitate virtual engagement of workforce with an intent to enhance their physical, mental and overall well-being. Our in-house experts delivered online training sessions on various aspects such as product, compliance and other softer aspects with an intent to upskill and expand our employees’ learning curve.

Dealers

We have always remained close to our dealers and situations like these, only deepen the bond. The Company Management connected with around 9,000 dealers via a live streaming event to update them of the Company’s action plan to deal with COVID-19 pandemic. We delineated the approach required to manage an evolving situation and responded to their queries. We also launched a dedicated app for dealer management, thereby extending our existing support framework to them.

Customers

We tried to remain connected to our customers to meet their requirements via digital channels like Havells Connect App, WhatsApp and Audio/Video formats. 5,000+ customer issues were resolved with the aid of digital outreach and connectivity. Some Do-it-Yourself (DIY) videos and tutorials were shared with customers through digital channels, enabling self-repair and maintenance to address basic non-technical issues.

Supply Chain

We maintained frequent two-way communication with our vendors and suppliers through the digital channels to assure, guide and provide confidence in the ‘new normal’ business environment. We have remained connected and devised a planning strategy for demand-supply management based on ‘What If’ scenarios.

IT Infrastructure

Our internal IT team played an important role during these unprecedented times by providing a strong and stable network infrastructure to all employees, thereby ensuring delivery of work without disruptions. The IT systems enabled seamless connect enabling all stakeholders to remain up to date on the key developments and response to the situation and the steps ahead.

Deployment of Microsoft Teams for secure communication between workforce proved to be a success. Our robust data control and security measures have ensured protection of sensitive data and information.

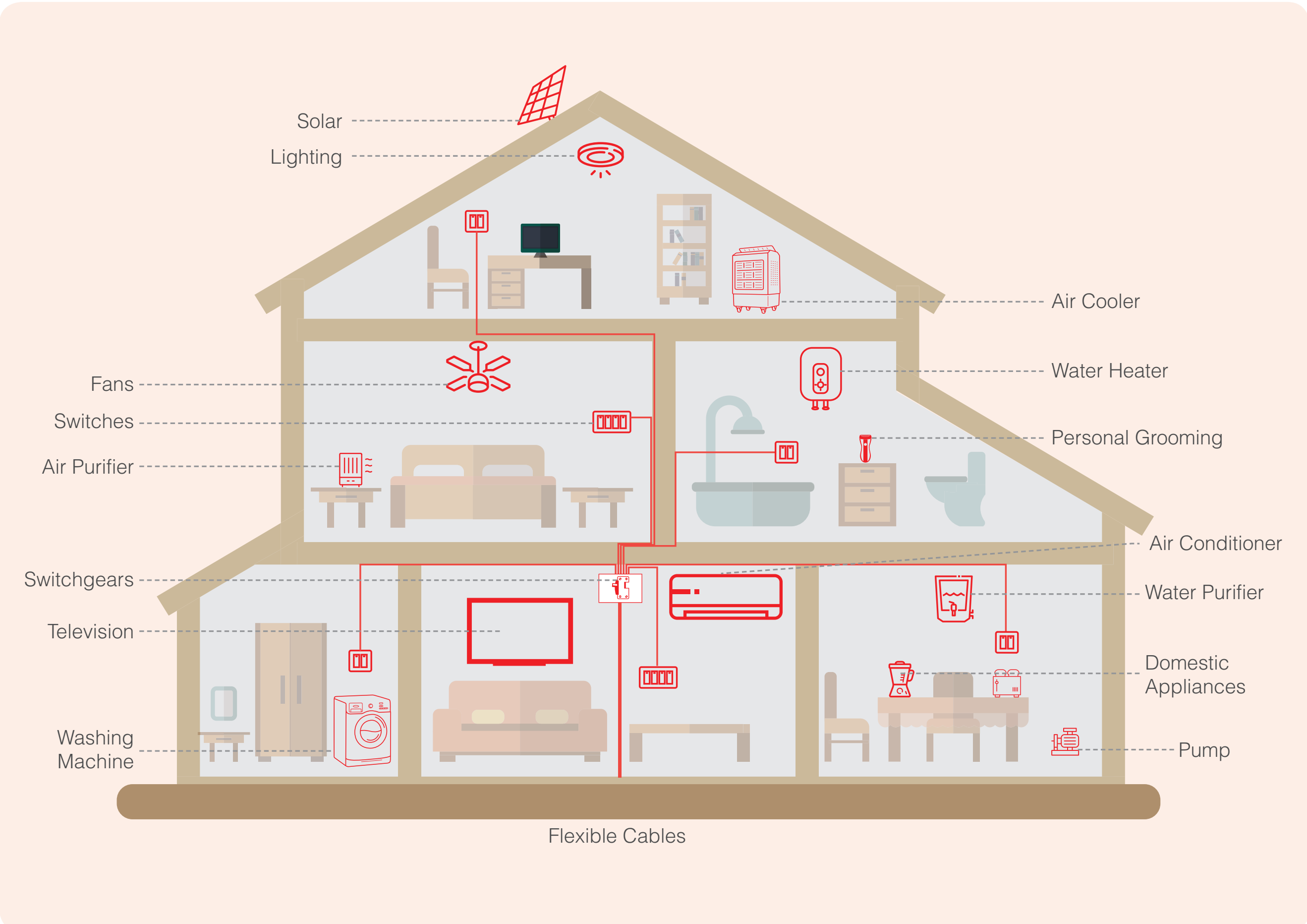
Society

We have always been caring for the communities we are a part of. During COVID-19, we started serving thousands of poor and needy people with meals twice a day from our centralised kitchen in Alwar, Rajasthan. A section of QRG health city was dedicated to COVID-19 patients and the facility also conducted routine health check-ups for the front-line police personnel and administrative staff, most susceptible to contracting the virus, in Faridabad.

Our Strategy for future

At Havells, we continuously scan the external headwinds and market trends that may impact our business segments, as part of our strategy planning. This approach gives us first mover advantage by anticipating consumer sentiments that further provides us opportunities to launch innovative solutions for them. Strategy is derived considering risk and opportunities that could disrupt the industry. The Management along with the Board, reviews and makes suggestions to update the strategy to stay aligned with business needs and the goal of creating value.

Our long-term strategy remains "Deeper into Home" and we are utilising this opportunity to involve more collaborative and innovative ways of achieving it. Our strategy has helped us choose not only to focus on business, but in parallel continue work on the future business model so that we remain as competitive as ever; on the other side of COVID-19.



Our Strategic Business Objectives

We have defined 8 strategic objectives and continue to work towards them to penetrate deeper into our consumers' home. We have also mapped each strategic objective to the capitals which they impact.

Brand Reinforcement

- Reinforcing essence of brand "Havells"
- Focussed investment in Brand to strengthen connect with stakeholders
- Enhancing Brand reach through multiple channels

Product Extension and Expansion

- Comprehensive product portfolio
- Investment in R&D for Innovative and quality products
- Exploring opportunities for new products

Proximity to Consumer

- Strengthening connect with dealer network
- Tap newer markets including semi-urban and rural market
- Tie-up with multi-brand outlets, regional retailers and modern formats

In-House Manufacturing

- Leveraging technology to optimise resources and increase efficiency
- Capital expenditure in enhancing manufacturing capacity
- Better control over supply chain

Prudent Financial Management

- Maintain lean balance sheet accommodating growth and acquisitions
- Cost rationalisation and Net cash positive
- Invest in organic as well as inorganic growth

Digitisation

- Digital transformation by leveraging IT infrastructure for improving overall product experience
- Harnessing digital technologies in all aspects of business to create value

Strengthening Lloyd Business

- To establish it as a "Mass Premium Segment" brand
- Leverage own production capacities to strengthen offerings
- Reinforce presence through leading MFR and RR chains

Sustainable Business

- Invest and nurture in building business for tomorrow
- Ensure our operations and products do not negatively impact the environment

Our Outlook on Industry

As social distancing becomes a norm, within the industry we see accelerated use of artificial intelligence (AI), augumented reality (AR) and virtual reality (VR) in providing experiences like shop streaming further pushing E-Commerce. As remote working and work from home becomes new normal, demand for home & kitchen gadgets, health and lifestyle products/equipments is expected to increase. At Havells, we continue to invest in R&D with a clear focus on innovative products that ensures customer delight.

Given the huge market that India offers, FDI inflow is expected to increase, opening up a lot of opportunities for Havells for strategic partnerships. Strong manufacturing ethos with global benchmarked in-house facilities, R&D labs and skilled manpower will assist us in expanding our business globally and turn this situation into an opportunity.

While we await short-term recovery, we are convinced that the long-term implications of this situation will be positive for our business.

RISK MANAGEMENT FRAMEWORK

Taking risk is an inherent part of entrepreneurial behaviour; well-structured risk management allows management to take risks in a controlled manner. We believe risk management is a value-creating activity, and, it is an integral part of Havells business processes.

A robust internal financial control system forms the backbone for our risk management and governance. Havells continues to strengthen its Enterprise Risk Management Framework based on the internationally accepted COSO Framework. A structured risk management system permits the management to take calibrated risks, which provides a holistic view of the business wherein risks are identified in a structured manner from top-down to bottom-up approach.

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

Board of Directors

Enterprise Risk Management Committee

Steering Committee

ERM Core Group

Identification	Categorisation	Assessment & Rating	Prioritisation	Performance Tracking
Identification of challenges / opportunities	■ Strategic Risk ■ Compliance Risk ■ Operational Risk ■ Financial Risk ■ Reporting Risk ■ Reputational Risk	Likelihood, Impact & SWOT analysis	Prioritisation & Mitigation plan	Information Communication & Reporting

Risk Assessment Matrix

Risk Category	Key Risks	Likelihood	Impact
Strategic Risk	Business disruption on account of Unforeseen Events & Natural Calamity	Likely	Severe
	Geographical & Channel Concentration	Likely	Severe
	Technological Obsolescence	Likely	Severe
Reputational Risk	Brand Equity	Likely	High
	Impact of Digitalisation & Social Media	Likely	High
Compliance Risk	Non-Compliance to Statutory Provisions	Less Likely	Severe
	Protection of Intellectual Property Rights	Less Likely	Severe
Operational Risk	Procurement Management	Likely	High
	Customer Service & Spare Management	Less Likely	High
	Supply Disruption	Likely	High
	Quality Assurance	Less Likely	High
	Information & Cyber Security	Less Likely	High
	Talent Management & Training	Likely	High
	Environmental, Health & Safety Risk	Less Likely	Severe
Financial Risk	Commodity and Currency Fluctuation	Likely	High

Less Likely *Likely* *High* *Severe*

Key Risks & their Minimisation Plan

In order to extend the integrated approach to risk reporting, we have mapped our risk and mitigation actions to respective capitals. Summarised action taken status with respect to identified risks are given below :

Reputational Risks

Brand Equity Impact of digitalisation & social media	Risk Response
Marketing & Social Media Risk on Brand Equity (Reputational, Brand Perception, Brand Visibility, Brand Health, etc.)	• The Company keeps a track of Brand Perception and continuously conducts brand audit and monitors Brand health parameters. • The Company has implemented online reputation management system and a state-of-the-art integrated command centre where feedback, posts & complaints are monitored and responded on real-time basis.

Strategic Risks

Business Disruption on account of Unforeseen Events & Natural Calamity

Risk Response

Impact of COVID-19, Trade War, Global Conflict, etc.

Import dependency has substantially reduced with the commencement of operation of AC plant & localisation of other products & also de-risking from single country dependency to sourcing from multiple countries

- Regular discussion with Channel partners on their well-being
- Dealer / Retailer / Employee trainings during lockdown
- Chairman address to over 9,000 Partners

Geographical & Channel Concentration

Risk Response

Risk for having Geographical & Channel Concentration w.r.t key product categories & customers & geography

The Company adopted focused approach towards expanding its reach in tier II, III & rural markets. Under Rural - Vistaar initiatives added 1,700 Rural Distributors covering18,000 outlets. We created a separate team to focus on MFR/RR, CPC/CSD & E-Commerce and also adopted DMDC (Different models for different channels) to avoid conflict with existing channel.

Technological Obsolescence

Risk Response

Adoption of emerging technologies and catering to evolving aspirations of the Consumers

- Set-up Centre of Excellence (CoE) as part of CRI (Bangalore) to scout for potentially disruptive technologies emerging on the horizon.
- Design Thinking approach introduced to pre-empt consumer aspirations for new product development.

Compliance Risks

Non-Compliance to Statutory Provisions

Risk Response

Risk arising out of non-compliance of Company Policies & Procedures and applicable statutory provisions

Mapping of all applicable compliances through Control Manager where advance alert is given to concerned stakeholders to ensure timely compliance.

Protection of Intellectual Property Rights

Risk Response

Risk of unfair use of Company's intellectual property

We have safeguarded our intellectual properties like trademarks, logos, patents and aesthetics of products by registering under relevant acts. Legal actions are taken for any unauthorised use of IPR.

Financial Risks

Commodity and Currency Fluctuation

Risk Response

Risk arising due to change in foreign exchange rates & volatility in Commodity price

The Company has a dynamic Forex risk management policy to take care of exchange rate fluctuations. Commodity buys are directly leveraged between domestic and overseas suppliers based on their price and parity, close monitoring through various commodity stock exchange linked with different raw materials.

Operational Risks

Procurement Management	Risk Response
Risk of Supply disruption on account of dependency on vendors or raw material or FG	Alternate sourcing avenues identified for key parts and raw materials resulting in cost saving and reduced dependency on single vendor.

Customer Service & Spare Management	Risk Response
To ensure customer satisfaction	■ Implemented ERP tool to manage entire customer service. ■ Service personnel are given training on technical aspects and soft skills to improve service quality.

Supply Disruption	Risk Response
Disruption because of foreseen & unforeseen events	Prepared a disruption calendar of foreseen & unforeseen events and action plan is prepared to reduce impact of disruption.

Quality Assurance	Risk Response
Brand Perception Vs Product Performance Manufacturing / Supplier Process Maturity	■ Overall Net Promoter Score (NPS) improved from 55 to 63. Specific actions have been initiated across all product categories. ■ Manufacturing process strengthened by closed loop Plant Quality Radar Assessment and Built in Quality (BiQ) introduced to strengthen controls at critical manufacturing processes on the shop floor.

Information & Cyber Security	Risk Response
Risk arising due to unforeseen events Disaster Recovery (DR) & Business Continuity Plan (BCP)	■ Latest IT tools have been deployed to take care of IT assets, Networks, Servers. Softwares are used to protect systems against Malware, Hacking & Phishing. ■ IT ensured, no disruptions while working from home. ■ Focus is given on BRISC (Backup, Remote working, Internet, Security, Cloud & Employee safety)

Environmental, Health & Safety	Risk Response
Maintaining Environmental, Health & Safety	All our manufacturing plants are ISO 45001/OHSAS18001 certified and processes follow highest international standards for health and safety. Refer Sustainability Report for more details.

We are hopeful that through technology intervention and a committed workforce alongside stakeholder support, we will be able to stride through these risks with the mitigation plans that the Company has devised and continue to create Value.

OUR BUSINESS MODEL

Our business model is based on our vision to provide superior electrical and consumer durable products delivered by skilled people. Customer-centricity continues to remain the core of our business. The operations are within the boundary created by our core values which guide and enable us to leverage our pillars of growth in creating sustained value.

Inputs (FY 2019-20)

Financial Capital

- Equity – ₹ **4,305 crores**
- Long Term Debt – ₹ **40.50 crores**
- Capital Expenditure – ₹ **371 crores**

Manufactured Capital

- Manufacturing Plants – **14**
- Gross Stock Value – ₹ **1,872 crores**

Intellectual Capital

- Total R&D Spend – ₹ **102 crores**
- R&D Team Strength – **338**
- Number of R&D Centres – **10**
- Investment in Digital Assets – Cap Ex: ₹ **17 crores** Op Ex: ₹ **37 crores**

Human Capital

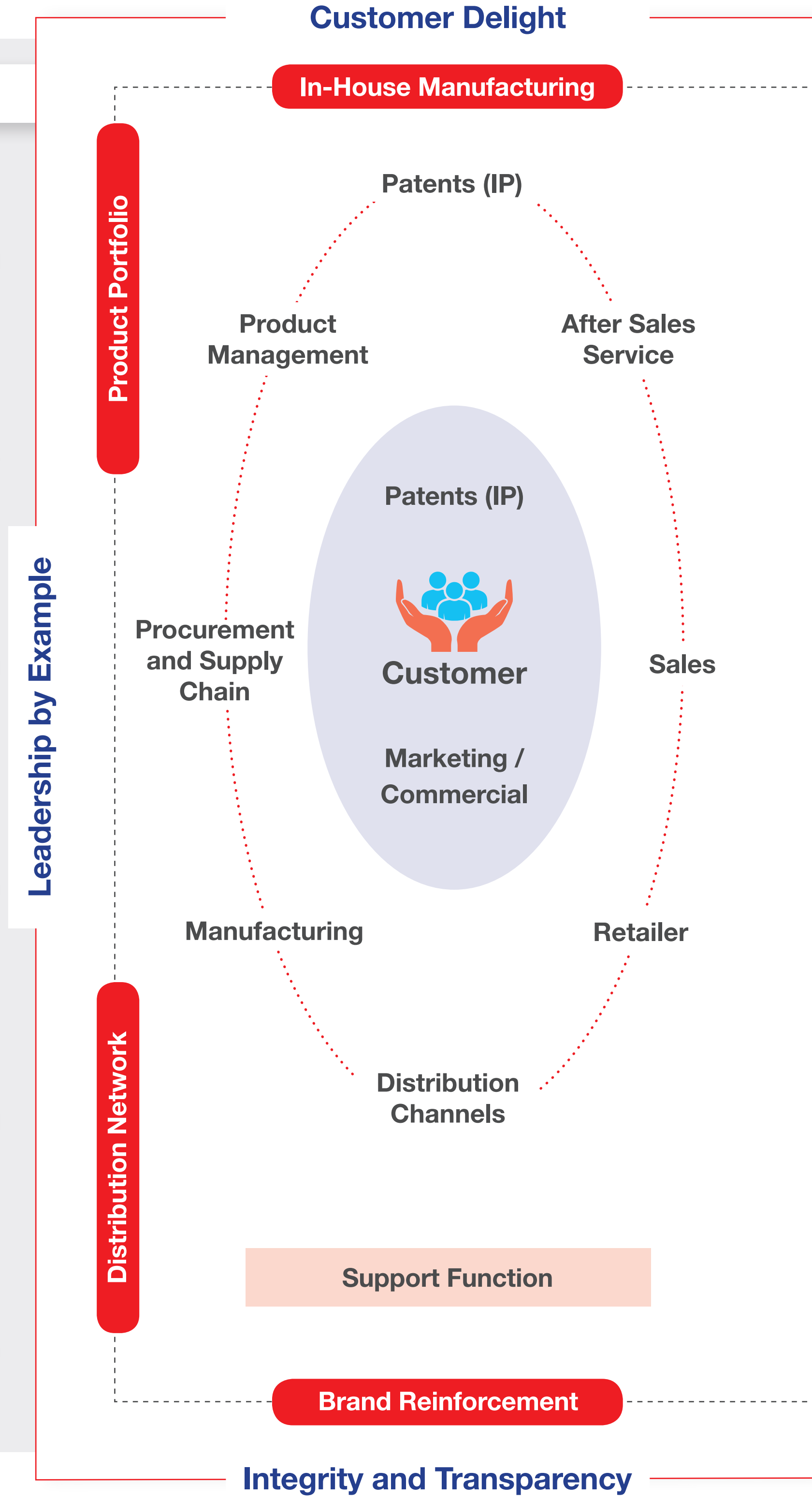
- Total Employee Count – **5,781**
- No. of Training Hours – **52,607**
- No. of New Hires – **1,171**

Social & Relationship Capital

- No. of Dealers – **11,200+**
- Supplier Base – **2,191**
- % of Procurement Spent on Domestic Supplier – **78%**
- CSR Spend – ₹ **20 crores**

Natural Capital

- Energy Consumed – **119,130 MWh**
- Renewable Energy Consumed – **~5%**
- Number of Saplings Planted – **3.5 Lakh**



The six capitals feed the desired inputs to the business model, to generate output and create outcomes too; which is the essential Value creation.

Pursuit of Excellence

Outputs

Key Products

- Switchgear
- Cable
- Lighting & Fixtures
- Electrical Consumer Durables
- Air Conditioners
- TVs

Outcomes

Financial Capital

- Turnover – ₹ **9,429 crores**
- EBIDTA – ₹ **1,027 crores**
- PAT – ₹ **733 crores**
- Dividend Payout Ratio – **41%**

Manufactured Capital

- No. of Product Categories – **20**

Intellectual Capital

- New Products Launched – **2,232**
- No. of Intellectual Property Rights (IPRs) filed – **123**

Human Capital

- Employees Trained – **2,843**
- No. of Fatalities – **zero**

Social & Relationship Capital

- No. of mid-day meals served – **8,492,340**
- Total number of suppliers audit – **350+**

Natural Capital

- Water Recycled – **0.074 Mn Cubic Meter**
- CO_2 Emissions Reduction – **37%** wrt baseline **FY 2015-16**
- % Waste Recycled – **93%**

Enablers

Values

HAVELLS STANDARD Crabtree REO

FINANCIAL CAPITAL

At Havells, efficient capital utilisation and cash generation has always been the primary focus area. Even during macro-economic difficulties, we have found ways to rationalise expenditure and achieve better cost management, building financial reserves for sustainable business in the process.

Our financial investment in our CSR initiatives contributes to these SDGs.

Interlinkage among capitals

Financial Capital

Manufactured Capital	Human Capital	Intellectual Capital	Social & Relationship Capital	Natural Capital
Capital Expenditure ₹ **371** crores	Employee Spend ₹ **900** crores	R&D spent ₹ **102** crores	CSR Spend ₹ **20** crores	Spent on new saplings planted ₹ **4** crores

Financial Capital is the very lifeblood of business operations, helping a company create other forms of capital. It has enabled us to enhance our capabilities to deliver world-class products to our consumers and to sustain market leadership. With more than 25 years of legacy, Havells has effectively deployed financial capital not just to deliver business results, but also to generate sustained economic value for all stakeholders.

₹40.50 cr
Total debt

26
Net working capital days

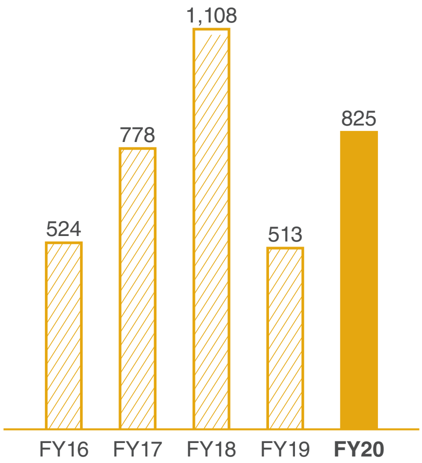
₹1,107 cr
Cash and cash equivalents

Healthy cash flow

As the saying goes "Revenue is vanity, Profit is sanity, but Cash is king", this phrase becomes all the more important in the COVID-19 era. Our Company has followed the same philosophy over the years and has remained focussed on cash generation, which has given us a cushion and ability to last through the crisis. The cash generated from operation for FY 2019-20 stands at ₹ 825 crores, which is 60.90% increase over FY 2018-19. The Company has cash and cash equivalent to the tune of ₹ **1,107 crores** on its balance sheet as of 31st March 2020.

The Company has long-term debt of ₹ 40.50 crores on its books as of 31st March 2020. Havells is debt-free Company on net basis, which is the testimony of a prudent and strict cash management policy.

Cash generated from operations
(₹ Crores)



THE COMPANY HAS CASH AND CASH EQUIVALENT TO THE TUNE OF ₹ 1,107 CRORES ON ITS BALANCE SHEET AS OF 31ST MARCH 2020.

Cost rationalisation

We have taken several initiatives to bring efficiency across functions and rationalise the costs. The rationalisation of selling and general administration (S&GA) expenses resulted in the reduction of fixed costs. A similar initiative for SKU rationalisation was carried out with coordinated efforts from various business teams, resulting in improved inventory carrying days.

Havells was able to maintain the contribution margins during the first three quarters of the year even in a muted macro-economic environment. In Q4 of FY 2019-20, the COVID-19 pandemic had a significant impact on the performance for the month of March, which otherwise is a very productive month for the Company. Lower than planned sales due to the pan-India lockdown have adversely impacted both working capital and profits for the year, consequently impacting the various financial ratios for the year.

Automating finance function

With innovation at its core, the Company automated several activities of its finance function to bring in efficiency. Most of the approvals required are now through the system, reducing the time involved. Similar automation of scheme credit notes has also helped to simplify the process. Business intelligence and Sales force automation modules have been developed for ease of reimbursement of travel claims by sales teams, thereby saving a lot of time for the sales and accounts teams.

With a strong focus on efficient capital allocation and continuous margin improvement, we remain optimistic about healthy cash flows which can be leveraged to take opportunistic plays in our core market.

MANUFACTURED CAPITAL

Our Manufactured Capital comprising of physical infrastructure including state-of-the-art plants, buildings, machinery, equipment, tools and technology is central to our operations and enable us to produce products that are innovative and offer tremendous value to customers.

Our investment in our manufactured capital contribute to the below SDGs.

Interlinkage among capitals

Manufactured Capital

Financial Capital	Human Capital	Intellectual Capital	Social & Relationship Capital	Natural Capital
Capital Expenditure ₹ **371** crores	**1,556** trainings for skill upgradation	IPRs filed **123**	**293** participants of Health and Safety Training	**37%** reduction in CO_2 emissions wrt baseline **FY 2015-16**

Ensuring Business Readiness with Technology

We are engaged in the manufacturing of a wide range of products from Air Conditioners, Water Heaters, Fans, Small Domestic Appliances, LED Televisions, Washing Machines to Switchgear, Industrial & Domestic Circuit Protection Devices, Cables, Motors, LED Luminaires for domestic and professional needs. Owing to our continued commitment to the 'Make in India' programme, we manufacture more than 90% of our products in-house, thereby strengthening our operations to have a better control over costs, maintain profitability and offer high-quality products to our ever-evolving and discerning customers.

With an eye on future technology, trends and enhanced research and innovation labs, we have tapped into some of the most advanced and sustainable product innovations in manufacturing technologies. These shall reduce downtime, improve productivity and to further build on the Company's engineering capabilities.

With 14 state-of-the-art manufacturing plants spread across 8 locations, we keep up a steady output of globally acclaimed products. The major focus of our capital expenditure during the year has been on technology and capacity enhancement.

The challenges posed by COVID-19 forced us to shut down operations in our plants. As we are gearing up to respond to the post COVID-19 reality, we focus on the readiness to jump start our operations with recommissioning facilities. We are adopting more rigorous cleaning routines and implementing social distancing at factories with cautious optimism.

4

IMS Certifications

₹2,070cr

Gross Asset Value

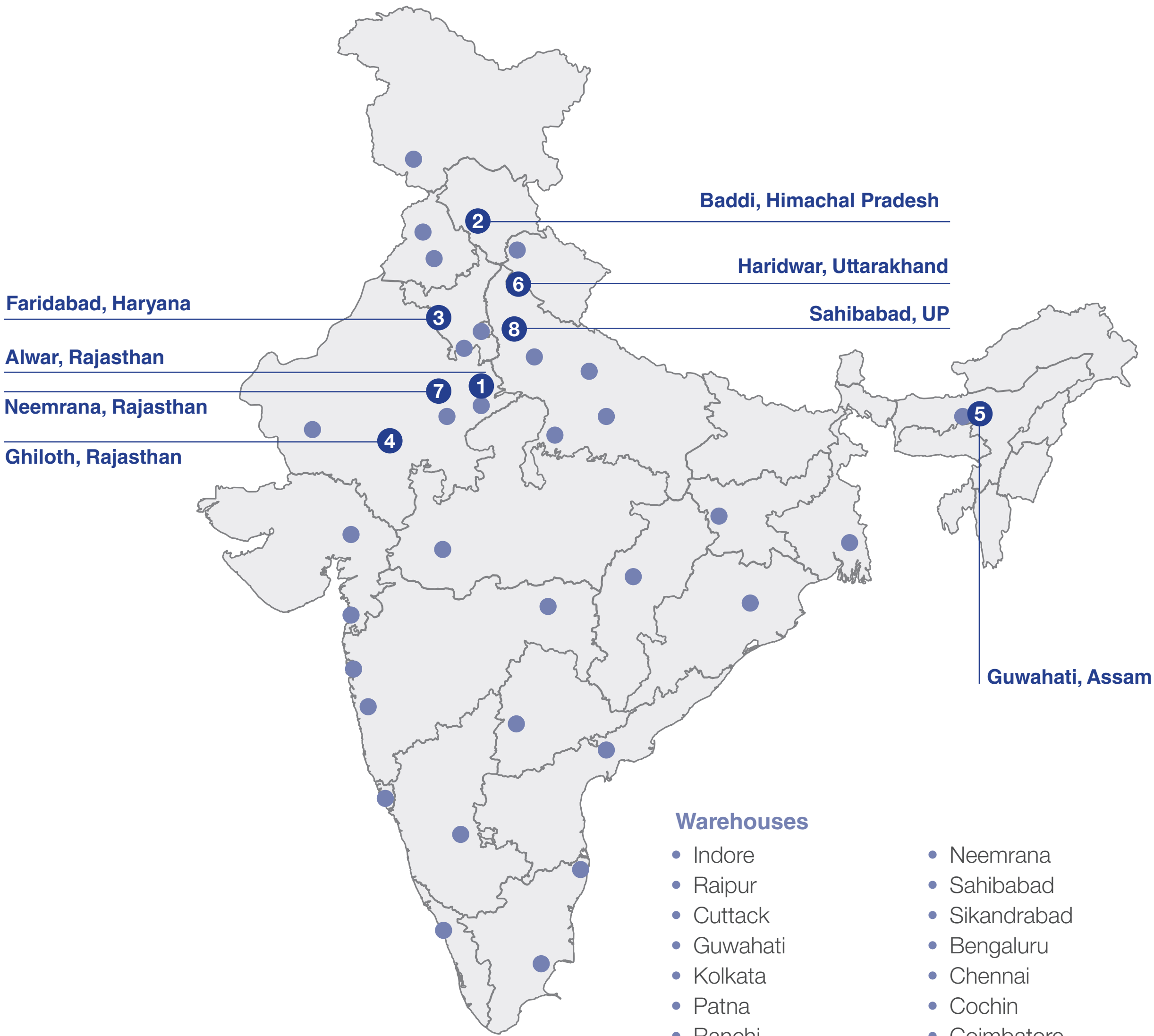
₹332cr

Capital Expenditure in Plants

Our Plants

Havells is gearing up to become 'Industry 4.0 ready' with the Industrial Internet of Things (IIoT) and Manufacturing Excellence System (MES) to bring greater intelligence, interconnectivity, automation, machine learning and digital work culture in its manufacturing operations. Our smart factories are set to embody the future of manufacturing in India.

OUR DOMESTIC PRESENCE



Warehouses

- Indore
- Raipur
- Cuttack
- Guwahati
- Kolkata
- Patna
- Ranchi
- Banur
- Dehradun
- Delhi
- Gurugram
- Jaipur
- Jammu
- Kanpur
- Khatuwas
- Ludhiana
- Neemrana
- Sahibabad
- Sikandrabad
- Bengaluru
- Chennai
- Cochin
- Coimbatore
- Hyderabad
- Vijayawada
- Ahmedabad
- Goa
- Mumbai
- Nagpur
- Pune
- Surat

Products

1. Power Cables and Flexible Cables
2. Switchgears
3. Industrial and Domestic Switchgears
4. Air Conditioners
5. Switchgears
6. Fans, Appliances and Water Purifiers
7. Motors, Pumps, Lighting & Fixtures, Water Heaters and Air Coolers
8. Industrial Switchgears

Map not to scale. For illustrative purposes only

Havells Smart Factories

Ghiloth, Rajasthan

Ghiloth - First robotic AC manufacturing unit in India

Lloyd Air Conditioner (AC) plant at Ghiloth, Rajasthan is South-East Asia's most advanced and fully integrated AC manufacturing facility. It has the unique distinction of being the country's first air-conditioner plant with machines and processes integrated with Artificial Intelligence, IoT and uses Manufacturing Execution System (MES), compatible with Industry 4.0.

Spread over an area of 50 acres, it is a green facility, drawing large proportion of electricity through rooftop solar power. The plant is equipped with in-house manufacturing of all critical processes and produces finished AC after every 23 seconds. With an installed capacity of one million ACs annually, the plant is equipped with flexible manufacturing set-up to produce multiple models on the same production line and uses 'Just in Time' system (JIT) to keep optimum inventory of parts.

Neemrana, Rajasthan

Havells Neemrana plant is home to India's first large-scale lighting fixture plant, world's most modern water heater plant and an integrated motor and pumps plant.

The most advanced Water Heater plant at Neemrana has a strong focus on intelligence-led and technology-driven production. The high-tech modular machines and layouts deployed are fully compatible to connect with Industry 4.0 and help enhance productivity by 5 times. The product uses zero-ozone depleting materials that are in line with Havells sustainability ethos. Havells Water Heaters is a preferred brand in its segment and the Neemrana plant continues to produce some of the most energy efficient and award winning water heaters. Recently, the Company won 'National Energy Conservation' Award, 2019 for "The Most Energy Efficient Storage Water Heater" by Bureau of Energy Efficiency, Ministry of Power, Government of India.

Baddi, Himachal Pradesh

Havells is India's No. 1 MCB brand in the country and has the most automated plant in Baddi, Himachal Pradesh for manufacturing MCBs and Switches.

The plant is equipped with highly automated machines, test labs and tool room facility. It operates with a strong focus on in-house sourcing of design and components with stringent quality checks.

The biggest in-house state-of-the-art moulding setup with automatic assembly lines helps to produce high quality MCBs and Switches with consistent quality.

Havells is committed to its sustainable manufacturing strategy for future-readiness. All our plants follow 5R principles: Reduce, Reuse, Recycle, Recover and Residual management. This supports our commitment towards becoming a "Zero waste to landfill" organisation. We continue to incorporate environmental and social considerations in every phase of manufacturing across all our units.

INTELLECTUAL CAPITAL

Our intellectual capital is the knowledge base we use to consistently innovate and improve our products, services and manufacturing processes. This includes R&D assets like testing facilities, sophisticated instruments, IT assets, the experience and skillset of our workforce and our intellectual property rights. Using technology as an enabler, we collaborate with our customers, vendors, academia and employees to enrich this capital.

Our intellectual capital helps us contribute to these SDGs.

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Interlinkage among capitals

Intellectual Capital

Manufactured Capital	Human Capital	Financial Capital	Social and Relationship Capital	Natural Capital
Strengthening this capital by our innovative efforts leading to high quality products	R&D Strength **338** employees	R&D spend ₹ **102** crores	**96%** of our orders are through vendor portal	Reduction in carbon footprint of products and operations through use of superior technology

Our aim is to create and deliver sustainable products for their lifecycle – from usage to safe disposal. Technology plays a vital role in achieving our aim. In the last couple of years, we have strongly focussed on digital transformation of our operations and processes to be ready for the emerging needs of business and disruptive nature of technology. This has held us in good stead in COVID-19 times to utilise our IT assets and maintain business continuity.

2,232
No. of New Stock Keeping Units (SKUs) launched

123
No. of IPRs filed

386
No. of IPRs held

Innovate for Customer Delight

Havells' foray into the digital platforms and emerging digital customer experience journey is another keystone of our intellectual capital.

CUSTOMER EXPERIENCE & DESIGN

Customer Experience & Design Centre set up in Noida at the Havells Head Office is a state-of-the-art design and consumer experience studio which spearheads consumer-centricity and design thinking, capturing the unmet, unarticulated and latent needs of the consumers to deliver sector leading innovative design solutions to the market.

The Design Centre has a multi-disciplinary design team which specialises in Industrial Design, User Experience Design, Design Thinking, Colour / Finish / Material, Design Research and Cognitive Science and Visual Communication Design.

Alternative for Chrome Plating

Chrome plating is a form of electroplating using chromium for decorative products. The Environmental Protection agency (EPA), United States, regulates it heavily because chromium is carcinogenic in its hexavalent form and is also not RoHS (Restriction of Hazardous Substances) compliant. A form of chromium is used to lend a metallic finish to plastic components.

Havells utilises ultraviolet metallisation process to bring metallisation on plastic components with increased productivity. This UV metallisation technique is RoHS compliant while not using chromium metal in any form. Thus, it is safe for the workers and for the environment, is energy efficient due to fewer process steps, has improved surface hardness, and is more durable.

The CXD efforts and passionate design endeavours have been recognised by design award bodies globally and nationally.

In a short period of just above 2 years, we have received pretigious awards like:

- Two Red Dot Awards
- Three CII Excellence Design Awards
- Five India Design Mark Awards

Achievements also include:

- Over 150 original new design registrations for Havells
- Seven Patents Applied

Innovate for Sustainable Manufacturing

It is important to us that our operational processes are resource-efficient, environment-friendly and technology-enabled. We invest in finding new ways to optimise resource consumption from raw materials to natural resources, and to use alternative materials for metals and minerals that are of limited availability or are hazardous during disposal.

Investing in Intellectual Capital

We strongly believe that innovation and change will not take place unless we foster a culture of empowerment and investment. It is important for us that we invest in nurturing our strong R&D capabilities that can support our vision. We foster and build a stronger environment environment where ideas can come from anywhere, with programmes for sharing and ideation.

"Soch" Customers & Vendors	"Quality Circle" Grassroot Employees	"Technology" For Growth
With an objective of encouraging the spirit of innovation, we created a dedicated platform, Soch, to invite suggestions on innovation from our stakeholders. Soch has been gaining popularity, with an increasing number of responses coming in.	This is an initiative where we encourage cross-functional teams from the shop floor to come together and recommend improvements in our products.	Internet of Things (IoT), Cloud Computing, Artificial Intelligence and Machine Learning, digital transformation, immersive realities, and green technologies are major areas of technological investment for us.

HUMAN CAPITAL

Our human capital is the foundation of leadership, innovation and customer engagement. We nurture this capital by empowering employees, providing an environment of highest safety, training for enhancing skills and through our process of rewards and recognition.

Our human capital helps us contribute to these SDGs.

Interlinkage among capitals

Human Capital

Manufactured Capital	Intellectual Capital	Financial Capital	Social and Relationship Capital	Natural Capital
1,523 employees involved in manufacturing process	**94** virtual training sessions covering 430 people	Employee spend ₹ 900 crores	**62%** Net Promoter Score for customer satisfaction	Tree plantation at manufacturing facilities on employees birthday

Our workforce is the fuel that drives our value creation. Our vision and mission are brought to life through the passion and dedication of our people. In turbulent times such as the lockdown during the global coronavirus pandemic, our workforce's resilience is enabling business continuity while earning greater trust from our extended community of customers, suppliers and vendors. As an organisation that puts employee safety first, we harness technology to not only upgrade skills but also to engage in long-term planning and team building.

5,781
Total Strength - Permanent Employees

52,607
Total Training Hours in FY 2019-20

0.2
Lost time Injury Rate

Talent Management

At Havells, we strongly believe in creating a professional environment conducive to the growth and creative expression of our workforce. Our 5,781 strong workforce can perform to the best of its abilities in a safe and secure space shaped by transparent, gender-neutral policies and an open and fair performance appraisal system. The success of our policies is evident in the fact that 35% of the Havells workforce have been with the organisation for more than 5 years.

We have also implemented programmes in our appraisal system to help employees get constructive feedback that is impactful and pro-development.

Great Place to Work

This year, we have been certified as a **Great Place to Work®** by the Great Place to Work® Institute. This certification is an objective assessment of our journey to build a **High-Trust, High-Performance Culture™**. We have accomplished this certification in our maiden attempt because of our strong foundation of putting people at the core of our organisation.

Great Place To Work® Certified
OCT 2019-SEP 2020
INDIA

Saksham – Online Training

This on-the-go learning portal, "Saksham" was launched to support online training and assessment. The tool is being extensively used in business and support functions like customer service. Technical training is available across locations, with new content being updated every quarter to maintain continuity in learning.

This was especially useful during the extended nationwide lockdown, when we introduced fresh content and modules for learning from home.

- **95%** of Havells sales employees are now trained on their respective product modules with certification
- Held **383** sessions on MS teams which was attended by over **41,000** participants

Investing in Our People

Empowering our workforce to fulfil their potential has resulted in bringing out leadership qualities and raising the quotient of innovation and engagement among our people.

Our employee expenditure during the year was ₹ 899.58 crores and a total number of 52,607 training hours were logged across different levels.

Our Company's focus on employees' health and safety ensures business continuity and fosters employee wellbeing. All our facilities are OHSAS 18001/ISO 45001 certified. FY 2019-20 was another year of zero fatalities and zero occupational disease for us. We will continue to be vigilant, increase awareness and investment in safety equipment to ensure that complacency never sets in.

Cultivating Leadership

In order to ensure that we have a strong line of upcoming leaders, we have implemented programmes and initiatives to identify and groom talent. We have developed and implemented a 'Leadership Competency' framework that has 8 different competencies and behaviours to nurture leadership qualities. As a part of this initiative, 45 leaders attended the Leadership Development programme at IIM Bangalore, out of which more than 10 have already taken on larger roles at leadership level in sales and manufacturing.

NATURAL CAPITAL

At Havells, we utilise technology to track consumption of our resources, whether it is water or raw material such as copper, aluminium, etc. We have been water positve for the last 5 years and aiming to become 'Zero waste to Landfill' organisation. We also strive to influence responsible consumption in our value chain to champion conservation of environment.

Our responsible approach to natural capital helps us to contribute to these SDGs.

Interlinkage among capitals

Natural Capital

Manufactured Capital	Intellectual Capital	Financial Capital	Social and Relationship Capital	Human Capital
12 of our plants are water positive and zero discharge	**90%** of our products are energy-efficient	Investment in Renewable Energy ₹ **7 crores**	Around **4,000** bio toilets in schools to ensure WaSH practices	Annual Awareness trainings on Environment Management System

The environment is a stakeholder that we care for by inculcating the practice of resource efficiency in our operations, responsible consumption of virgin resources, and recycling of waste in everything we undertake. Our products are created through processes that have eco-consciousness embedded in them and utilise sustainable materials. 90% of our products are energy-efficient and have minimal impact on the environment on disposal. Cradle-to-cradle is what we strive for in our product lifecycle. We balance the need for economic growth with conservation of resources through effective use of technology, pro-active strategies and constant innovation in product life cycle. In the subsequent pages, we present you with a snapshot of our environmental performance. For detailed coverage, please refer to our Sustainability Report .

~5%
of Renewable energy in total energy consumption

14%
reduction in water consumption

93%
of total non-hazardous waste is recycled and reused

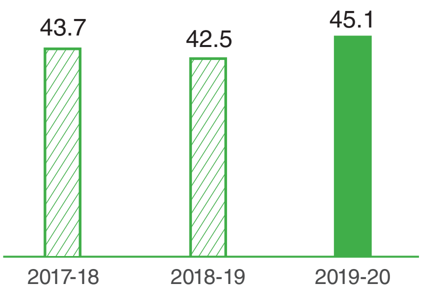
Energy Footprint @ Havells

Ambitious business growth with reduced energy footprint is the goal we shall achieve by adopting technologies and systems that support energy conservation initiatives. To help mitigate climate change, we are committed to Science-Based Targets, which is a global initiative, and are in the process of developing emission targets.

Our multi-layered approach to achieving a lower carbon trajectory has the following highlights:

- Increasing the share of renewable energy in our energy mix by installing captive plants with total capacity of 5.6 MW that generated 5.56 GWh, preventing approximately 4,560 tCO_2 emissions in FY 2019-20.

Energy Intensity ((GJ/₹ in crores))



- In line with our multiple energy and resource saving efforts, we have achieved 37% decrease in greenhouse gas emission intensity from baseline year FY 2015-16.
- We consistently innovate and improve our products to make them energy-efficient. Around 90% of our products are energy-efficient.

Reducing our Scope 3 Emission

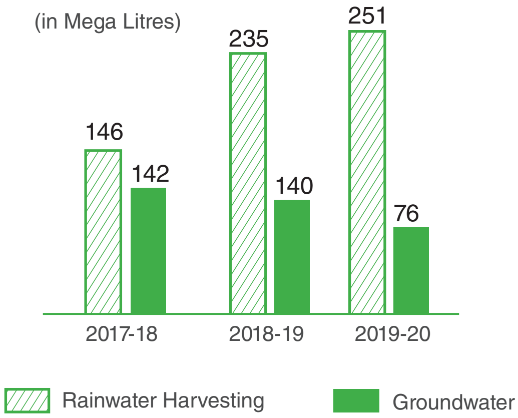
We have achieved large margins of emission reduction in our outbound logistics (plant to warehouse to dealer) through route optimisation and adoption of multi-modal logistics solutions.

- We have started moving shipments through multi-modal concept from our plant in the North to Chennai and Cochin. This has not only reduced carbon footprint on the Chennai route by **60%** but also increased freight productivity in delivery by more than 10%. We will add more routes in the near future.
- Truck load / route optimisation to drive freight productivity along with reduced carbon footprint. We are also working with a start-up to develop a tool for load optimisation and route mapping.
- We have consolidated our warehouses as a part of network optimisation drive.

Water Footprint @ Havells

Havells has been a water positive organisation since FY 2015-16. Water is a precious resource that we utilise judiciously in all processes. We have worked over the years to reduce our water consumption through various initiatives.

Extensive rainwater harvesting and groundwater recharge installations are implemented at all our plant sites to ensure positive water table recharge.



INDEPENDENT VERIFICATION STATEMENT

DNV GL Business Assurance India Private Limited ('DNV GL') has been commissioned by the management of Havells India Limited ('Havells' or 'the Company', Corporate Identity Number: L31900DL1983PLC016304) to carry out a limited level of verification engagement based on customised verification based on DNV GL VeriSustain™ of its Water Accounting Data ('Water Data') for the period 1 April 2018 to 31 March 2019.

The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. DNV GL disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The limited level of verification considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions. The agreed upon scope of work agreed upon with the Company included the verification of the following as per the water inventory accounting methods adopted by the Company:

a. Water Balance Index for Havells's sites – Baddi, Haridwar, Faridabad, Alwar, Neemrana, Sahibabad, Guwahati and Head office;
b. Water debit calculations;
c. Water credit calculations;
d. Review of disclosure on Water Balance - Negative / Neutral / Positive.

We have evaluated the water accounting data towards adherence to the principles of Completeness, Reliability and Accuracy and the conclusions are derived from the observations and opportunities for improvement reported back to the Company. Data aggregation and transcription errors which were identified during the process of verification have been communicated to the Company and subsequently corrected.

On the basis of our limited level of verification of data presented, nothing has come to our attention that would cause us to believe that the Water Balance Index and Water Accounting Data assertions below is not materially correct and is not a fair representation of Havells's Water Data:

Total Water Estimated Debit:	**1,57,219***
Total Water Estimated Credit:**	**2,59,166***
Water Balance Index* of Havells India Limited**	**1.60 (POSITIVE)**

** All mentioned quantities are in cubic metres (m^3)*

*** Harvested rainwater, groundwater recharge and savings are as estimated across various rainwater harvesting systems inside plant. With a assumption of 100% infiltration considering the nature of injected borewells.*

****As per Havells, Water Balance Index is defined by the Company as 'the ratio of water credit over water debit at each site'. Here, the term water debit denotes 'the volume of estimated / metered water withdrawal'; and water credit is 'the summation of volume of recycled / reused water, harvested rainwater, groundwater recharge quantities'. If, Water Balance Index is greater than / equals / less than one, then it refers to a Positive / Neutral / Negative Water Balance respectively.*

For DNV GL Business Assurance India Private Limited

Bhargav Lankalapalli Lead Verifier DNV GL Business Assurance India Private Limited, India.	Vadakepatth Nandkumar Assurance Reviewer DNV GL Business Assurance India Private Limited, India.

25th February 2020, Mumbai, India

Waste Management @ Havells

In line with our aim to implement the cradle-to-cradle philosophy in our product lifecycle, in FY 2019-20, around 93% of our non-hazardous waste was recycled and reused. We address waste management through a multi-dimensional approach.

1. **Packaging Development Management System (PDMS)**

   We develop packaging prototypes in parallely with our product prototypes. The PDMS captures all the inputs regarding the product. This allows for the early development of the packaging material along with its specifications, optimising the amount of material used. Packaging vendors can then plan the raw materials well in advance to meet production timelines, reducing wastage at the vendor end. This software gives us room to digitally capture inputs from various departments like marketing, sales, R&D etc. at the design stage, leading to increased innovation in the packaging.

2. **Zero Waste to Landfill**

   In the coming years, we are striving to become a 'Zero Waste to Landfill' company. In line with our philosophy to ensure more circularity in our waste management, we have turned one of our scrapyards at the Alwar plant site into a recycling plant.

Raw Material Optimisation@ Havells

Optimised consumption of raw material results in business savings and sustainability. Technology helps us keep a strict track of raw material consumption while exploring alternative materials that are eco-friendly. We are implementing circular economy initiatives to reduce the strain on natural resources and to increase the percentage of sustainable sourcing in our raw material procurement.

Transforming Packaging

Multi-layer plastic in carton boxes is a huge bottleneck for recycling. The plastic film on the paper board changes the nature of the material. Hence, elimination of the plastic film from the carton boxes and directly printing on the boxes makes recycling at disposal simple and possible. Accordingly, we have started implementing this in phases across our product line and plant sites.

- Removing Met Pet Lamination from the printed cartons thereby making the packaging 100% recyclable (only paper and board). Printing is done directly on the board.
- With the success of pilot phase of removing shrink wrap from the master carton with machine, we will be implementing more such machines.
- Replacing Thermocol in fan motor carton with pulp tray, which is a 100% biodegradable and recyclable material. Implemented in 80% of Stock Keeping Units from the Haridwar plant.

SOCIAL & RELATIONSHIP CAPITAL

Our social and relationship capital is being enhanced by investing in our value chain partners, and beyond in a wider society. Our customers, dealers, vendors and electricians who instal our products, and the members of society who will enter this value chain in future or will contribute to the economy are all stakeholders in the shared value created.

Our Relationship Capital helps us contribute to these SDGs.

Interlinkage among capitals

Social and Relationship Capital

Manufactured Capital	Intellectual Capital	Financial Capital	Human Capital	Natural Capital
Capacity building for vendors to foster responsible consumption of raw materials while improving quality and reducing rejections	Roll out of dealer & vendor portals with **80%** features that are pro-partners	CSR spend **₹ 20 crores**	**150** plus design registrations by Customer Experience & Design team	Sustainability audits with over **80** top vendor audits completed in FY 2019-20

Havells dream of a better tomorrow is strengthened through our strong collaboration with our partners across the value chain. Open dialogue and continuous communication with our channel partners ensured lowered anxiety and increased trust in tough times of the lockdown. Focussed on clear objective - whether it was providing customer care, dealer settlements, timely vendor payouts or serving mid-day meals for people in need - we stood by our stakeholders. Our leadership believes that the pledge of United National SDG member nations - 'Leave no one behind' - applies equally in the everyday ethos of our operations.

This year, we have focussed on bringing increased benefits to our our partners across the value chain through digital transformation of our processes and operations. Technological innovation is the way forward and we have effectively utilised it to increase the uniqueness of our value proposition to our stakeholders.

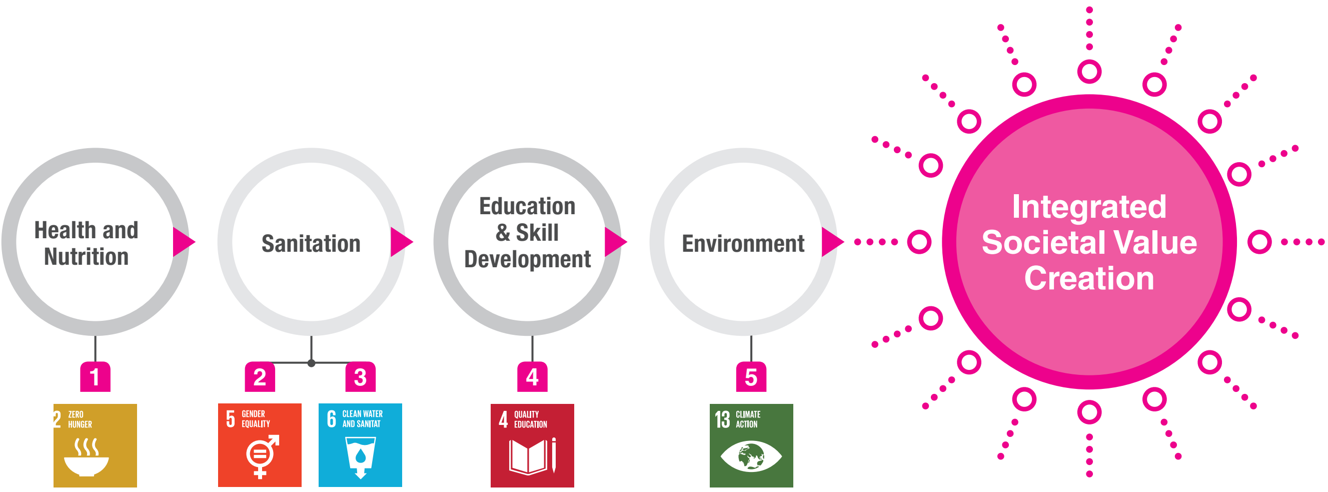
₹20 crores
CSR Spend

78%
of procurement by volume spend is through local suppliers

54%
of dealers are with the organisation for more than 5 years

Creating Societal Value

Giving back to the society is a core aspect of our value creation. If the society prospers, we flourish with it. Our Corporate Social Responsibility programmes are varied and designed to create tangible impact for an equitable and inclusive tomorrow.



Total CSR Spend
₹ **20.32** crores

1 Our mid-day meal programme serves over 60,000 students daily across 693 schools in Alwar district, Rajasthan. The impact of the mid-day meal initiative has created a stark rise in school enrolments, reduction in dropout rates, better BMI amongst children, increase in attendance and better academic performance of beneficiaries.

2 We have built around 4,000 bio toilets across 500 government schools in Alwar. Along with providing infrastructure for the toilets, we are also involved in sensitisation through WaSH awareness campaign and provide aid for maintenance of the infrastructure.

3 In an attempt to address gender equality, we have distributed over 79,600 reusable sanitary napkins to girls, 56,000 of which was in FY 2019-20 in Alwar and Haridwar district. The impact of the initiative has led to increased girl participation and address issues of inequality and exclusion.

4 We have partnered with BML Munjal Foundation to provide financial assistance to needy students in the form of scholarship as well as creating infrastructure for the benefit of such students. We have also partnered with Ashoka University to provide scholarship to the needy students for their higher education.

5 We have planted around 6.5 lakh trees of which 3 lakh trees were planted in Bhopal, Madhya Pradesh and 50 thousand in Neemrana, Rajasthan in FY 2019-20.

We also utilise our customer service as an avenue to understand consumer needs and gather feedback on our products. In FY 2019-20, we conducted about 12,500/month customer-centric surveys and satisfaction surveys. Our Net Promoter Score on customer service was 63%, which is one of the best in the industry that caters to such a wide range of products.

Consumer Delight at Core

Ensuring customer delight requires proactive strategies that cater to the apparent and latent needs of consumers. While we constantly innovate and improve our products, we do not stop there. The full spectrum of customer experience, from product selection to aftersales, should be positive to enhance trust. We have deployed more than 650 Galaxy stores to develop touchpoints and easy access to product information to increase consumer awareness and engagement with our products.

Care 360

Customer service is a critical touchpoints in closing the loop in our value chain. With Care 360, we strive to provide hassle-free service for all Havells products, ensuring quality and in-time resolutions for our consumers. Care 360 is a structured network of skilled technicians who are equipped to tackle all technical requests from the smallest to complex system-related issues. This enables us to provide aftersales customer service for our wide range of product portfolio under one umbrella.

Strengthening the Dealer Network

Our dealers are a critical component of our value chain and are a part of the extended Havells family. One of the areas where we reaped great benefit from digital transformation is our interaction with our dealers. The technology improvements have empowered our 11200 dealers and increased their peace of mind. To increase dealer engagement and sharing of ideas, we organise dealer meets where the dealers can discuss best practices and grievances if any. To know more about our digitisation initiatives for dealers and retailers, please refer to MD&A section.

Building Vendor Capacity

We retain our vendors by treating them as partners in our value chain and working to build capacity, so that they grow as we grow.

- **Vendor Capacity Building & Consolidation**
  We started Havells Association of Business Innovation and Transformation (HABIT) in FY 2015-16 to work with our suppliers, especially MSMEs, to improve capacity, quality and use of sustainable materials. Through our vendor programmes we have created a preferred vendor base.
- In order to take 'Make in India' further, we encourage procurement from local suppliers, accounting for 78% of our procurement volume by spend.
- We have undertaken critical parts management, wherein we are using alternative vendors and materials for critical components that had a single supplier profile. In FY 2019-20, we have found alternative sources for 116 components, out of the 150 components identified with single supplier profile thus increasing reliability of supply.
- We have empowered our vendors through the vendor portal on-boarding. 96% of our total buying is through vendor portal.

Our continual efforts are to build social and relationship capital to create an inclusive and value-driven society.

Sustainable Procurement Practices

We aim to strengthen our supplier base by incorporating Environment, Social, and Governance (ESG) considerations into our purchase process. We believe that the vendors taking ethical and sustainable steps today, are building businesses that will grow in the long term.

As a part of this exercise, we took a multi-pronged approach with the following steps in place:

- Standardisation of purchase contracts to include ESG clauses & IPR clauses. All our new suppliers are on-boarded with the new contracts.
- All suppliers must sign a detailed Vendor Code of Conduct (VCoC) that establishes our organisational values and highlights our expectations from our vendors before they are on-boarded.
- Self-declaration by the vendor on key ESG parameters.
- RADAR audits on the suppliers, with over 273 supplier audits completed so far.
- Sustainability audits with over 80 top vendor audits completed in FY 2019-20.

CORPORATE INFORMATION

Company Secretary

Sanjay Kumar Gupta

Auditors

Statutory Auditors

S. R. Batliboi & Co. LLP
Chartered Accountants

Internal Auditors

KPMG

Cost Auditors

M/s Sanjay Gupta & Associates
Cost Accountants

Secretarial Auditors

M/s MZ & Associates
Company Secretaries

Bankers

- Canara Bank
- IDBI Bank Limited
- Yes Bank Limited
- HSBC Limited
- Standard Chartered Bank
- Citi Bank
- Axis Bank Limited
- ICICI 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 their 37th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2020.

1. Financial Summary or Highlights

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

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	9,429.20	10,067.71	9,440.26	10,073.43
Other Income	111.98	127.77	113.41	128.65
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	1,139.36	1,311.60	1,142.06	1,312.97
Less: Depreciation and amortisation expenses	217.91	149.36	217.97	149.38
Finance Cost	19.72	16.14	19.72	16.25
Profit before Tax and Exceptional Expenses	**901.73**	**1,146.10**	**904.37**	**1,147.34**
Less: Tax	168.70	358.76	168.76	359.40
Net Profit for the Year from Continuing operations	733.03	787.34	735.61	787.94
Net Profit for the Year from Discontinued Operations	-	-	(0.26)	(0.33)
Profit for the year	**733.03**	**787.34**	**735.35**	**787.61**
Other Comprehensive Income	(3.73)	(4.75)	(3.23)	(4.77)
Total comprehensive income for the year, net of tax	**729.30**	**782.59**	**732.12**	**782.84**
Profit for the year attributable to:				
Equity holders of the parent company	733.03	787.34	735.35	787.61
Non-controlling interest	-	-	-	-
Total comprehensive income for the year attributable to:				
Equity holders of the parent company	729.30	782.59	732.12	782.84
Non-controlling interest	-	-	-	-

2019 was a challenging year with unfavorable macros, slowdown in infrastructure activities and then Covid -19. The general consumer sentiment has also been weak though we have managed to remain stable in consumer categories especially Electric Consumer Durables segment which has emerged resilient in the tough business environment. Industrial cables, professional lighting and industrial switchgear have been disproportionately impacted owing to sectoral liquidity challenges and resultant lack / deferment of demand. Excluding Covid Impact, Lloyd AC business had a healthy recovery especially in the second half of the year. Overall Lloyd revenue and margins were impacted the most by sharp decline in LED TV. Revenue loss of last two weeks of March due to Pandemic did impact the results significantly, we estimate that ex-Covid, annual revenue could have grown by 2% over last year.

Operating profit Margins were impacted due to under absorption of manufacturing expenses amidst lower volumes but despite softness in revenues, PAT as a % of revenue has been maintained owning to cost rationalization measures and lower Income tax charge. Excluding the impact of Covid, most of the divisions have maintained their contribution margins. Depreciation charge for the year has increased on account of additional investment in Manufacturing facilities and also reflects the impact of adoption of IND AS-116.

External environment remains uncertain and challenging. We are closely monitoring the evolving Pandemic situation and adjusting as per the circumstances. We are Confident to tide over crisis and emerge stronger.

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

COVID-19 is the most tumultuous, most catastrophic and the most defining epoch of our lifetime. With no precedence, it has rattled lives and economies across the world, and India has not been spared either. It has further offset the green shoots of recovery of the Indian economy that were visible towards the end of 2019 and early 2020. The year that started with weak demand owing to slow-down in real estate, industrial and infrastructure segments along with liquidity squeeze, ended with the global economy coming to an indeterminate standstill following the outbreak of COVID-19. Furthermore, the Government's decision to put the country into full lockdown during the latter phase of the fourth quarter had a major impact on the Company. Regardless of the challenging economic environment your company still managed to fare well.

During this period your company reached out to dealers across the country to assuage their fears and update them of our actions to protect their interests especially in these precarious times. We released significant payments to dealers against their trade schemes thus easing their liquidity issues and also conducted online products training sessions to enhance their knowledge. In a relief to our consumers, the service team has been accessible through multiple channels and have been able to close customer calls through audio and video assistance. These initiatives have helped strengthened our bond with our dealers and consumers.

During the year, the company further strengthened its vision of 'Make in India' and commissioned its state-of-the-art air conditioner plant at Ghiloth, Rajasthan. The plant would not only reduce the company's dependence on imports but shall also help us to augment our go-to-market strategy. Lloyd continued to invest in expanding its reach, both in the traditional channel as well as in the modern format retail that is expected to be beneficial once the market revives. The overall growth of Lloyd was impacted due to an industry-wide disruption in LED panels, increase in custom duty and weakness in Rupee, worsened by the present pandemic situation just at the onset of summer season.

Havells has always been at the forefront of innovation. The Electrical Consumer Durable division introduced various products in response to growing needs of consumers. The Company launched smart IoT enabled ceiling fans and country's first- hand crafted Square Pedestal Fan accelerated by few first- in- the- industry features. Keeping in view the health of consumers and growing scarcity of water, the Company launched premium range of alkaline water purifiers with 50% plus water recovery. The Company introduced its new range of air purifiers with a unique nine stage filtration process that helps to withstand any greater health risks anticipated due to pollution. The Company also strengthened its personal grooming range with the launch of few more premium products that have been well accepted and applauded by consumers and trade partners.

The growth of Switchgear segment was impacted due to liquidity crunch, slowdown in infrastructure development & the real estate sector. Safety of consumers has always been critical to our business and accordingly we continue with the efforts to develop new and more effective protection equipment for our consumers. The Company launched ST^Dx, range of 'communication ready' switchgears that would be effective in controlling electrical hazards across industrial, commercial and residential sectors. To further promote the use and adoption of circuit protection devices, Havells tied-up with Tata Power-DDL and BSES. The two Companies will jointly sensitize consumers to encourage adoption and train electricians on the importance and implementation of safe technology and proper installation of circuit protection devices.

Havells is known for its empathy towards its stakeholders especially during difficult times. We have enhanced our digital communication platforms towards building stronger relationships with our channel partners and utilizing technology to share knowledge and train our employees. The Company stands strong with its channel partners, vendors and employees and ensures that its commitment towards payment to the vendors and work force are duly met.

Our commitment towards having a healthier environment, an enhanced green cover and reduced carbon footprint, has motivated us to further plant over 3.5 lakh trees in Madhya Pradesh and Neemrana, Rajasthan. We continue to be a water positive company and have escalated the renewable energy coverage at our plants. Today, our total renewable power generation capacity across plants is 5.6 MW.

Awards and Accolades

Your Company has received the following awards during the Financial Year ended 31st March, 2020:

1. Mr. Anil Rai Gupta, Chairman & Managing Director, Havells India receives "CEO of the Year-Consumer Durable Category" award by Business Today at "Best CEO Awards".
2. Mr. Anil Rai Gupta, Chairman & Managing Director, Havells India receives Good Corporate Citizen Award for Social Welfare 2019 by PHD Chamber of Commerce.
3. Mr. Anil Rai Gupta, Chairman & Managing Director, Havells India receives Entrepreneur of the year award 2019 by Forbes.

4. Mr. Rajesh Gupta, Director Finance & Group CFO, Havells India receives award for "CA CFO - Large Corporate - Manufacturing & Infrastructure" category by the Institute of Chartered Accounts of India.
5. Havells India Limited has been certified as a "Great Place to Work" organization by Great Place to Work® Institute.
6. Achieved "Water Positive" status, assured by DNVGL.
7. Havells India becomes a member of Dow Jones Sustainability Emerging Markets Index and ranked 6th most sustainable company in Electrical Components & Equipment Industry globally.
8. 19th Dun & Bradstreet Corporate Award for the 'Best Corporate in the Electrical Sector'.
9. Special Jury Appreciation-ICC Social Impact Award 2020 in mega enterprise category for contribution in Eradicating Hunger and Poverty.
10. Received Bhamashah Samman (Shiksha Vibhusan) and Prashasti Patra from Mr Ashok Gehlot, Chief Minister of Rajasthan.
11. Rising Star Award 2020- in the Solar Rooftop Company of the Year Category- given by India Rooftop Solar Congress.
12. National Energy Conservation Award 2019 given by Bureau of Energy Effciency (BEE) for "Appliance of the year" in Storage Water Heater Category.
13. 12th Natonal CII Competitiveness and Cluster Award 2019 for Best Kaizen on Low Cost Automation: Cost Saving in Lighting Plant Paint Shop to Neemrana Lighting team.
14. 5th Machinist Super Shop Floor Award, 2019 for 'Digital Manufacturing' in Large Enterprise Category to Baddi Plant.

Subsidiary Companies, Joint Venture and Consolidated Financial Statements

As on 31st March, 2020, your Company had 2 (Two) subsidiary companies, both are registered outside India:

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

Scheme of Amalgamation

The Hon'ble National Company Law Tribunal ("NCLT") vide its Order dated 31st January, 2020 approved the Scheme of Amalgamation for merger of all the 4 (Four) wholly-owned domestic subsidiaries, viz. Havells Global Limited, Standard Electrical Limited, Lloyd Consumer Private Limited and Promptec Renewable Energy Solutions Private Limited with Havells India Limited. The Order of NCLT was filed with the ROC on 7th February, 2020 from which date the Amalgamation became effective.

The Appointed Date for the Scheme of Amalgamation was 1st April, 2018. As a result of the implementation of the aforesaid amalgamation, the four domestic subsidiaries as aforesaid dissolved without winding up.

The Consolidated Profit and Loss Account for the period ended 31st March, 2020, includes the Profit and Loss Account for the subsidiaries and the Joint Venture Company for the complete Financial Year ended 31st March, 2020.

The Board of Directors of the Company has, by Resolution passed in its Meeting held on 12th May, 2020, given consent for not attaching the Balance Sheets of the subsidiaries concerned.

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

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

The annual accounts of the subsidiary companies and the related detailed information shall be made available to Shareholders of the Company and its subsidiary companies upon request and it shall also be made available on the website of the Company i.e. https://havells.com/en/discover-havells/investor-relation/financials/balance-sheet.html. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder in the head office of the Company and the respective offices of its subsidiary companies.

Joint Venture

Your Company had formed a 50:50 joint venture in People's Republic of China with Shanghai Yaming Lighting Co. Limited under the name of Jiangsu Havells Sylvania Lighting Co. Limited (JV). This Joint Venture Company was created with an objective to produce energy efficient lighting lamps.

In Financial Year 2017-18, owing to the technological changes in the lighting Industry, the Company along with its JV partner had decided to close down the business and liquidate the JV. Accordingly, the regular operations were fully closed in October 2017. Liquidation of the company is under process.

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

- Havells International Limited, a subsidiary of Havells Holdings Limited and based in Malta, initiated process for winding up with concerned authorities on 12th November, 2018. The company was closed with effect from 22nd July, 2019 and hence cease to exist and is no longer a subsidiary of Havells Holdings Limited.
- Havells Exim Limited, a 100% subsidiary of Havells India Limited based in Hong Kong, closed its operations with effect from 31st August, 2018. All the requisite procedures for closure of the entity were completed in Financial Year 2018-19. Thereafter, the Company was deregistered by Companies Registry in Hong Kong dated 13th September, 2019 and is no longer a subsidiary of Havells India Limited.
- Havells Sylvania Iluminacion (Chile) Ltda, a 100% subsidiary of Havells Holdings Limited based in Chile, was dissolved by Registry of Commerce of Santiago with effect from 28th November, 2019 and is no longer a subsidiary of Havells Holdings Limited.

As a result of the Order of the Hon'ble NCLT, approving the Scheme of Amalgamation of all the wholly-owned domestic subsidiary companies with the Company, the following companies were dissolved without winding-up and ceased to be subsidiaries of the Company:-

- Havells Global Limited
- Standard Electrical Limited
- Lloyd Consumer Private Limited
- Promptec Renewable Energy Solutions Private Limited

During the Financial Year ended 31st March, 2020, no company became a subsidiary of the Company or Joint Venture or Associate Company.

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/en/discover-havells/investor-relation/codes-and-policies.html. Board of Directors, in its Meeting held on 6th March, 2020, declared an interim dividend of ₹ 4/- per equity share of face value of ₹ 1/- each, to all the shareholders who were recorded on the register of members as on 17th March, 2020, being the record date fixed for this purpose.

The Board has not recommended a final dividend and the interim dividend of ₹ 4/- per equity share declared by the Board on 6th March, 2020 shall be considered as the final dividend for the Financial Year 2019-20. Thus, the total dividend for the Financial Year 2019-20 remains ₹ 4/- per equity share of ₹ 1/- each.

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

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

However, in terms of the Employee Stock Purchase Schemes of the Company, which are administered by Havells Employees Welfare Trust, out of 2,14,106 Equity Shares of ₹ 1/- each, approved for Grant 2,11,862 Equity Shares were Vested (pursuant to the respective Employee Stock Purchase Plan as hereunder) to the eligible employees on 31st March, 2020, out of which, 2,10,172 Equity Shares were exercised resulted in an equivalent no. of Equity Shares of ₹ 1/- each to be transferred to the eligible employees under the respective schemes. A summary is given below:

	No. of Shares Granted	No. of Shares Vested	No. of Shares Exercised & Allotted
Havells Employees Stock Purchase Plan 2014	1,10,949	1,10,949	1,09,259
Havells Employees Stock Purchase Scheme 2015	90,000	90,000	90,000
Havells Employees Stock Purchase Scheme 2016	13,157	10,913*	10,913

**4,384 Shares vested as 1st tranche out of a total of 13,157 Shares Granted for financial year 2019-20, 4,500 Shares vested as 2nd tranche out of a total of 16,273 Shares Granted for financial year 2018-19 and 2,029 Shares vested as 3rd tranche out of a total of 11,533 Shares Granted for financial year 2017-18.*

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, 2020.

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

The second term of office as Non-executive Independent Directors of Mr. Surender Kumar Tuteja, Mr. Vijay Kumar Chopra and Dr. Adarsh Kishore completed effective 1st April 2020. The Board places on record its appreciation for the valuable contributions made by Mr. Surender Kumar Tuteja, Mr. Vijay Kumar Chopra and Dr. Adarsh Kishore in all areas of Board's functioning during their tenure as Non-executive Independent Directors on the Board.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 12th May, 2020, has approved the appointment of Shri Subhash S Mundra (DIN:00979731), Shri B Prasada Rao (DIN:01705080) and Shri Vivek Mehra (DIN:00101328) as Additional Directors (Independent) with effect from 12th May, 2020 and recommends the same for the approval by the Shareholders of the Company in the ensuing AGM for a First Term of 5 (Five) years. The Company has received consent in writing from all three to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) to act as Directors. Shri Subhash S Mundra, Shri B Prasada Rao and Shri Vivek Mehra are eligible to be appointed as Directors of the Company and their appointment requires the approval of Members at the ensuing Annual General Meeting.

The Members may also note that, Shri Vellayan Subbiah (DIN: 01138759) was appointed as an Independent Director for a 1st term of 3 (Three) years with effect from 7th July, 2017 (the date of AGM 2017) upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2020. The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 12th May, 2020, has approved and recommends the same for approval by the Shareholders, the re-appointment of Shri Vellayan Subbiah, for a Second Term of 5 (Five) years beginning from AGM 2020.

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

Further, pursuant to the provisions of Section 152 of the Companies Act, 2013, 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 appointment.

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

9. Number of Meetings of the Board of Directors

During the Financial Year 2019-20, the Board of Directors of the Company, met 5 (Five) times on 29th May, 2019, 27th July, 2019, 23rd October, 2019, 21st January, 2020 and 6th March, 2020.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 25th March, 2020, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the company, taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

10. Directors' Responsibility Statement

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

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

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

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

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

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

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

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

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

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/en/discover-havells/investor-relation/codes-and-policies.html

13. Formal Annual Evaluation

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

(i) the Board as a whole,

(ii) 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 evaluation process facilitates transition from good to great boards which can take good governance to greater heights. It is a mechanism by which the board members candidly reflect on how well the board is meeting its responsibilities. The process lays the foundation for a high performing Board and regular Board evaluation is the core driver necessary to promote change and deliver best practice. Board Evaluation provides an opportunity to remind directors of the importance of group dynamics and effective board and committee processes in fulfilling board and committee responsibilities. The evaluation sets the standards of performance and improves the culture of collective action by Board. It also improves teamwork by creating better understating of Board dynamics, board-management relations and thinking as a group within the board.

Evaluation of the board considers inter alia the balance of skills, experience, independence and knowledge of the company on the board, its diversity, how the board works together as a unit, and other factors relevant to its effectiveness. On the other hand, Individual evaluation aims to show whether each director continues to contribute effectively and to demonstrate commitment to the role including commitment of time for board and committee meetings and any other duties.

Performance evaluation of the Board and Committees

The performance of the Board was evaluated by the Board Members after seeking inputs from all the Directors covering aspects like:

- Board composition (size, diversity, skill set);
- Board processes, structure and communication (frequency of meetings, attendance thereof, flow of information, accessibility to product heads, senior management for informed decision making);

- Board responsibilities (disclosure of information and other key functions like monitoring effectiveness of Company's governance practices, ensuring integrity of Company's accounting and financial reporting systems, including independent audit, adequacy of controls for risk management, compliance with statutory laws).

The performance of the committees was evaluated by the Board after seeking inputs from the committee members covering aspects like:

- appropriateness of size, basis the complexity and operations of the organisation; encouraging a tone at the top that conveys basic values of ethical integrity;
- legal compliance and strong financial reporting and control;
- reports after each meeting to the Board on the Committee's activities;
- major issues discussed and recommendations for Board actions;
- effectively performing support functions to the Board in fulfilling its responsibilities.

Performance Evaluation of Individual Directors

The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors, considering aspects such as:

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

The performance evaluation of the Independent Directors was carried out by the entire Board, other than the Independent Director concerned, taking into account parameters such as:

- refrain from any action that may lead to loss of independence;
- refrain from disclosing confidential information, including, unpublished price sensitive information, etc.;
- support to CMD and executive directors in instilling appropriate culture, values and behaviour in the boardroom;
- well informed about the Company and the external environment in which it operates;
- moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest etc.

Evaluation Outcome

The Board considered and discussed the inputs received from the Directors. Further, the Independent Directors at their meeting reviewed the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Board after taking into account the views of Executive Directors and other Non-Executive Directors. The process highlighted on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. The Directors were satisfied on the peer review conducted. The performance criteria items were assessed positively.

The evaluation process reinforced the Board Members' confidence in the ethical standards of the Company, cohesiveness and constructive relationship between the Board and the Management. It also emphasised on the effectiveness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities. It was found that the Board of Directors and each of the individual directors contributed effectively and efficiently in fulfilling their advisory role through in-depth discussion and exchange of ideas. The Board was continuously informed of the changes notified under various statutes and all deadlines were identified by the respective departments to ensure due compliance.

The Board was supported during the year by 7 (Seven) Committees, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship/ Grievance Redressal Committee, Enterprises Risk Management Committee, Corporate Social Responsibility Committee, Executive Committee and the Share Allotment and Transfer Committee. The Directors expressed their satisfaction at the overall engagement and effectiveness in the working of all the Committees of the Board. Periodic reporting by the Committees to the Board on the work done and progress made was found to be appropriate.

It was affirmed that the Company being a conscious corporate citizen is working on both business succession planning and executive succession planning. Emphasis was also laid on the Board's role on future preparedness of the company in manufacturing technologies and improved productivity to further build on the Company's engineering capabilities. Further, given the turbulent times such as the global coronavirus pandemic, the workforce's resilience is paramount in business continuity. Given the twin key factors of Technology and Human Resources, the Board focus on assigning greater weightage to these in the next financial year was identified.

14. Annual Return

A copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, as they stood on the close of the financial year i.e. 31st March, 2020 is furnished in **ANNEXURE – 2** and forms part of this Report.

15. Auditors

1. Statutory Auditors

As per provisions of Section 139(1) of the Companies Act, 2013, the Company has appointed M/s S.R. Batliboi & Co. LLP, Chartered Accountant (Regn. No. 301003E/ E300005) as Statutory Auditors for a period of 5 (Five) years in the AGM of the Company held on 13th July, 2016.

Statutory Auditors' Report

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

Details in respect of frauds reported by auditors

There were no instances of fraud reported by the auditors.

2. Cost Auditors

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

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Sanjay Gupta & Associates, Cost Accountants (Firm Regn. No. 000212) were appointed as the Cost Auditor of the Company for the year ending 31st March, 2020.

The due date for filing the Cost Audit Report of the Company for the financial year ended 31st March, 2019 was 27th June, 2019 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 2019-20.

3. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s MZ & Associates were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2020.

Annual Secretarial Audit Report

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

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s MZ & Associates Secretarial Auditors, and submitted to both the stock exchanges.

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, 2020, are furnished in **ANNEXURE – 4** and form part of this Report.

17. Particulars of contracts or arrangements with Related Parties

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

18. Contribution to Exchequer

The Company is a regular payer of taxes and other duties to the Government. During the year under review your Company paid ₹ 352.24 crores towards Corporate Income Tax (including Corporate Dividend Tax) as Compared to ₹ 301.44 Crores paid during the last financial year. The Company has also paid an amount of ₹ 1,991.40 crores on account of GST and Custom duty and claimed a government assistance and support of ₹ 26.92 Crores during financial year 2019-20 as compared to ₹ 2203.14 crores paid and claimed a government assistance and support of ₹ 50.65 Crores during last Financial Year.

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

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

20. Corporate Social Responsibility (CSR)

Your Company has consistently contributed towards the welfare of the community owing to its philosophy of 'Shubh Labh'. As a company we always keep social good first. We truly believe that it is our moral responsibility to do good for the society and profits would follow. Over the years we have been focusing on children, the future of the nation and serve the society through the following eight pillars:

- Health & nutrition
- Sanitation
- Education
- Environment
- Skill development
- Heritage conservation
- Healthcare
- Humanitarian causes

We diligently monitor the impact of our CSR initiatives by aligning them not only with the ones envisioned by the government but also with United Nations Sustainable Development Goals. Some of the major work done under CSR in the Financial Year 2019-20 includes

Havells Mid-Day Meal Program

India has improved a lot in recent years on tackling the problem of Hunger but it still remains one of the most critical area for improvement. With over 14 % of total population under nourished and more than 33% children underweight, the problem of hunger not only results in suffering and poor health but also slows down the progress in many other areas of development like education and employment. To counter malnutrition, eradicate hunger and promote education, Havells decided to provide mid-day meal in Alwar district in Rajasthan. We started our journey with serving just 1,500 children across 5 schools and have over the years increased our reach to 693 schools in the district where we serve over 60,000 students daily. The impact of our mid-day meal initiative has been multifold across the schools. The schools has been witnessing a constant rise in school enrolments, reduction in dropout rates, better BMI amongst children, interest in going to school and better academic performance. Our state-of-the-art kitchen has been preparing fresh, hygienic and nutritious food in accordance with government-approved diet charts. The entire mid-day meal value chain from procurement of food materials to food preparation, storage and transportation to school is owned by the Company which gives us complete control over the quality and hygiene of the meals. This goes in line with your Company's philosophy of providing the best quality in all its offerings. So far we have served over 80 million meals.

Sanitation

Bio-toilets Construction & Maintenance

Your Company believes and supports that WaSH (Water, Health and Sanitation) are critical for ensuring overall development of children and their families. Sanitation is one of the most basic amenities but continues to be neglected in the country. Government schools are no different. In most government schools, either there are no toilets, or they are not usable due to lack of upkeep and proper usage. Schools, being a powerful agent of change for enabling and encouraging changes in the society, we have joined hands with around 500 government schools in Alwar and have built around 4,000 bio-toilets in these schools. We believe in 360 degree approach wherein we provide the infrastructure, ensure its maintenance by contributing equal amount of money as given by the government for maintenance and above all we sensitize the students as well as the teachers about the importance of sanitation and inculcating good hygiene habits amongst children from tender age. This step perfectly amalgamates with the ambitious 'Swachh Bharat Mission' advocated by the Government of India and dovetails with United Nations Sustainable Development Goal No-3 & 6.

Sanitary Napkins

One of the other issue which we observed while working with the government schools was that of menstruation, wrong myths about it and lack of sanitary napkins resulted in absenteeism among the adolescent girls, Havells started providing reusable sanitary napkins as well as started educating the girls through workshops to counter the issue. Till now we have distributed reusable sanitary napkins to over 79,600 girls of which 56,000 sanitary napkins were distributed in the Financial Year 2019-20 in Alwar and Haridwar district. This not only saves girls from various diseases due to unhygienic clothes use during menstruation but also reduces waste to landfills.

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

Education and School Infrastructure

In order to promote education your Company has partnered with BML Munjal Foundation to provide financial assistance to needy students in the form of scholarship as well as creating infrastructure for the benefit of such students. We have also partnered with Ashoka University to provide scholarship to the needy students for their higher education. With an objective to strengthen the school infrastructure, your company recycles the waste wood across its manufacturing plants and converts them into tables and benches which are donated in the government schools in Alwar, Neemrana and Haridwar. During the year, the Company donated over 700 sets of tables and benches.

An Environment Friendly Company

Forests forms an integral part of our ecosystem and helps in promoting and nurturing biodiversity, they also acts as carbon sink and are important in regulating climate and sustaining communities. Conserving nature is the best gift we can provide to our future generations. With this vision, the company has planted around 6.5 lakh trees of which 3 lakh trees were planted in Bhopal, Madhya Pradesh and 50,000 in Neemrana, Rajasthan in Financial Year 2019-20.

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

21. Audit Committee

Till 31st March, 2020, the Audit Committee of the Board of Directors of the Company comprised of 4 (Four) Members, namely Shri Surender Kumar Tuteja, Shri Vijay Kumar Chopra, Smt. Pratima Ram and Shri Surjit Kumar Gupta, majority of them being Independent Directors except Shri Surjit Kumar Gupta, who is a Non-Independent Non-Executive Director. Shri Surender Kumar Tuteja, an Independent Director, was 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

To grow business and create value for the organization, we need to identify risks and robust plans to mitigate them. At Havells, our strong Governance and business structure, with stakeholder interest at the core, makes us cognizant of risks that our business faces and have been continuously investing in augmenting. A structured risk management system permits the management to take calibrated risks, which provides a holistic view of the business, wherein risks are identified in a structured manner from Top down to Bottom up approach. Purpose of ERM at Havells is to minimize adverse impact and to leverage market opportunities effectively and efficiently, which helps to sustain and enhance short-term and long-term competitive advantage to the Company. Internationally accepted framework COSO, is considered as a self-benchmarking for Company's Enterprises Risk Management.

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 in place, which facilitates 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. 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 internal financial control system facilitates in optimum utilization of available resources and protect the interests of all stakeholders.

The Company has a clearly defined Policies, Standard Operating Procedures (SOP), Financial & Operation Delegation of Authority (DOA) and Organizational structure for its business functions to ensure a smooth conduct of its business across the organization. Our ERP system supports in processes standardization and their automation.

SAP GRC (with respect to Access control, Process control and Risk management) has been implemented which also take care of users' conflict relating to Segregation of Duties (SOD). Risk based Internal audit is performed and root cause analysis along with action taken report is presented before Audit Committee on a periodical interval.

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

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

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

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

26. Employee Relations

At Havells, everything we do in HR has a singular focus of enabling employees perform better. Our constant endeavour is to establish strong systems and processes that will enable increased employee engagement, drive right performance behaviours and build capabilities to support organizational growth.

We consider our employees as the most valuable resource and ensure strategic alignment of Human Resource practices to business priorities and objectives.

We focused on strengthening Product Knowledge & Application capabilities of our Field Sales & ISP (In Shop Promoter) teams. Saksham – On The Go Learning portal was launched to support online training and assessment. The tool is being extensively used in business and support functions like Service etc. across locations with new content being updated on regular basis to maintain continuity of the learning curve. Till date over 95% employees have completed their learning and are certified on assigned modules.

We have continuously tried to assess employee experience and worked upon improving the same with the help of various surveys. As a result of our continuous efforts, this year, we have become a Great Place to Work® organization certified by Great Place to Work® Institute. This Certification is considered to be the first step in journey of building a High-Trust, High-Performance Culture™ and we have successfully accomplished this milestone in our maiden attempt.

Performance dialogue and Mid-year discussions was encouraged across locations and driven Top-down levels. This has helped employees get developmental feedback and future direction.

Over 54 management graduates are hired across locations. After undergoing comprehensive Induction program, this team is absorbed in Sales at various locations to support business growth, market penetration and building sales pipeline.

In our commitment towards building an eco-friendly & efficient workplace, we have digitalized our various HR processes through e-recruitment, e-appointment letter, e-boarding, e-separation and moved towards a paperless working. This has enhanced process efficiencies with secured and faster transfer of information.

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 qualification and performance. We provide equal opportunity in all aspects of employment, including retirement, training, work conditions, career progression etc. that reconfirms our commitment that equal employment opportunity is component of our growth and competitiveness. Further, Havells is committed to maintaining a workplace where each employee's privacy, personal dignity and safety is respected and protected from any inappropriate behaviour or unorderly misconduct.

Nirbhaya

As a responsible employer, Havells has always been conscious of its duty towards prevention and control of sexual harassment at workplace. Reckoned to be a Great Place to Work® organization, is an achievement which puts the organization amongst its global peers. As mandated by law, Havells has in place the "Nirbhaya" policy for women employees. An Internal Complaints Committee has also been constituted as per the policy to provide a forum to all female personnel to lodge complaints (if any) and seek redressal. The Committee meets to take note of useful tools, mobile applications, media excerpts, interactive sessions, etc., that sensitize the female employees. The Committee submits an Annual Report to the Audit Committee of the Board of Directors on the complaints received and action taken by it during the relevant financial year. During the Financial Year 2019 -20, no complaint was lodged with the Internal Complaints Committee (ICC).

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

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

28. Employees Stock Option Plans

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

All these benefit schemes are administered by Havells Employees Welfare Trust under the supervision of the Nomination and Remuneration Committee. Promoters, Independent Directors, Directors directly or indirectly holding 10% or above of the equity share capital of the Company, Employees not residing in India or Non-Resident Indians (NRIs) are not eligible for the grant of options/ issue of shares under any of the Schemes.

The Company has received a certificate dated 12th May, 2020 from the Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Guidelines and the Resolutions passed by the shareholders dated 9th June, 2014, 4th December, 2015 and 13th July, 2016 in respect of LTIP 2014, ESPS 2015 and ESPS 2016 respectively. The Certificates would be placed at the Annual General Meeting for inspection by Members.

There has been no material change in any of the subsisting Schemes Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, in respect of LTIP 2014, ESPS 2015 and ESPS 2016 as at 31st March, 2020 are available on the website of the Company at https://www.havells.com/en/discover-havells/investor-relation/disclosures.html.

29. Credit Ratings

Corporate Governance Rating

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

CARE Ratings

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

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

30. Global Certifications

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

The Company further obtained the following certifications during the year:

- DEKRA Certificates on MCB 6kA (REO Series)
- UL Approval 7.5kA –(X7 Series)
- CB and Dekra Certificate on RCCB D7 Series 2P and 4P
- KEMA for MCCB (HIM Series)
- KEMA certification for MC
- DEKRA Certificates on MCB 6kA (REO | Pro Series)
- UL Approval 7.5kA –X7 Series
- CB and Dekra Certificate on RCCB D7 Series 2P and 4P
- DEKRA Certificates on MCB 6kA (REO | Pro Series)
- UL Approval 7.5kA –X7 Series
- CB and Dekra Certificate on RCCB D7 Series 2P and 4P
- IEC Certificate for Stealth Air Fan
- IEC Certificate for Stealth Air Underlight Fan
- CB Certificate for Ventil Air DX series Fan
- Sirim Certificate for Troika
- IEC 60598 certificate for Lighting Fixtures (Venus Grand)

31. Corporate Governance

Our shareholders are at the heart of our business, with this philosophy we have grown as a global brand creating shareholders wealth. At the core of our growth are our ethical beliefs. Your management as steward of governance has ensured that your Company not only contributes economically but also grows sustainably. All business decisions are taken in adherence of the spirit of governance as it ensures that the core of our business built over years is kept intact. The virtues of governance generate the much needed trust of our stakeholders. The Board reassesses its governance processes and controls to meet the stakeholders' expectations. The strategically scheduled meetings of directors and it committees foster truly frank discussions and informed decisions.

We have not only succeeded in meeting our stakeholder's expectations but also evolved internally as a responsible corporate ensuring smooth succession of the business to the second generation of your promoters. Creating harmony amongst the modern era and the core principles of the founder Chairman, Havells has portrayed to the world how good corporate governance can lead to sustained growth.

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

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

32. Environment, Health and Safety

Responsible manufacturing is the core of our business practice. Our sustainable journey of excelling in various dimensions of sustainability has been fuelled by our efficient set of systems and implementation strategy. Considering Environment, Health and Safety as top most priority, we strive to provide a safe and healthier work environment for our workforce. All our Manufacturing locations are maintaining highest system standards like ISO 14001: Environment Management System, ISO 50001: Energy Management System and ISO45001/ OHSAS18001: Occupational Health and Safety that are guided by our Quality, Energy, Environment, Health and Safety (QEEHS) policy. Continuing our participation in Dow Jones Sustainability Index, we have become the first Indian Electrical and 6th company globally to enter into DJSI most reputed emerging market index that is based on rigorous and detailed review of our sustainability performance.

We have maintained our status of Zero Fatality by consistently following approach on identification, mitigation and elimination of potential hazards and risks at our manufacturing locations. We celebrate days of importance like World Environment Day, National Safety Day, Fire Safety Week, etc to create awareness and educate our workforce on various aspects of EHS.

We are a resource efficient company, let it be water or raw materials. We are a water positive company, and all our sites are equipped with rainwater harvesting systems leading to recharge of groundwater. Adhering to our goal of reducing our carbon footprint, we have total solar installed capacity of about 5.6 MW. With our commitment to grow sustainably at every facet of business, more than 90% of our product offerings are energy efficient in nature. Also majority of our products are RoHS and REACH Compliant.

Looking forward to the vision of being wood/paper negative as well creating a green biodiversity value for the society, the Company has been doing massive plantation since 2017, with promising survival rate of about 85%. As of Financial Year 2019-20, about 6.5 lakh trees covering about 260 Hectares of land have been planted the company and further aims to bring additional 540 hectares of land under plantation by 2023. Our activities are aligned to the government's initiatives, contributing towards United Nations Sustainable Development Goals (UN SDGs).

33. Research and Development

Over the last couple of years, we have been making a strategic shift towards a technology and engineering led organization bringing customer centric value propositions for our customers. Our vision is to be recognized as a company with early mover advantage and an early adopter of new technologies with agility to launch innovative products addressing explicit and latent needs of our customers. As a rapidly growing Fast-Moving Electrical Goods (FMEG) Company we are operating in product portfolios which are characterized by rapid changes in consumer preferences and technological advances. The Company's ability to compete successfully depends heavily upon its ability to ensure a continual and timely launch of competitive products, services and technologies to the marketplace.

We do realize that early adoption of relevant technologies will be the cornerstone of our product innovation strategy. With this broader mission we have been investing in strengthening our in-house R&D

capabilities which will form the foundation for future. There are three core pillars of our R&D strategy:

1. end-to-end (concepts to end-of-useful life) responsibility for our products;
2. technology self-sufficiency for all core elements of technology that goes into our products (characterized by reduced dependence on third party for core technology developments), and
3. technologically differentiated and customer-centric products.

During Financial Year 2019-20, Company accelerated its Research & Development momentum by spending 28% more towards R&D spend. Our total R&D spend that stood at 0.79% of total revenue for Financial Year 2018-19 have grown to 1.08% of revenue for Financial Year 2019-20. Our target is to further intensify our efforts towards research and development and grow it ~2% of our revenues in coming years. This will clearly stand out as one of the highest amongst our competition in the regional markets.

The Company continues to invest in world class infrastructure and test laboratories with a strong focus on in-house research & development thus promoting a strong culture for open and collaborative innovation. Company's CRI (Centre for Research and Innovation) team focusses on continuous and sustainable product innovations, working across the product lifecycle aspects including design, development, manufacturing and use (in-field) phases. As part of this mission, the Company has come up with a dedicated R&D Center at Sector-59, Noida Location. This R&D Center spanning over a covered area of 1,00,000 square feet (including 50,000 square feet of world-class lab facilities) was fully operationalized during Financial Year 2019-20 and houses great majority of the product development teams. The R&D activities continued to focus on developing intelligent, eco-friendly and energy efficient products, as well as, extending the range of existing products catering to niche premium segment with an objective of having clear product differentiation in our product portfolios which are common across different brands of Havells group (Crabtree / Havells/ Standard / REO).

The Company has also made substantial investments in state-of-the-art Customer Experience Design (CXD) Center which is being leveraged for driving design thinking approach into our product development process. We believe in co-creation and co-innovation of the products along with all the stakeholders involved in Havells products journey. The CXD team efforts and passionate design endeavors have been recognized by Design Award bodies. We also received the prestigious CII Excellence Design award for Edgelit Glow LED batten launched in 2019.

In our quest for developing products optimized for functional performance we leverage simulation and Design For Six Sigma methodologies. These methods form the basis of sustainable product development by reducing "build-and-break" iterations on physical products.

We are consciously working towards strengthening our R&D capabilities by leveraging the broader eco-system of start-ups, academic institutions and collaboration partners (both domestic and international), and suppliers. We also enhanced our focus on open Innovations with wider proliferation of 'SOCH' platform – our in-house platform for crowd sourcing of novel ideas. This portal has been extended to our varied stakeholders – including vendors and customers to further boost innovation.

Last year, we had taken a strategic decision of setting up an Innovation hub in the Silicon Valley of India – Bengaluru. The prime objective of the Bengaluru Center was to help us tap into a wider talent pool and plays a key role in driving Havells vision of taking full ownership of the product life cycle management – to bring out more customer centric technologically-differentiated innovations to the markets. Our Bengaluru Innovation center is now fully operational state-of-art facility in the central business district. The center drives transformational innovation strategy with clear focus on select Centers of Excellence (IoT, Software, Engineering Design, Power Electronics) to enable development of 'best in class' core technical competencies and accelerate the digital journey of the organization. This is intended to help Havells grow its competitive position in the markets – both which are served by the current product portfolio as well as look into potentially new product spaces. It is employing 55+ top-notch R&D staff who are actively leveraging the Silicon Valley of India ecosystem by collaborating with technology providers, start-ups and academia.

The Company currently holds a broad collection of intellectual property rights. This includes patents, copyrights, trademarks and other forms of intellectual property rights in India and select foreign countries. The Company continues to strengthen its Intellectual Property position with new 120+ IPR's during the year (includes Design Registrations and Patent Filings).

Year 2019-20 clearly stands out as the year where we have taken a quantum leap in our R&D focus with several new initiatives that will help strengthen our competitive position in the markets. We are confident that these steps will make us future ready with relevant technology-based and customer-centric innovative products – paving the way for our future growth aspirations.

34. Transfer to Investor Education and Protection Fund

(A) Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred ₹ 11,35,764.50 during the year to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Final Dividend for the Financial Year ended 2011-12.

(B) Transfer of Shares underlying Unpaid Dividend

During the Financial Year, the Share Allotment and Transfer Committee, in its meeting held on 4th September, 2019, transmitted 11,120 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 18 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2011-12 had been transferred into IEPF and who had not encashed their dividends for 7 (Seven) subsequent Financial Years. Individual reminders were sent to concerned Shareholders advising them to encash their dividend and the complete List of such Shareholders whose Shares were due for transfer to the IEPF was also placed in the Unclaimed Dividend section of the Investor 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, as at 31st March, 2020, a total of 1,92,918 Shares of the Company were lying in the Demat A/c of the IEPF Authority, hereinabove mentioned.

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 purposes 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.

35. Shares lying in unclaimed suspense account in electronic mode

As at 31st March, 2020, 2,10,100 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.

Initially, during the Financial Year 2017-18, the Company had 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. These Equity Shares were lying with the Company as unclaimed since the sub-division of Company's Equity Shares of the nominal value of ₹ 5/- each into 5 Equity Shares of the nominal value of ₹ 1/- each.

Subsequently, 15,000 Shares and 2,000 Shares of ₹ 1/- each were transferred to the rightful owners as approved by the Share Transfer and Allotment Committee, in its Meetings held on 13th April, 2018 and 19th February, 2020, respectively. Further, the unpaid dividend for the last 7 (Seven) years was also paid to the said shareholders.

36. Listing of shares

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the year 2020-21 has already been paid to the credit of both the Stock Exchanges.

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

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

38. Business Responsibility Report (BRR)

For Havells India Limited, Sustainability today is the way of doing business. We believe any manufacturing company must follow a responsible approach to growth and development together with ultimate aim to care for the people and the planet. Conforming to the requirements of the clause (f) of sub-regulation (2) of regulation 34 of Securities and Exchange Board of India

(SEBI) Listing Regulations, the Business Responsibility Report for Financial Year 2019-20 is aligned with the nine principles of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVG-SEE) notified by the Ministry of Corporate Affairs, Government of India. We have been reporting our performance as per the principles of BRR since Financial Year 2016-17 as integral part of our Annual Report. For us, BRR is a platform to communicate the Company's overall performance on various sustainability parameters in transparent manner to our valued stakeholders.

Our Report illustrate the Company efforts towards creating enduring value for all stakeholders in a responsible manner. Environment, Society, Economy and Health & Safety are the key value domains of our manufacturing strategy. Our social welfare initiates are based on holistic approach considering initiatives like Mid- day meal programme, construction of biotoilets in govt. schools, distribution of sanitary napkins to the school girls, etc. We are a water positive company and almost all of our manufacturing facilities are equipped with rainwater harvesting system that collects the rainwater and recharges the groundwater. With our continuous efforts we strive to make this world a better place to live.

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

39. Acknowledgements

This Financial Year has seen the outbreak of a global pandemic which has send tremors in all sectors of the economy. Your Company is no exception and is fighting the adversities. Yet, the trust that it has gained over the years has been of immense additional support. 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
Delhi, May 12, 2020 Chairman and Managing Director

ANNEXURE - 1

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

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 endeavored to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and the section on Responsibilities of Board under 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 Companies Act, 2013.

Appointment and Remuneration of Managing Director and Wholetime- Director

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

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

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

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

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

- Financial and operating performance of the Company
- Relationship between remuneration and performance

- Industry/ sector trends for the remuneration paid to executive directorate

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

Insurance Premium as Part of Remuneration

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

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

Remuneration of Independent Directors

Independent Directors may receive remuneration by way of

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

Independent Directors shall not be entitled to any stock options.

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

Remuneration to Directors in other Capacity

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

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

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

EVALUATION OF THE DIRECTORS

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually. Section 178 (2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

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

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

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

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

The Companies Act, 2013 has for the first time 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 remuneration of the CEO or the Managing Director and the Wholetime Director(s), shall be governed by the Section on REMUNERATION OF THE DIRECTORS of this Policy dealing with "Remuneration of Managing Director and Wholetime- 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 Wholetime 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 Wholetime 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.

HAVELLS

ANNEXURE - 2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2020

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

I. Registration and Other Details:

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

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Cable	2732	32%
2.	Switchgears	2710	16%
3.	Electric Consumer Durables	2750	23%
4.	Lighting & Fixtures	2740	12%
5.	Lloyd Consumer	2750, 2640	17%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company: Name	Name and Address of the Company: Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Havells Holdings Limited	33, Athol Street, Douglas, Isle of Man	00475V	Subsidiary	100%	Section 2(87) of Companies Act, 2013
2	Havells Guangzhou International Limited	905, North Tower, International Commerce Place, 1168 Xin Gang East Road, Guangzhou- 510330, People's Republic of China	S0102016009200 (1-1)	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3	Jiangsu Havells Sylvania Lighting Co. Ltd.	1, Shanghai Road, Economic, Development Zone of Jianhu, County, Yan Cheng City, Jiangsu, Province	320900400022938	Joint Venture	50%	

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

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals / HUF*	13584000	0	13584000	2.17	0	0	0	0.00	-2.17
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	258600540	0	258600540	41.34	258600540	0	258600540	41.32	-0.02
(e) Financial Instiitutions/Banks				0.00				0.00	0.00
(f) Any Other - Trust	100273380	0	100273380	16.03	113857380	0	113857380	18.19	2.16
Sub-Total (A)(1)	**372457920**	**0**	**372457920**	**59.55**	**372457920**	**0**	**372457920**	**59.52**	**-0.03**
(2) Foreign									
(a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other			0	0.00			0	0.00	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Prom. & Prom. Grp. (A)=(A)(1)+(A)(2)	**372457920**	**0**	**372457920**	**59.55**	**372457920**	**0**	**372457920**	**59.52**	**-0.03**
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	24240406	0	24240406	3.88	19923911	0	19923911	3.18	-0.69
(b) Financial Instiitutions/Banks	2121963	0	2121963	0.34	25991439	0	25991439	4.15	3.81
(c) Central Government	976512	0	976512	0.16	1460996	0	1460996	0.23	0.08
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	4186955	0	4186955	0.67	0.67
(g) FPIs/FFIs	170651205	0	170651205	27.28	144159365	0	144159365	23.04	-4.25
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others		0	0	0.00		0	0	0.00	0.00
(a) Alternate Investment Funds	529623	0	529623	0.08	1663544	0	1663544	0.27	0.18
Sub-Total (B)(1)	**198519709**	**0**	**198519709**	**31.74**	**197386210**	**0**	**197386210**	**31.54**	**-0.20**

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-institutions									
(a) Bodies Corporate									
1) Indian	11405187	0	11405187	1.82	5994761	0	5994761	0.96	-0.87
2) Overseas				0.00				0.00	0.00
(b) Individual				0.00				0.00	0.00
(1) Indiv. hldg. nom. shr. cap.<= ₹ 1 Lakh	30422320	1146167	31568487	5.05	962332	34370315	35332647	5.65	0.60
(2) Indiv. hldg. nom. shr. cap.> ₹ 1 Lakh	5033218	0	5033218	0.80	5757431	0	5757431	0.92	0.12
(c) Others								0.00	
(1) Trusts	1746810	0	1746810	0.28	3855281	0	3855281	0.62	0.34
(2) Non Resident Indians	2395664	569000	2964664	0.47	2725812	464000	3189812	0.51	0.04
(3) Clearing Members	694375	0	694375	0.11	713909	0	713909	0.11	0.00
(4) Hindu Undivided Families	671992	0	671992	0.11	711845	0	711845	0.11	0.01
(5) IEPF	198448	0	198448	0.03	192918	0	192918	0.03	0.00
(6) Unclaimed Shares	212100	0	212100	0.03	210100	0	210100	0.03	0.00
Sub-Total (B)(2)	**52780114**	**1715167**	**54495281**	**8.71**	**21124389**	**34834315**	**55958704**	**8.94**	**0.23**
Total Public Shareholding(B)= (B)(1)+(B)(2)	**251299823**	**1715167**	**253014990**	**40.45**	**218510599**	**34834315**	**253344914**	**40.48**	**0.03**
C. Shares held by Custodian for GDR & ADR	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C)	**623757743**	**1715167**	**625472910**	**100.00**	**590968519**	**34834315**	**625802834**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in shares holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares of the Company	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total sharesof the Company	
1	Shri Surjit Kumar Gupta	0	0.00	N.A	0	0.00	N.A	0.00
2	Smt. Vinod Gupta	13584000	2.17	N.A	0	0.00	N.A	-2.17
3	Shri Ameet Kumar Gupta	0	0.00	N.A	0	0.00	N.A	0.00
4	Shri Anil Rai Gupta	0	0.00	N.A	0	0.00	N.A	0.00
5	Smt. Santosh Gupta	0	0.00	N.A	0	0.00	N.A	0.00
6	Smt. Shalini Gupta	0	0.00	N.A	0	0.00	N.A	0.00
7	Smt. Sangeeta Rai Gupta	0	0.00	N.A	0	0.00	N.A	0.00
8	Shri Abhinav Rai Gupta	0	0.00	N.A	0	0.00	N.A	0.00
9	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	63841200	10.21	N.A	77425200	12.37	N.A	2.17
10	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	36432180	5.82	N.A	36432180	5.82	N.A.	0.00
11	QRG Investments and Holdings Limited	68741660	10.99	N.A	68741660	10.98	N.A	-0.01
12	QRG Enterprises Limited	189858880	30.35	N.A	189858880	30.34	N.A	-0.02
	TOTAL	**372457920**	**59.55**		**372457920**	**59.52**		**-0.03**

The change in % is a reflection of and purely on account of the increase in paid-up capital due to allotment made to eligible employees of the Company under the Havells Employees Long Term Incentive Plan, 2014 (LTIP Plan), Havells Employees Stock Purchase Scheme, 2015 (ESPS) and Havells Employees Stock Purchase Scheme, 2016.

(iii) Change in promoters' shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Smt. Vinod Gupta**				
	At the beginning of the year	13584000	2.17		
	Date wise Increase/Decrease in promoters Share holding during the year Specifying the reasons for increase / decrease(allotment/ transfer/bonus/sweat equity etc.) **21st June, 2019: Settlement of shares into ARG Family Trust pursuant to SEBI exemption order**	-13584000	-2.17	0	0.00
	At the End of the Year	0	0.00		
2	**Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust**				
	At the beginning of the year	63841200	10.21		
	Date wise Increase/Decrease in promoters Share holding during the year Specifying the reasons for increase / decrease(allotment/ transfer/bonus/sweat equity etc.) **21st June, 2019: Settlement of shares pursuant to SEBI exmption order as received from Smt. Vinod Gupta, Trustee of ARG Family Trust**	13584000	2.17	77425200	12.37
	At the End of the Year	77425200	12.37		

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

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**NALANDA INDIA EQUITY FUND LIMITED**						
	At the beginning of the year			33044930	5.28		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			33044930	5.28		
2	**GOVERNMENT PENSION FUND GLOBAL**						
	At the beginning of the year			14248544	2.28		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		05.04.2019	36426			14284970	2.28
		12.04.2019	257152			14542122	2.32
		19.04.2019	978			14543100	2.33
		10.05.2019	269361			14812461	2.37
		02.08.2019	-603489			14208972	2.27
		09.08.2019	-396511			13812461	2.21
		16.08.2019	-215891			13596570	2.17
		23.08.2019	-284109			13312461	2.13
		20.09.2019	-322198			12990263	2.08
		27.09.2019	-677802			12312461	1.97
		20.03.2020	-144000			12168461	1.94
	At the End of the Year (or on the date of Separation, if Separated during the Year)			12168461	1.94		

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**SMALLCAP WORLD FUND, INC**						
	At the beginning of the year			10934273	1.75		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		12.04.2019	-1004136			9930137	1.59
		14.06.2019	-213488			9716649	1.55
		21.06.2019	-790649			8926000	1.43
		29.11.2019	1238000			10164000	1.62
		17.01.2020	-1029000			9135000	1.46
		24.01.2020	-2771000			6364000	1.02
	At the End of the Year (or on the date of Separation, if Separated during the Year)			6364000	1.02		
4	**STEADVIEW CAPITAL MAURITIUS LIMITED**						
	At the beginning of the year			10673488	1.71		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		17.01.2020	-275000			10398488	1.66
		24.01.2020	-2925000			7473488	1.19
		14.02.2020	-789709			6683779	1.07
		21.02.2020	-1410291			5273488	0.84
	At the End of the Year (or on the date of Separation, if Separated during the Year)			5273488	0.84		
5	**NEW WORLD FUND INC**						
	At the beginning of the year			8110244	1.30		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		12.04.2019	-422622			7687622	1.23
		19.04.2019	-422622			7265000	1.16
		14.06.2019	-391000			6874000	1.10
		31.01.2020	-970125			5903875	0.94
		07.02.2020	-5903875			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
6	**GOVERNMENT OF SINGAPORE**						
	At the beginning of the year			4789022	0.77		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		05.04.2019	44091			4833113	0.77
		12.04.2019	-99			4833014	0.77
		03.05.2019	-17387			4815627	0.77
		10.05.2019	-253422			4562205	0.73
		17.05.2019	-139548			4422657	0.71
		24.05.2019	26152			4448809	0.71
		31.05.2019	-47960			4400849	0.70
		07.06.2019	348355			4749204	0.76
		14.06.2019	3640			4752844	0.76

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		21.06.2019	77009			4829853	0.77
		05.07.2019	13333			4843186	0.77
		12.07.2019	-7989			4835197	0.77
		19.07.2019	-8854			4826343	0.77
		26.07.2019	-13259			4813084	0.77
		02.08.2019	60082			4873166	0.78
		09.08.2019	5060			4878226	0.78
		16.08.2019	-11241			4866985	0.78
		23.08.2019	113663			4980648	0.80
		30.08.2019	-45851			4934797	0.79
		06.09.2019	-2094			4932703	0.79
		13.09.2019	51399			4984102	0.80
		20.09.2019	7411			4991513	0.80
		04.10.2019	32089			5023602	0.80
		11.10.2019	-17056			5006546	0.80
		18.10.2019	8197			5014743	0.80
		25.10.2019	15897			5030640	0.80
		01.11.2019	-2172			5028468	0.80
		08.11.2019	3613			5032081	0.80
		15.11.2019	-16593			5015488	0.80
		22.11.2019	-898			5014590	0.80
		29.11.2019	-70432			4944158	0.79
		06.12.2019	-168116			4776042	0.76
		13.12.2019	-1139			4774903	0.76
		20.12.2019	24625			4799528	0.77
		03.01.2020	-48848			4750680	0.76
		10.01.2020	-8905			4741775	0.76
		17.01.2020	-44511			4697264	0.75
		31.01.2020	-5328			4691936	0.75
		07.02.2020	-10494			4681442	0.75
		14.02.2020	-6171			4675271	0.75
		21.02.2020	-2116			4673155	0.75
		28.02.2020	-2555			4670600	0.75
		06.03.2020	76157			4746757	0.76
		13.03.2020	-5294			4741463	0.76
		20.03.2020	-18205			4723258	0.75
		27.03.2020	-365711			4357547	0.70
		31.03.2020	-19318			4338229	0.69
	At the End of the Year (or on the date of Separation, if Separated during the Year)			4338229	0.69		
7	**SBI EQUITY HYBRID FUND**						
	At the beginning of the year			4520000	0.72		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		17.05.2019	-700367			3819633	0.61
		24.05.2019	-3819633			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sr. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND**						
	At the beginning of the year			3925785	0.63		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		12.04.2019	8579			3934364	0.63
		10.05.2019	8952			3943316	0.63
		21.06.2019	-20142			3923174	0.63
		29.06.2019	-138368			3784806	0.61
		27.09.2019	-70715			3714091	0.59
		27.12.2019	-110341			3603750	0.58
		27.03.2020	-32848			3570902	0.57
	At the End of the Year (or on the date of Separation, if Separated during the Year)			3570902	0.57		
9	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**						
	At the beginning of the year			3682659	0.59		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		05.04.2019	45350			3728009	0.60
		26.04.2019	-36464			3691545	0.59
		17.05.2019	46146			3737691	0.60
		05.07.2019	44292			3781983	0.60
		19.07.2019	84475			3866458	0.62
		23.08.2019	82605			3949063	0.63
		14.02.2020	54042			4003105	0.64
		28.02.2020	48174			4051279	0.65
		06.03.2020	44319			4095598	0.65
		13.03.2020	46463			4142061	0.66
		20.03.2020	116060			4258121	0.68
		27.03.2020	125352			4383473	0.70
	At the End of the Year (or on the date of Separation, if Separated during the Year)			4383473	0.70		
10	**FIL INVESTMENTS(MAURITIUS)LTD**						
	At the beginning of the year			2902706	0.46		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		05.04.2019	-163351			2739355	0.44
		12.04.2019	-328504			2410851	0.39
		24.05.2019	-66478			2344373	0.37
		31.05.2019	-269692			2074681	0.33
		12.07.2019	-171003			1903678	0.30
		27.09.2019	-281682			1621996	0.26
		04.10.2019	-534704			1087292	0.17
		11.10.2019	-83435			1003857	0.16
		18.10.2019	-195640			808217	0.13
		24.01.2020	-808217			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**SHRI SURJIT KUMAR GUPTA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
2	**SHRI ANIL RAI GUPTA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
3	**SHRI AMEET KUMAR GUPTA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0		
4	**SHRI RAJESH KUMAR GUPTA**						
	At the beginning of the year			800688	0.13		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Shares allotted under Havells Employees Stock Purchase Scheme 2015	12.07.2019	100000			900688	0.14
	At the End of the Year (or on the date of Separation, if Separated during the Year)			900688	0.14		
5	**SHRI VIJAY KUMAR CHOPRA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
6	**SHRI SURENDER KUMAR TUTEJA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sr. No.	For Each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	**DR. ADARSH KISHORE**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
8	**SMT. PRATIMA RAM**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
9	**SHRI T. V. MOHANDAS PAI**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
10	**SHRI PUNEET BHATIA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
11	**SHRI VELLAYAN SUBBIAH**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
12	**SHRI JALAJ ASHWIN DANI**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sr. No.	For Each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	**SHRI UPENDRA KUMAR SINHA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
14	**SHRI SIDDHARTHA PANDIT**						
	At the beginning of the year			2208	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Sale	14.06.2019	-166			2042	
	Shares allotted under Havells Employees Stock Purchase Scheme 2015	12.07.2019	1035			3077	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			3077	0.00		
15	**SHRI SANJAY KUMAR GUPTA (KMP)**						
	At the beginning of the year			2976	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Shares alloted under Havells Employees Long Term Incentive Plan 2014	12.07.2019	881			3857	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			3857	0.00		

V. Indebtedness

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	94.50	-	-	94.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	**94.50**	**-**	**-**	**94.50**
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	(54.00)	-	-	(54.00)
NET CHANGE	**(54.00)**	**-**	**-**	**(54.00)**
Indebtedness at the end of the Financial Year				
i) Principal Amount	40.50	-	-	40.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	**40.50**	**-**	**-**	**40.50**

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (₹)
		Shri Anil Rai Gupta (Chairman and Managing Director)	Shri Ameet Kumar Gupta (Whole-time Director)	Shri Rajesh Kumar Gupta (Whole-time Director (Finance) and Group CFO)	Shri Siddhartha Pandit (Whole-time Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,40,15,000	2,13,15,000	4,68,15,000	72,41,860	12,93,86,860
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	39,600	39,600	39,600$	-$	1,18,800
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option / ESPS (no. of shares)	-	-	1,00,000#	1,035#	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify…	11,55,28,750*	4,62,11,500**	4,62,11,500**	-	20,79,51,750
5.	Others, (PF Contribution)	64,80,000	25,56,000	56,16,000	3,71,563	1,50,23,563
	TOTAL (A)	**17,60,63,350**	**7,01,22,100**	**9,86,82,100**	**76,13,423**	**35,24,80,973**
	Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director				

$ Perquisites exclude value of shares exercised during financial year 2019-20 under the Havells Employees Stock Purchase Scheme, 2015 and Havells Employees Stock Purchase Plan, 2014.

 # During the year 2019-20, 1,00,000 Equity Shares of ₹ 1/- each, were allotted to Shri Rajesh Kumar Gupta and 1,035 Equity Shares of ₹ 1/- each were allotted to Shri Siddhartha Pandit under the Employees Stock Purchase plans of the Company.

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

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

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors										Total Amount (₹)
		Shri Vijay Kumar Chopra (ID)	Dr. Adarsh Kishore (ID)	Shri Surender Kumar Tuteja (ID)	Smt. Pratima Ram (ID)	Shri Surjit Kumar Gupta (NED, Non-Independent)	Shri Vellayan Subbiah (ID)	Shri Jalaj Ashwin Dani (ID)	Shri Upendra Kumar Sinha (ID)	Shri Puneet Bhatia (NED, Non-Independent)	Shri T. V. Mohandas Pai (NED, Non-Independent)	
1.	Independent Directors (ID)											
	• Fee for attending board committee meetings	4,50,000	3,30,000	7,20,000	5,40,000	NA	3,30,000	3,90,000	3,30,000	NA	NA	30,90,000
	• Commission	10,00,000	10,00,000	10,00,000	10,00,000	NA	10,00,000	10,00,000	10,00,000	NA	NA	70,00,000
	• Others,	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total (1)	**14,50,000**	**13,30,000**	**17,20,000**	**15,40,000**	**NA**	**13,30,000**	**13,90,000**	**13,30,000**	**NA**	**NA**	**1,00,90,000**
2.	Other Non-Executive Directors (NED)											
	• Fee for attending board committee meetings	NA	NA	NA	NA	-	NA	NA	NA	1,80,000	2,40,000	4,20,000
	• Commission	NA	NA	NA	NA	-	NA	NA	NA	10,00,000	10,00,000	20,00,000
	• Others,	NA	NA	NA	NA	-	NA	NA	NA	NA	NA	NA
	Total (2)	**NA**	**NA**	**NA**	**NA**	**-**	**NA**	**NA**	**NA**	**11,80,000**	**12,40,000**	**24,20,000**
	Total (B)=(1+2)	**14,50,000**	**13,30,000**	**17,20,000**	**15,40,000**	**NA**	**13,30,000**	**13,90,000**	**13,30,000**	**11,80,000**	**12,40,000**	**1,25,10,000**
	Total Managerial Remuneration											**36,49,90,973**
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors										

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	Company Secretary	CFO*	Total Amount (₹)
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	76,39,963	-	76,39,963
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option / ESPS (No. of shares)	-	881#	-	881#
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, (PF Contribution)	-	3,82,356	-	3,82,356
	TOTAL	**-**	**80,22,319**	**-**	**80,22,319**

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

#During the year 2019-20, 881 Equity Shares of ₹ 1/- each, were allotted to the Company Secretary under Havells Employees Long Term Incentive Plan 2014. In respect of these shares, contribution of Company as perquisite is to the extent of ₹ 73,390 while the remaining amount has been contributed by the beneficiary himself.

VII. Penalties / Punishment/ Compounding of Offences:

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

ANNEXURE - 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,
The Members,
Havells India Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 to ascertain the compliance of various provisions of:-

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

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

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

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

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

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

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

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

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

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

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

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

(vi) The Employees State Insurance Act, 1948

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

(viii) Employers Liability Act, 1938

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

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

(xi) Factories Act, 1948

(xii) Industrial Dispute Act, 1947

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

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

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

We further report that

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

We further report that during the audit period the Company has issued and allotted Equity Shares under Havells Employees Stock Purchase Plan 2014, Havells Employees Stock Purchase Scheme 2015 and Havells Employees Stock Purchase Scheme 2016 which were successfully listed and currently traded at both the Stock Exchanges. Further Scheme of Amalgamation between Havells Global Limited, Standard Electrical Limited, Lloyd Consumer Private Limited & Promptec Renewable Energy Solutions Private Limited ("Transferor Companies") with Havells India Limited ("Transferee Company") become effective from 7th February, 2020 upon filing of the certified true copy of the Order dated 31st January, 2020 of the Hon'ble Company Law Tribunal (NCLT) by all the Transferor Companies and the Transferee Company. Further, we report that there were no instances of :-

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

ii. Redemption / buy-back of securities.

iii. Foreign technical collaborations

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

For **MZ & Associates**
Company Secretaries

CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875
UDIN: F009184B000227743

Place: New Delhi
Date: May 12, 2020

ANNEXURE A

To
The Members,
Havells India Limited

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

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

For **MZ & Associates**
Company Secretaries

CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875
UDIN: F009184B000227743

Place: New Delhi
Date: May 12, 2020

ANNEXURE - 4

Details of Investments as on 31st March, 2020

Name of Company	Amount (INR)
Havells Holdings Limited	1,18,74,365
Jiangsu Havells Sylvania Lighting Limited	18,84,64,750
Havells Guangzhou International Limited	45,29,301
TOTAL	**20,48,68,416**

Notes:

a) *The Company is carrying an amount of ₹ 12.47 crores as provision for impairment of investment held in Havells Holding Limited.*

b) *The Company has measured its investment in its Joint Venture (Jiangsu Havells Sylvania Lighting Limited) at fair value less cost to sell (refer note 34(3)(c)) of Standalone Financials Statement).*

Details of Loans as on 31st March, 2020

As at 31st March, 2020, the Company has not given any loan.

Details of Guarantees as on 31st March, 2020

As at 31st March, 2020, the Company has not given any guarantee.

ANNEXURE - 5

Form No. AOC-2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Anil Rai Gupta
Chairman and Managing Director

Delhi, May 12, 2020

ANNEXURE - 6

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

The CSR programmes and pursuits of the Company are illustrated in the Social & Relationship Capital section of the Integrated Report on page 37.

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

   In adherence to Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 23rd April, 2014, approved a CSR Policy of the Company. The CSR Policy was last reviewed by the Board on 20th March, 2019.

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

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

2. The composition of CSR Committee

   As at 31st March, 2020, the Corporate Social Responsibility Committee comprised of 5 (Five) Members of the Board, 3 (Three) of which were Independent Directors and 2 (Two) were Executive. The Chairman of the Committee is an Independent Director.

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

3. Average net profit of the Company for last 3 (Three) Financial Years

   The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2018-19, 2017-18 and 2016-17) calculated in accordance with Section 135 of the Companies Act, 2013 is **Rs. 1,014.52 crores.**

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

   The prescribed CSR Expenditure to be incurred during the Financial Year i.e. 2019-20 is ₹ **20.29 crores**.

5. Details of CSR spent during the Financial Year

   (a) Total amount to be spent for the Financial Year = ₹ **20.29 crores**

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

(c) Manner in which the amount spent during the Financial Year 2019-20 is detailed below:

(₹ in crores)

Sr. No.	CSR project or activity defined	Sector in which the project is covered*	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise #	Amount spent on the projects or program Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative^ expenditure upto the reporting period (^ Financial year 2014-15 onwards)	Amount spent: Direct or through implementing agency
1.	Mid-Day Meal (MDM) programme.			2.00		21.03	
	- Serving Mid-day Meal to children in schools	(i)	Alwar, Rajasthan		1.77		MDM through QRG Foundation.
2.	Providing sanitation facilities.			2.70		17.73	
	- Building toilets in schools where mid-day meals are provided.	(i)	Alwar, Rajasthan		1.48		Direct
	- Distribution of re-usable sanitary pads for young girls				0.92		Through QRG Foundation.
3.	Supporting education of underprivileged children.			12.10		23.55	
	- Providing tables and benches to children in government primary schools in Haridwar & Neemrana.	(ii)	Haridwar, Baddi, Alwar & Neemrana		0.07		Direct
	- Providing financial assistance to needy students.		Delhi		8.00		Through BML Munjal Foundation
	- Providing education to children		Delhi		0.05		Through The Vivekananda Ashrama
	- IFRE- Ashoka University.		Delhi		4.00		Direct
4.	Contributing to Aga Khan Foundation India, a private non-profit foundation registered under the Companies Act, 2013. Engaged in restoration and conservation of various heritage monuments.	(v)	Delhi	-	-	15.07	Through Aga Khan Foundation
5.	Plantation works			3.50		5.77	
		(iv)	Baddi Alwar, Neemrana & Madhya Pradesh		4.03		Direct
6.	Supporting healthcare	(iii)	Delhi	-	-	0.60	Direct
7.	Contribution to Relief/ Welfare Fund	(viii)	Kerala	-	-	3.59	Direct
	TOTAL			**20.30**	**20.32**	**87.35**	

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

 # Budget represents yearly budget for the reported financial year.

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

   Not Applicable.

7. Responsibility Statement

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

Anil Rai Gupta
Chairman and Managing Director

Vellayan Subbiah
Chairman CSR Committee

Place: Delhi
Date: May 12, 2020

ANNEXURE - 7

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

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	- Ratio of the remuneration of Shri Anil Rai Gupta, Chairman and Managing Director – 225:1 - Ratio of the remuneration of Shri Ameet Kumar Gupta, Whole-time Director – 90:1 - Ratio of the remuneration of Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO – 126:1 - Ratio of the remuneration of Shri Siddhartha Pandit, Whole-time Director – 12:1
(ii)	Percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	- Shri Anil Rai Gupta, CMD – (12.81) % - Shri Ameet Kumar Gupta, WTD – (13.16) % - Shri Rajesh Kumar Gupta, WTD (CFO) – (8.84) % - Shri Siddhartha Pandit, WTD – 6.25 % - Shri Sanjay Kumar Gupta, CS – 7.09 %
(iii)	Percentage increase in the median remuneration of employees in the financial year	12.27 %
(iv)	Number of permanent employees on the rolls of Company	5,781 Employees
(v)	Average percentile increase / (decrease) 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 – (11.78) % - Average increase in remuneration of employees other than the Managerial Personnel – 11.06 % The top level compensation is linked to Profit Before Tax.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

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

Top 10 Persons and those employed for the full year ended 31st March, 2020 who were in receipt of the remuneration which in the aggregate was not less than ₹ 1,02,00,000/- p.a.

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

Shri Anil Rai Gupta Chairman and Managing Director 17,60,08,750 MBA 28 30-09-1992 51; Shri Ameet Kumar Gupta Whole-time Director 7,00,67,500 BE, MBA 25 01-01-2015 48; Shri Rajesh Kumar Gupta Director (Finance) and Group CFO 9,86,27,500* CA 39 21-03-1992 62; Shri Rajiv Goel Executive Director 5,66,10,518* CA, CS 28 01-04-2009 49 Rosewood Advisors (Director); Shri Shashi Arora CEO Lloyd 3,89,12,636 MBA 30 01-02-2018 55 Bharti AIRTEL (Director); Shri Mukul Saxena Executive Vice President 3,00,24,844 Ph.D 36 05-04-2018 57 Siemens Technology Services Pvt. Ltd. (Sr Vice President); Shri Saurabh Goel President 2,34,75,015 PGDBM 25 01-02-2016 51 Bharti Airtel Limited (Sr. Vice President); Shri Vivek Yadav Senior Vice President 1,69,21,901 M. Tech 30 01-02-2016 54 Schneider Electric India Pvt Ltd (Vice President); Shri Prag Kumar Bhatnagar Senior

Vice President 1,50,28,685 Diploma in Management 24 03-04-2017 48 Jubilant Agri and Consumer Products (Vice President); Shri Narendra Kumar Choudhary President 1,33,00,427 MBA 36 15-07-2003 62 Polar International Limited (General Manager)

(excluding the value of share exercised under ESPS)*

Persons employed for part of the year ended 31st March, 2020 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

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

Shri Ravinder Singh Negi President 2,11,61,097 MBA 23 10-04-2019 - 48 Bharti Airtel Limited (President); Shri Ramesh Sharma Executive Vice President (Finance) 6,27,640 CA 21 16-03-2020 - 43 Yes Bank Limited (General Manager); Shri Cecil Prem Treasure Executive Vice President 34,69,610 MBA 27 20-01-2016 31-05-2019 58 Jubilant Life Sciences (Director); Shri Sachin Gupta Executive Vice President & CIO 1,12,41,156 M.Sc. 31 16-02-2016 30-08-2019 52 Times Group (CIO); Shri Sachin Sharma EVP (Finance) 90,59,356 C.A. 23 01-09-2017 30-08-2019 48 Jubilant Food Works (President & CFO); Shri Sanjeev Kumar Senior Vice President 65,27,353 MBA 23 13-11-2018 30-10-2019 49 Videocon Industries Ltd (VP); Shri Viswanathan Subramanian Vice President 58,89,759 B.E., M.TECH.,MBA 30 01-08-2016 06-09-2019 53 DOVER INDIA PVT LTD (Director); Shri Sanjeev Kumar Agrawal Vice President 65,27,353 B.E., PGDBM 27 05-03-2018 30-09-2019 50 Anchor Electricals Pvt Limited (Vice President); Shri Abhra Rajib Banerjee Vice President 73,08,929 MBA 21 10-08-2016 30-09-2019 50 Dalmia Cement (Vice President); Shri Tirthankar Rakshit Vice President 69,18,799 B.E.; MBA 21 16-07-2018 24-12-2019 47 Philips Lighting India Ltd (Director).

Notes:

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

ANNEXURE - 8

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

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

(A) Conservation of Energy

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

(a) Steps taken or Impact on conservation of Energy

Being committed to gaining energy efficiency the Company has taken various energy and fuel saving initiatives across all the plants. All our manufacturing plants are ISO50001 Certified for Energy Management Systems. The Company undertook more than 40 energy-saving initiatives that have helped save about **13,17,144** kWh of energy which has further resulted in mitigation of **10,80,059** KG of CO2 emissions. Some of these initiatives are mentioned below in the table.

Project -wise		
Description of the project	**Energy saved per year (KWh)**	**Capital Expenditure incurred in purchase of energy conservation equipment**
Energy Saved due to DC motor to AC motor Conservation	**521196.01**	**3403656**
Process Optimization and Elimination of Ideal running of machines and equipment	**374297.6**	**65500**
Savings through Installation of New Machines, Technology (VFD, Air Booster Pump, Heat Jackets, etc)	**421651.26**	**32422343**
TOTAL	**1317144.87**	**35891499**

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

The Company has been harnessing and utilizing renewable solar energy to reduce its carbon-footprint and environmental impact due to procuring conventional fuel based electricity. The Company has total installed solar power generation capacity of 5.6 MW, with year's addition of 1.8 MW at its recently commissioned AC Manufacturing facility in Ghiloth, Rajasthan.

(ii) Capital Investment on Energy Conservation Equipment

We have invested INR 3,58,91,499 towards installation of new machines & technology and achieving process optimization for various energy saving projects at our manufacturing plants.

(B) Technology Absorption

- **Havells' R&D Commitment**

Havells is investing significantly in R&D, both in people and infrastructure. With an aspiration to be a global peer in Electrical products, Havells has invested in a new R&D center in Noida where there are plans for more than 400 R&D engineers and technicians, multiple labs for performance and endurance testing, prototyping, materials testing, metrology, tool room for multiple product categories. Additionally, the Company has invested in another center in Bengaluru which focuses on Innovation, platform creation and digital products and services. While the Company is and will continue to be very focused on the building blocks for organic R&D activities, it is also working with academic institutions, product and services vendors for creating future products. The open innovation portal "Soch" has been an enabler for such partnerships. Finally, the Company has been nurturing an Innovative culture with specific emphasis on meaningfully protecting its Intellectual Property through a proper framework for evaluating all invention disclosures and design registrations.

- **Basic Tenets of Technology Absorption**

Operating in a fast moving electrical goods space, we have an imperative to respond quickly to evolving changes in customer preferences and technological advances. Of course, an agile R&D effort is a key lever to meet these market needs. In the spirit of agility and flexibility, we are using a combination of both our internal R&D resources and those of our partners to ensure that we are at the forefront of these changes that are happening in the industry. Some of the cornerstones driving new technology introduction in our industry are listed below, which also form the strategic basis of our technology absorption, adaptation, and innovation for our products:

SMART Connected Products

There is a technological revolution happening by the convergence of mechanical, electrical, electronics and information technology-based systems, also referred to as Cyber-physical systems. These technologies which swept the large industrial products few years ago is now getting more and more pervasive in consumer electrical goods as well. The future is not restricted to connected (IoT) devices but extending into Smart home living concepts with more and more appliances becoming intelligent and capable of autonomous learning facilitated by technologies such as Machine Learning (ML), Artificial Intelligence (AI) and Natural Language Processing (NLP). In the past, we made our forays into IoT devices earlier with launch of connected products such as Adonia I (WiFi enabled water heater), AC, Futuro ceiling fan, and smart connected lighting platform for individual and group lighting control. During last year, we further intensified our connected products journey by a strategic decision to standardize on IoT platform – addressing the needs of scalability, security, and complete data ownership – to provide an unmatched consumer experience into Havells digital products. Our flagship product in the Fans category – Carnesia I, has integrated Smart Sense Technology with unique algorithm to sense room temperature and humidity intelligently regulate fan speed based on Heat Index thus delivering maximum comfort. Other intelligent product introductions include: Color temperature (CCT) varying Street Lights, in line with our smart city and smart office ecosystem initiatives which is first of its kind in India and one of the few installations worldwide, Entire range of Human Centric Lighting launched for office segment, ST^DX Range of communication ready MCBs, RCCBs with all accessories for final distribution protection, Wi-Fi Enabled 6/16A Smart Sockets, Smart extensions, Voice & App control, Wired & Wireless Home automation to control Modular Switches, Curtains, Smart Surveillance & Security products to provide a suite of home automation solutions, and all-in-one solar street light with motion sensor, Long Range (LoRa) based system monitoring and control with user settable dimming profiles. We also have many more such intelligent products planned for launch during next quarter.

Energy Conservation/Efficiency

We see energy efficiency as a big thrust in years to come. Havells continues to launch products that are energy efficient, whether it be in the field of star labeled LED lighting (both indoor and outdoor) or appliances. In the last year, we have launched one 5-Star rated ceiling fan with BLDC motor -Efficiencia Neo, which consumes just 26 W and is 65% more efficient than a normal Induction motor fan. We have also launched 3 ceiling fans with one- & two-star ratings in Induction motor which are 30 % more efficient than a non-star ceiling fan. Overall, we have more than 30 Star Rated fans now in Havells & Standard brands & in the process of getting more models registered for star rating.

Sustainability

Havells is committed to Sustainability, whether it be in the choice of materials during the design development process or in design/development of products that are resource efficient (energy and/or water), or in operational practices at its manufacturing plants or other locations. From a design side, Havells has decided to use only RoHS compatible materials and manufacturing processes. Our RO water purifiers have a higher recovery of purified water resulting in reduction in wastewater wastage. In Packaging design, the focus areas were technology innovations for ecofriendly and recyclable materials. We are well on our target of 15% increase in usage of sustainable packaging material (bio-degradable or recyclable or recycled or material from renewable sources) against the baseline of Financial Year 2017-18.

Adherence to Regulations and Standards

This is an overarching driver which ensures quality standards in development of all new products as mandated by governing/certifying bodies to ensure compliance to worldwide (and country specific) norms. Our goal is to design, develop and launch products that will meet global requirements for safety, performance and reliability. Towards this, we are adopting global best practices such as the adoption of safety standard IEC60335, RoHS compliance, relevant certifications as required for all our products. Our export markets continue to expand. Havells takes special pride in developing products that comply to all electrical industry standards and quality marks as regulated by local institutions such as BIS, BEE, CEAMA, and IEEMA.

Specific Efforts of Technology Absorption

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

- Small Domestic Appliances - Induction Heating technology developed in water heater for faster and efficient heating, Auto recipe programming for mixer grinder, Reduction in mixer grinder noise by adopting HVDC motor and double layered insulated jar technology, Development of CB certified mixer grinder for export market, Accreditation of E1 test lab for IEC testing from Intertek, Intelligent & dial less steam iron with ideal temperature setting, Development of BLDC motor for air cooler in order to reduce power consumption and consistent air delivery. Adaptation of ecofriendly UV metallization for RoHS compliant chrome plating replacement.

- Electrical Wiring and Accessories - Adaptation of Conformal cooling technology in Molds to enhance aesthetics & productivity, Convert Extruded Brass to Folded Sheet Metal terminal for switches & sockets, 3D Printing on Outer plates for Switches, Antimicrobial technology adaptation in Crabtree range for health & hygiene benefits, Self - heal soft feel & hybrid printing technology for smart sockets & outer plate,
- Lighting – Adaptation and commercialization of LitM (Lighting Management) platform for Lighting ecosystem including Street, Office and campus light. Optics designed and developed to suit special needs like NHAI (National Highways Authority of India) requirements, Software controlled drivers developed and commercialized. Novel light weight heat sink technology for lighting products developed
- Water and air purifier – Stickers labels were replaced with hot foil label transfer on all replaceable cartridges for cost reduction and authenticity, Signed MOU with 2 technology partners for desalination technology and air purification,
- Control Switchgear – Set-up of automated manufacturing for magnetic contractor Frame 1. Installation of SCARA robots on RCCB line for pick and place during final testing.
- Motor and Pump - Cathodic Electro Deposition in Self-priming & Submersible Pumps, Water Ingress Protection for Self-priming Monoblock Pumps, Integral Suction for 0.5 & 1 HP Open-well Submersible Pumps, Carbon Bushes in 100 mm Borewell and 0.5 & 1 HP Open-well Submersibles Pumps
- Lloyd - System upgrades for enhancing deliveries of Air Conditioners at elevated ambient, Introduction of Nano Silver Coating for Evaporators, Launch of Voice Controlled Appliances

Benefits derived from these R&D Efforts

We had a successful launch of several new products – Over 300 projects completed in the Financial Year 2019-20. This includes multiple new category projects under various segments such as water purifiers, connected products in the appliance, switches and lighting areas, low noise ceiling fans and mixer grinders, power saving BLDC fans. In many cases, products are evolved from previous versions to be more robust and better performing. This has been achieved through a combination of prevention and detection methodologies used in the development process. Prevention methodology includes FMEA (Failure Modes and Effect Analysis), Finite Element and CFD (Computational Fluid Dynamics) Simulation, DFSS (Design for Six Sigma) and Mold Flow Analysis (MFA). The organization continues to drive more rigor in testing and validation process by using larger sample size and failure testing amongst others as a way to detect potential field issues prior to launch of product in the market. All of these efforts have led to a new product revenue of approximately 400 Cr for products launched in the year 2019.

Value enhancement through product engineering – Havells has a continuous improvement methodology consisting of analyzing field returns, finished goods rejects, in process rejects and validation rejects. Based on the data, we continuously improve our products using FMEA's (Failure Mode Effects Analysis), Structured Problem-solving methodologies, and Stress and Failure testing. We also continuously improve the cost of our products by using tools such as Functional Analysis where cost is assigned to important functions and cost due to unimportant functions are deleted using brainstorming and innovation. Our specific efforts towards value engineering (product cost-out, manufacturing process optimization, and supplier negotiations) of different products has resulted in cost savings in excess of INR 10 crore.

Havells is focused on innovative products and encourages employees to be creative and file for patents and registrations as part of their day to day activity. In Financial Year 2019-20, the Company filed for 120+ new IPRs (Intellectual Property Rights) including Patent filings and Design Registrations.

The Company has Imported following Technologies during last three years reckoned from the beginning of the Financial Year

Details of Technology Imported	Year of Import/ Introduction	Whether technology has been fully absorbed	If not fully absorbed, areas where this has not taken place
ANSYS HPC license for parallel computing and ALTAIR Hypermesh license	2019	Yes	N.A.
FTIR DSC/ TGA* for Polymeric material characterization	2019	Yes	N.A.
MATLAB with Simulink and Embedded Coder	2019	Yes	N.A.
Sub-GHz based retrofit Home automation solution from HDL China	2019	Yes	N.A.
WiFi based connected solutions using TUYA platform (fan, Smart Socket, Smart home lighting)	2019	Yes	N.A.
Arc fault detection device and Type B RCCB technology	2019	Yes	N.A.
Power Contactors up to 100A from Hyundai Electric, Korea	2019	Yes	N.A.
Ansys license for CFD (Computational Fluid Dynamics)	2018	Yes	N.A.
Validation equipment for Appliances	2018	Yes	N.A.
Microsoft Office PMO – Project Management Office	2018	Yes	N.A.
Microsoft Project Online	2018	Yes	N.A.
Goniometer for Luminaire Spatial	2018	Yes	N.A.
Laser marking 8 no's from China	2017	Yes	N.A.
Laser welding machine from China	2017	Yes	N.A.
ANSYS license for FEA (Structural and Thermal)	2017	Yes	N.A.
Troester make DCDC CCV insulation line for voltage up to 220kV	2017	Yes	N.A.
12 nos IMM Robots from China	2017	Yes	N.A.
Minitab Licenses	2017	Yes	N.A.

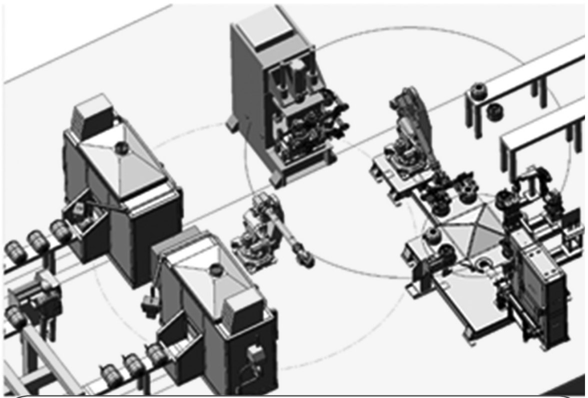
The company shall continue its endeavor to adopt technologies for its product range to meet the requirements of a globally competitive market.

Integration of New Line Water Heater Plant

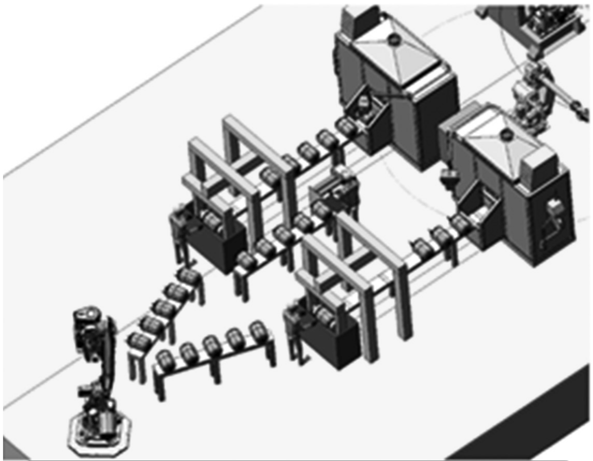
New line of Water Heater plant integration done based on 80% manpower saving & 50% space saving . Following are Salient Technical Features for bringing new facility at par with global level & capable of enhancing to Industry 4.0.

- All machines are complying Industry 4.0 Evolution System.
- Capacity enhancement with High Tech machines for high productivity, efficiency and meeting safety & environment standards.
- Modular layout capable to accommodate two setup capacity in place of existing space.
- Integrated modular press & welding with advanced toolings for multiple operations ,less number of tools & more level of automations
- Most modernized integrated enamel coating section consisting shot blasting , enamel coating booth & furnace with conveyor containing advanced castings with longer life Capable of running 24x7 . The setup is fully compatible to get connected with industry 4.0 / AI
- Integrated modular process flow giving one module feel for entire plant
- Automatic Modular assembly line with flawless features.
- The machines are controlled by Siemens PLC, S7-1500 series (Latest & the most advanced PLC).
- ALL PLC, Drives, hydraulic system, switch gear, contactors, relays etc. mainly from Germany and Italy.
- Automatic Disc cutting Machine designed for better yield and reduce metal scrap.
- Water tank handling through most modern automation conveying, storage & retrieval system, taking tank directly from furnace, dropping at Assembly line without using ground space.
- As per govt. notification, Ozone Depleting Substances (Regulation and Control) Amendments Rules, 2014 under Environment (Protection) Act, 1986, the use of HCFC-141b for manufacture of foam products shall be completely phased out as on 1st January, 2021 vide your circular dated 05.09.2019. We have explored alternative option for blowing agents solution with different suppliers and found Cyclopentane (blowing agent) as solution for zero ODP.

- Automatic Welding line is having single flow of operations Draw, trimming, Flange fitting, washing, Pipe welding, circumferential welding & leakage testing. various work areas will be provided with accident prevention Protections. All MiG welding machines are energy efficient with latest Inverter based technology and pulse mode. All projection welding machines are of latest technology, Medium frequency with inverter. Pictorial view of Automatic Welding Line:



Welding Shop - Flange, Pipe & Bracket Welding & Top & Bottom Cap Fixing



Welding Shop - Center welding, Leakage Testing & Loading to Coating Line

Havells' LLOYD AC plant is the best in India having fully integrated facility. It produces an AC every 23 seconds. Plant is Capable to produce Split, Window, floor standing, cassette, light commercial ACs. Popular, flagship Grande Inverter - Heavy Duty AC operates even at 60 degrees, with minimum deterioration of performance.

Havells investment in automation is highest in AC manufacturing in the country. The factory is built on Industry 4.0 concept - All resources & processes work on cyber physical system. Extensive use of Internet of things (IoT), *industrial* IoT, cloud & cognitive computing using artificial intelligence. Equipment have built-in Wi-Fi and industry 4.0 capability.

Plant is designed on JIT Management having strong & capable suppliers located within 100 Km distance. Inside plant, Automated Guided Vehicles (AGV) manage material giving advantage like reduced labour costs, enhanced safety, increased accuracy, efficiency & Productivity. Custom designed AGV system can be scaled up seamlessly.

R&D Centre and Laboratories

Our R&D Centre does the core designing using 3-D CAD & other simulation software. These designs are transferred to the R&D test Labs and other testing facilities where our engineers are continuously verifying & validating the performance & reliability of the designs to create superior products as per market conditions. During design phase, different 24 tests are conducted, of which 15 tests are specially designed to simulate Indian Climatic Conditions of high temperature and high humidity. Post the developmental testing, products are subjected to one month rigorous testing at high outside temperature and also high and low voltage conditions.

Invested heavily in setting up 2 fully automatic computer controlled Psychrometric Test labs, capable of maintaining a temperature +5˚C to +60˚C on Indoor & -15˚C to +60˚C on outdoor side and humidity from 30% to 92% RH on both sides. 3 products can be tested simultaneously. Test lab is NABL accredited, ensuring test results obtained are precise & accurate. Products tested in lab are registered directly with BEE (Govt Regulatory Body) which accept lab results as Gold standard.

Plastic Moulding

At Havells, 9 machines (1000, 1300 tons capacity) are installed to Produce indoor unit structural parts. Imported from Toshiba Japan, the ALL ELECTRIC Technology ensures accuracy & high finish. Injection moulds are made using Japanese steel for quality & durability. Automatic Pick & Place Robotic Arms installed on machines improve efficiency. Raw Material of different types is stored distantly and fed into machines through automated system.

Heat Exchanger

High efficiency Inner Grooved Copper Tubes imported from globally renowned manufacturers are used to improve Heat Exchanger performance. Variety of Aluminum foil: hydrophilic Blue, Anti corrosive Gold & Anti-bacterial Green are sourced from global technology leaders. Fin design & hardness give strength to thin foil. High speed processing is possible due to high-tech Die & Machine from Hidaka, Japan who is best manufacturer of fin processing equipment globally. The 4 station coil expander (industry norm: 2 station) doubles the through put.

Press Shop and Powder Coating

Havells has first robotic press shop in air conditioner manufacturing units across India. Steel coilis fed into press line, 4-5 operations are done automatically to produce 1 part in 8 seconds (Industry norm: 1 part in 12 seconds). High Speed Integrated Powder Coating Line from Wagner Italy, paints parts to withstand Salt spray test for more than 1100 hours, ensuring longer life, durability in harsh condition. 24 automated coating guns ensure smooth and scratch resistant finish. 100% Eco friendly pre-treatment process with Zirconium Nanotechnology ensures Zero harmful sludge generation. Dual Powder Recovery System improves 99.99 % powder utilization & ZERO pollution.

CNC Copper Tubing

Using Fully automatic CNC Tube cutting & bending machines, complex design parts like Suction & Discharge pipes, Capillary assembly, flared Installation pipes are made accurately and efficiently with highest level of cleanliness. Millions of small parts are made on fully automated lines without manual intervention ensuring no intermediate of inventory and handling.

Assembly Lines

Robotic ODU assembly line has various sections. Vacuuming is a process to remove moisture content and contamination in the ODU. 36 Vacuum stations linked with Host Computer for data capturing & monitoring of real-time vacuum level are used. Supervisory automatic Control System for passing each machines with vacuum time of 12 minutes (industry norms: 3-6 minutes) ensures stabilization of vacuum level, 100% dehydration which leads to efficient cooling & durability of the product. Lloyd Ac's therefore are the best in industry. 100% Out Door Units undergo 15 minutes (industry norms: 3-5 minutes) performance tests. The process encompasses: Electrical Test, Cooling function, Pressure testing, Noise test, Controller tests. 44 Testing stations are automatically controlled with smart Supervisory Control System. These rigorous tests eliminate chances of DOA (Dead on Arrival) & ensures high quality, efficient & durable product with Zero defect Rate. Intelligent Andon System is used to notify management, maintenance, and others about a quality or process problem. Andon brings benefits like Significant time savings, Cost reduction, Better communication, Better control & Information collection giving complete visibility and speed in actions.

Packaging & stacking of AC is done by robots, programmed for speed, ensuring Zero damage (possible in manual packing systems). Robots used avoid fatigue & health hazard.

Outgoing Quality Control

Once machines are send to FG area 100% SMOG testing is performed before dispatch. Fit /Feel/ Finish is gauged from customer perspective on sampling basis 10 per 1000 (Industry norm : 5). Early life Testing (ELT) for 24 Hours at 48±2 °C in ODU side and 35 ±2° C in IDU side at rated, high and low voltage. Long life test is conducted for 1 month continuously.

The expenditure incurred on Research and Development

Particulars	₹ in Crores	
	2019-2020	**2018-2019**
(a) Capital	16.00	11.28
(b) Recurring	85.56	68.15
TOTAL	**101.56**	**79.43**
Total R & D expenditure as % of Total Turnover	**1.08%**	**0.79%**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During Financial Year 2019-20 we went deeper into our strategic relationship with few international players and launched new product categories like French norm Switchgear, Air-conditioners etc. into new markets around Africa and SAARC.

The Company is optimistic for the international business as many potential customers are evaluating options to derisk their production and supply chain to India from other Asian countries. India may have a great opportunity Post Covid-19, as global players realign their supply chain. We believe that Switchgears, Cables and Air-conditioners could be meaningful proposition for Havells.

Our customers are discussing their future drawings and forecasts for next few years. We are hearing from our potential clients that we can be a trusted manufacturer & supply chain partner, that means they trust on us to protect their intellectual properties, patents and technology and provide requisite quality. To add to this, we have the domestic volumes to scale up the production and bring our overall costs down and be competitive with Asian peers in the International business. We feel that these may just be a turning point for International business at Havells.

Major Highlights on markets, Certifications, Branding & Channel Partners:

- Middle East business faced difficulties due to macro-economic situations.
- Africa business grew in double digits while we also introduced new product categories like lighting, Air conditioners, French norm switchgears.
- We went deeper on the strategic alliance with a prominent International player with signing of new contracts this year for new product categories. This will be our second world class manufacturing line for Industrial Switchgear and will contribute in providing new solutions to our customers.

- We have successfully entered into newer markets like, Togo, Cameroon, Senegal, Burkina Faso, South Sudan, Djibouti, Turkey, Democratic Republic of Congo, and working on opening US and Canada.
- We have also taken international certifications like DEKRA Certificates on MCB 6kA, UL Approval 7.5kA, CB and Dekra Certificate on RCCB, Several CB certifications for home appliances, IEC 60598 for floodlights and slim lighting panels etc. These will help us to grow our business at many international markets.
- We are continuing the investment in Brand building & Channel engagement activities like Retail branding, display, merchandising and other dealers/ electrician/ architect meets across different markets.
- We have expanded the distribution channel, with more than 40 new channel partners added across International markets.

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

Particulars	₹ in Crores	
	2019-2020	**2018-2019**
Foreign Exchange earned	245.59	328.80
Foreign Exchange used	1881.40	2,330.60

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

Anil Rai Gupta
Chairman and Managing Director

Delhi, May 12, 2020

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Disclosures	Information/Reference Sections
1	Corporate Identity Number (CIN) of the Company	L31900DL1983PLC016304
2	Name of the Company	Havells India Limited
3	Registered address	904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110001
4	Website	http://www.havells.com/
5	E-mail id	investors@havells.com
6	Financial Year reported	1st April 2019 to 31st March 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	

Group	NIC Code/ Class	Description	Main Description
273	2732	Manufacture of other electronic and electric wires and cables	Cables
271	2710	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	Switchgears
275	2750	Manufacture of domestic appliances	Electronic Consumer Durables
274	2740	Manufacture of electric lighting equipment	Lighting & Fixtures
275, 264	2750, 2640	Manufacture of consumer electronics	Lloyd Consumer

Sr. No.	Disclosures	Information/Reference Sections
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. SWITCHGEARS: Switches, Capacitors, Industrial and Domestic Switchgears, Motors, Pumps, Automation and Control 2. CABLES : Power Cable and Flexible Cables 3. LIGHTING AND FIXTURES : LED, Luminaires for Domestic and Professional needs 4. ELECTRICAL CONSUMER DURABLES: Fans, Small Domestic Appliances, Water Heaters, Air Coolers, Air purifier and Personal Grooming 5. LLOYD Consumer Division : ACs, TVs and Washing Machines
9	Total number of locations where business activity is undertaken by the Company:	
	a. No. of International Location (Provide Details of Major 5)	NIL
	b. No. of National Location	7 Locations; Alwar (Rajasthan), Neemrana (Rajasthan), Baddi (Himachal Pradesh), Faridabad (Haryana), Ghiloth (Rajasthan), Haridwar (Uttarakhand), Sahibabad (Uttar Pradesh)
10	Markets served by the Company	We have sales presence in over 40 countries

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. no.	Disclosures	Information/Reference Sections
1	Paid-up Capital (INR)	63 Crores
2	Total Turnover (INR)	9,429 Crores
3	Total Profit after Taxes (INR)	733 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	During the Financial Year 2019-20, the Company spent 21.32 Crores on Corporate Social Responsibility activities
5	List of activities in which expenditure in 4 above has been incurred	List of major CSR Activities undertaken by Havells India Limited are: 1. Havells Mid-Day meal program for government school students 2. Sanitation Initiative – a. Construction of bio-toilets in govt schools b. Financial support for upkeep of bio-toilets and distribution of re-usable sanitary napkins in government schools 3. Education and School Infrastructure- a. Partnered with BML Munjal Foundation to provide financial assistance to needy students as well as creating infrastructure b. Partnered with Ashoka University to provide scholarship to the needy students for their higher education c. Providing table and benches to government school from recycled waste wood 4. Green Society- Large scale tree plantation initiative in Madhya Pradesh and Rajasthan

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
   Please refer Director's report.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**
   The Subsidiary Companies do not participate in the BR Initiatives of the Company.

3. **Do any other entity/entities (e.g. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].**
   The other entities e.g. Suppliers, distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION

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

   a) **Details of the Director / Directors responsible for implementation of the BR policy / policies:**
   DIN Number : 00002838
   Name : Shri Ameet Kumar Gupta
   Designation : Director

   b) **Details of the BR head:**
   Name : Shri Anil Sharma
   Designation : Head (Corporate Communications, CSR and Sustainability)
   Telephone no. : +91-120 3332464
   e-mail id : anil.sharma@havells.com

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

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

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

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3 Businesses should promote the wellbeing of all employees

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5 Businesses should respect and promote human rights

Principle 6 Businesses should respect, protect, and make efforts to restore the environment

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 Businesses should support inclusive growth and equitable development

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

List of policies

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

P2: IMS QEEHS Policy – https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html

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

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

P5: Human Rights Policy - https://www.havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/Human_Rights_Policy.pdf

P6: IMS QEEHS Policy - https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html

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

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

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

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

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

3. Governance related to BR

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

The Management assess the Business responsibility performance annually.

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

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), the Company has been publishing BRR from the FY 2016-17 onwards as an integral part of the Annual Report.

Besides, the Company also publishes a voluntary Corporate Sustainability Report based on internationally accepted Global Reporting Initiative (GRI) Framework since FY 2012-13.

Above reports are available on website of the Company:

Business Responsibility Report:

https://www.havells.com/en/discover-havells/investor-relation/financials/annual-reports.html

Corporate Sustainability Report:

https://www.havells.com/en/discover-havells/sustainability/reports.html

SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle 1

1. *Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?*

Policy relating to ethics, bribery and corruption is applicable to all stakeholders (employees/ Vendors/ Customers) including Group Companies. The values and conduct mentioned in its existing "Code of ethics for directors, senior management and other employees" is practiced by all of its permanent staff. All the employees sign this Code at the time of joining the Company. Every year, the board members and senior management affirm compliance with this Code of Conduct.

Further, the company has a separate "Code of Conduct for Vendors", it is imperative that our Vendors/suppliers, which we regard as our 'Extended Enterprise', conduct business respectfully in line with the values and principles on which Havells itself respects and operates.

2. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so*

The Company received 1 (one) share holder complaint which was redressed during the FY 2019-20.

1. *List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.*

   Product designing and manufacturing at Havells is a responsible business. Our systems and operations are cautious of the associated environmental and social aspects in its entire product chain carefully assessed for risks and associated opportunities. All of our plants are certified for implementing international system standards like ISO9001 for Quality Management System, ISO14001 for Environment Management System and ISO50001 for Energy Management System. About 90% of our products are energy efficient. The 3 most innovative products are given below:

   a) Ceiling Fan: Efficiencia Neo:

   With the rising risk of climate change we believe in improving our products and make them more and more efficient and environment friendly. Our product Efficiencia neo is one of the most energy efficient and least power consuming fan with Brushless Direct Current (BLDC) Motor. It consumes only 26 watts per hour with capacity to run 3 times longer than regular fan while on inverter power. The product gives power saving of 65% as compared to a regular fan with power consumption of 75 watts. Hence delivering energy and carbon-footprint efficiency in its use phase.

   b) Puro Turbo Water Heaters -

   Electrical safety of our consumers is of top priority to us while they use our products. We launched Puro Turbo water heaters with a variety of safety features, including shock safe plug, PUF insulation, Incoloy glass coated heating element, adjustable knob for temperature setting and multi-functional safety valve. The Puro Turbo geysers also have multiple heating options, anode rod, 0.8 MPa high working pressure, etc. The shock safe plug and multi-functional safety valve make Puro Turbo one of the safest water heaters in India's market.

   c) Delite Alkaline High Recovery, Eco-friendly Water Purifier:

   Havells Delite Alkaline RO water purifiers processes more than 50% of inlet water, infusing them with essential minerals – giving consumers access to larger quantity of nutritious, healthy and purified alkaline water. The product offers consumer benefits such as protection through triple purification of 100% RO and UV with UV LED to maintain 24x7 tank hygiene of high-quality food grade stainless steel. Consumer are assured of 8+pH level of water by addition of essential alkaline minerals, a lower Oxidation Reduction Potential (ORP), which results in antioxidant water.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):*

   (a) *Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?*

   Our specific water consumption (Million Litres/ Revenue in Crores) has reduced to 0.014 compared to 0.016 in FY 2018-19.

   For energy efficiency initiatives please refer to the ANNEXURE-8 of the Annual Report.

   (b) *Reduction during usage by consumers (energy, water) has been achieved since the previous year?*

   We strive to design and manufacture our products in a manner that delivers maximum resource efficiency to the consumers during their use phase. More than 90% of our product offerings are energy efficient in nature. However tracking of reduction is not possible due to variable use of various equipment at consumer end.

3. *Does the company have procedures in place for sustainable sourcing (including transportation)?*

   a) *If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.*

   The Company has been working to enhance the degree of sustainability associated with its sourcing practices, through process of risk analysis and risk control. This includes securing our supply chain on various risks such as single source parts, import dependency & sustainability risks such as financial, statutory & regulatory, energy, environment, fire & safety etc. The sustainability road map of the Company covers these areas and the Company takes steps to ensure that its sourcing methods are sustainable. Majority of product & parts sourcing is indigenous, with a very small percentage of input being procured from overseas. It is mandatory as a company policy for all business partners to agree & sign Product Sourcing Agreement (PSA) and Supplier Code of Conduct, before on-boarding covering issues with regard to legal compliances, ethics & integrity, enhance eco-efficiencies, health and safety initiatives etc. Company is also developing suppliers through cluster approach of mutual learning for sustainability, quality & business excellence. Continuous engagement with suppliers is ensured through supplier meets, business reviews, multiple training sessions & two-way interactive Global Vendor portal (GVP) encouraging procure to pay (P2P) digital transactions. To motivate the suppliers to take the sustainability agenda on priority, performing suppliers are recognized & rewarded by enhanced business share & new opportunities.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) *If yes, what steps have been taken to improve their capacity and capability of local and small vendors?*

   In spirit of boosting Make in India & Vocal for local Initiative of the government, we are giving importance to local manufacturing, local market & local supply chain. Under these initiatives, about 78% of our total requirement is sourced from local and small vendors. These suppliers are further supported for skill enhancement & process improvement under HABIT (Havells association for business innovation & transformation). Company also facilitate theses suppliers to get connected with government schemes like LMCS (Lean manufacturing competitiveness scheme) & work in close coordination with concerned govt. bodies for improving productivity, quality, waste elimination , space utilization, capacity & capability enhancements. For sustainable growth, MSME suppliers are facilitated through easy financing and leveraged sourcing of raw materials. Continuous engagements are practiced through Vendor Commitment Meeting (VCM), Vendor Audit, and management reviews & suggestions system to improve business relationship.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   In our commitment to ensuring a greener tomorrow, we at Havells strive to reduce and recycle our waste. We have a strong processes and systems in place which ensures that we minimise generation of waste. Around 93% of our non-hazardous waste is recycled and reused. We also provide E-Waste take-back & recycling services as per the applicable laws and guidelines. All the Domestic waste water generated in our facilities is recycled through the Sewage treatment Plants and treated water is utilized in development of greenbelt and plantation.

Principle 3

1. *Please indicate the Total number of employees.*

   5,781

2. *Please indicate the Total number of employees hired on temporary/contractual/casual basis.*

   9,001

3. *Please indicate the Number of permanent women employees.*

   264

4. *Please indicate the Number of permanent employees with disabilities.*

   2

5. *Do you have an employee association that is recognized by management.*

   No

6. *What percentage of your permanent employees is members of this recognized employee association?*

   Not Applicable.

7. *Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.*

   Nil, there were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. *What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?*

   In Health & Safety related training, a total participation observed from permanent male employee category was 1,878, permanent female category was 100 and workmen category was around 12,793.

   Similarly, in Skill Up-gradation training, participation observed from permanent male category was 2,116, permanent female category was 124 and in workmen category was over 28,200.

100% employees under disabled category were imparted safety & skill up-gradation training.

Principle 4

1. *Has the company mapped its internal and external stakeholders? Yes/No*

   Yes, the company has mapped its internal and external stakeholders.

2. *Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.*

   Yes, the company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3. *Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.*

   We, at Havells India Limited believe in doing business responsibly, considering all dimensions of sustainability. Our social interventions are based on providing a complete holistic support to the people in the community focusing child as a centre point. Delivering our responsibility to the UN sustainable development goals, we have focused on various aspects like Health and Nutrition, Healthcare, Sanitation, Environment, Education, Skill Development, etc.

   Our CSR program started way back in 2005 even when CSR act was not in-force. As a responsible corporate, we strive towards the betterment of environment in which we operate. Our mid-day meal program started with 1,500 children and today serves over 60,000 school children daily. Our WaSH program started in 2013, and has so far reached 500 schools constructing around 4,000 bio-toilets. We started with providing re-usable sanitary napkins to 1,600 school girls and have provided to over 56,000 school girls in FY 2019-20.

   In order to promote education, the company has partnered with BML Munjal Foundation and Ashoka University to provide scholarship to the needy students for their higher education as well as creating infrastructure. With an objective to strengthen the school infrastructure, the company recycles the waste wood across its manufacturing plants and converts them into tables and benches which are donated to government schools in Alwar, Neemrana and Haridwar. During the year, the company donated over 700 sets of tables and benches.

   Under its Chaanv program, the company has planted 3.5 lakh trees in Madhya Pradesh and Rajasthan.

Principle 5

1. *Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?*

   Havells is committed to developing an organizational culture based upon a policy which supports internationally recognized human rights and seeks to avoid human rights abuses. We support the principles contained within the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Core Conventions on Labour Standards. The policy on human rights covers the company, its suppliers and contractors and society at large.

2. *How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?*

   The Company received 1 (one) share holder complaint which was redressed during the financial year 2019-20.

Principle 6

1. *Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.*

   The policies cover the company, Suppliers and Contractors.

2. *Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.*

   Yes, the company has been cautious of the rapidly changing climatic conditions and its impact on the environment and humanity. Company has taken various steps towards delivering its responsibility to combat climate change. Aligning to the Sustainable Development Goal No-7, “Affordable and clean energy” and Goal No -15 “Life on land”. Some of the major steps include, installation of 5.6 MW roof- top solar power plants to harness renewable energy and reducing carbon footprint, massive plantation to sequester the CO_2 and adding value to biodiversity etc.

3. *Does the company identify and assess potential environmental risks? Y/N*

   Yes, the Company has identified and assessed potential environmental risks associated with its business and manufacturing sites.

4. *Does the company have any project related to Clean Development Mechanism? If so, provide details*

thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, the company do not have any project related to Clean Development Mechanism.

5. *Has the company undertaken any other initiatives on –clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.*

   The Company has taken various initiatives on the aspect of clean technology, energy efficiency, renewable energy, etc. Some of the major initiatives includes, roof-top solar power plant of 5.6 MW capacity reducing about 4,560 tons of CO2 annually, Sewage and Effluent treatment plants for recycling waste water, etc. Details of the same can be found in our sustainability reports- https://havells.com/en/discover-havells/sustainability/reports.html

6. *Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?*

   All the Emissions/Waste generated by the company are within the permissible limits given by the regulatory bodies for the said financial year.

7. *Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.*

   Nil

Principle 7

1. *Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:*

   Yes the company is member of various trade and chamber associations as listed below:

   a) Indian Electrical and Electronics Manufacturers Association (IEEMA)

   b) Electric Lamp and Component Manufacturers Association of India (ELCOMA)

   c) Indian Society of Lighting Engineers (ISLE)

   d) Indian Fan Manufacturers Association (IFMA)

   e) Water Quality Association

   f) United Nations Global Compact (UNGC)

2. *Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)*

   No.

Principle 8

1. *Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.*

   Yes, At Havells India Limited we foster our relations with one of our most important stakeholders, i.e. Society. Our commitment to grow sustainable is inclusive of our responsibilities towards various sections of the community.

2. *Are the programmes/projects undertaken through in - house team/own foundation /external NGO/government structures/any other organization?*

   Our CSR philosophy is to contribute towards welfare of society through various initiatives. To make it more impactful we believe in doing things on our own and also through external partners like NGOs, Government bodies, etc.

3. *Have you done any impact assessment of your initiative?*

   No.

4. *What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.*

   Our CSR initiatives started in year 2005 before it was mandated by the law. Our contributions largely lies in the area of nutrition, sanitation infrastructure, menstrual hygiene, environment conservation and education.

   Detailed expenditure of the above said interventions are provided in ANNEXURE-6 of annual report.

5. *Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so*

   Our social sustainability interventions centred on the holistic development of children has resulted in significant positive impacts. Our flagship programme of providing nutritive mid- day meal has helped increase the attendance of children in the schools during the course of years of intervention. The initiative has been operational since 2005, started with serving 1,500 children, at present covers about 60,000 children.

Principle 9

1. *What percentage of customer complaints/consumer cases are pending as on the end of financial year.*

   During the year, we have received 104 complaints relating to minor product defects, of which 17 have already been resolved/ closed and 87 are in the process of being resolved.

2. *Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).*

   Yes, the company display product information on the product label as per applicable rules and guidelines.

3. *Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.*

   During the year we did not receive any such complaints.

4. *Did your company carry out any consumer survey/ consumer satisfaction trends?*

   Yes, we carry out periodic survey for our customers (dealers) to seek the satisfaction level of our dealers using Net Promoter Score (NPS) methodology. We achieved a customer satisfaction score of 63% and average survey undertaken were 12,500/month in FY 2019-20.

Management Discussion and Analysis

Annual Overview and Outlook

It has been a challenging year with several macro headwinds encompassing Industrial, Infrastructure and Real estate market. Slow economic activity and Liquidity challenges impacted the overall demand scenario in the industry. During the year Government undertook certain initiatives like reduction of corporate tax rates, creating a separate corpus for stalled real-estate projects etc. which could have positive impact in the long run.

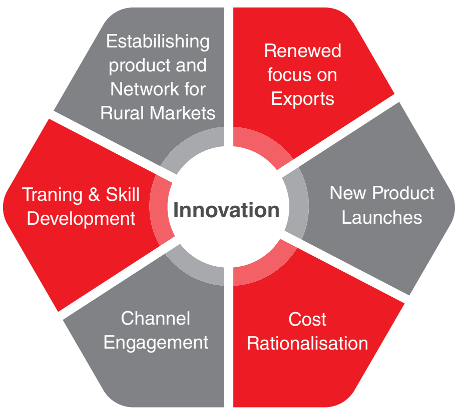
Later part of the year also witnessed an unprecedented outbreak of Corona Virus sending global economies into tizzy, impacting supply chain as well as consumer sentiment. Complete lockdown of the country was unparalleled to any disruption experienced in the past several decades. It is feared that COVID-19 would leave a deep cut in economy and corporate financials.

During the lockdown period the Company accorded paramount priority to Employee health and welfare and ensured that its commitment towards payment to the vendors and work force are duly met. With the help of technology, the respective teams were actively engaged with Customers and Vendors. This period was also utilized to impart trainings covering a wide range of topics related to Product and Processes.

Currently there is uncertainty on pace of recovery, but Management is making sure that the organization remains fully energized during the period and ready to bounce back on the next opportunity.

These disruptions impacted the performance of the Company for the year but still managed to secure industry level growth. The Management expects that these are short term challenges and continues to pursue its long term growth strategy. With a robust Manufacturing base, strong brand affinity and a competent work force we are confident to lead the recovery in a shorter period in post pandemic phase and strive to sustain profitable and industry leading growth.

Several initiatives have been taken with the objective of keeping the organization vibrant and future ready:



Focus has been on Technology and Innovation enabled capacity building, to convert the challenge of digital disruption into an opportunity. Simultaneous work on contemporary and emerging areas has helped us to meet the needs of the consumer of today.

Technology has been adopted across the organization with the objective of simplifying processes, induce analytics-driven decision making to identify emerging trends and create maximum value for all stakeholders.

Strategic Levers: Remain Intact Amidst External Headwinds

(A) Enterprise Business:

Besides macro headwinds, we have been able to significantly improve our relationships with Enterprise and Government customers where we have secured product approvals for sustained business which contributed towards a healthy growth in this category. Besides this, we are also focusing on key government departments like Railways, Airport Authority of India, Metro Rail, Government Housing Projects etc.

The team has successfully expanded our reach in the last one year and is currently working closely with 1,500+ end customer accounts and 1,000+ Architects and Consultants registering ~50% growth in customer base over last year. Specification-led revenue generation model in place to create sustainable pull in the market.

(B) Semi-Urban and Rural:

Almost 70% of population still resides in rural India and a large percentage of national expenditure is incurred in rural markets. Till few years ago it was difficult to cater to this market because access to electricity in rural markets was limited. That was a big constraint for categories like kitchen appliances, building segment, lighting and fans. Recently there has been a significant improvement in power supplies to rural areas. Apart from this, internet penetration created an awareness for good quality products in rural markets. Havells with a large range of electrical products backed by R&D investments and manufacturing capabilities is well placed to capture rural markets. Havells' approach is to focus on consumers in towns with population ranging from 10,000 to 50,000 and delight them with our products and services. We have so far launched building segment, lighting, fans and appliances in these markets last year. We received a decent response from recent launch of fans and appliances. Other than the direct channel reach we could also support customers with our service network in these towns.

Havells now have direct reach in 2000+ Rural towns with a numerical reach of more than 21K outlets. The plan is to reach 3000+ towns in next 18 months

(C) Research & Development:

Over the last couple of years, we have been making a strategic shift towards technology and bringing customer centric value propositions. Our vision is to be recognized as a company with agility to launch innovative products addressing explicit and latent needs of our customers. As a growing Fast-Moving Electrical Goods (FMEG) company we are operating in product portfolios which are characterized by rapid changes in consumer preferences and technological advances. The Company's ability to compete successfully depends heavily upon its ability to ensure a continual and timely flow of competitive products to the marketplace.

Last year, we strategically decided to establish an Innovation hub in the Silicon Valley of India – Bengaluru. The prime objective of the Bengaluru Center is to drive Havells vision of assuming full ownership of the product life cycle management – to incrementally churn customer centric technologically-differentiated innovations to the markets. The center is now fully operational with clear focus on development of 'best in class' core technical competencies and employs 55+ top-notch R&D staff.

During financial year 2019-20, Company accelerated its R&D momentum by increasing 60% more towards central R&D (not including the R&D spend in plant locations). Our R&D expenses that stood at 0.8% of total revenue for FY18-19 have grown to 1.1% of revenue for FY19-20.

(D) Digitization:

Havells has been leveraging latest technologies for the past many years and to further enhance the same, this year we had started to move towards digitization at micro levels. The objective was to leverage the technologies to address and solve the business needs of our channel partners along with digitization of manual and time consuming processes in the current system and provide a digital solution to bring efficiency in day to day business.

(I) Key Initiatives for Channel Partners

- **Implementiation of Software for Scheme Settlement**

  Company has implemented a software keeping in mind the complexity and dynamic structures of primary schemes and the time taken on settlement of these schemes to channel partners through manual process. This module administers, reports and analyses all aspects of complex incentives, price deals & rebates in a very simple and controlled manner. Now through this, we must register the schemes and at the time of settlement, the software automatically calculates the eligibility and benefit to the partner on real time basis. This ensures that there is no delay in scheme settlement to partner with precise calculation of benefit. At present 90% of primary products schemes are auto settled through this module.

- **Digitization of New Channel Partner Registering Process:**

  Online Customer Registration (OCR) was developed keeping in mind the time taken to register a new channel partner through the manual process of documentation and verification. By this online digital process, we have reduced the time taken to register a new channel partner from 15 days to 15 mins. This completely paperless process was developed to help our channel partners quickly initiate their sales transactions with Havells. At present almost 90% of the new registrations are done through this digital process by our employees.

- **Value Additions on Dealer Portal:**

  As an on-going process and the urge to innovate and digitize the dealer portal, Havells has come up with new addition of features that can ease problems of our channel partners. Dealer Portal completes the whole value chain of our dealer business by providing everything from booking an order, making a payment, claim requests, scheme information and sales reports. Havells currently receives 90% of its orders through this online process. Some of the exclusive new features have been briefed below :-

(a) Dealer Claims Request:

With an intent to bring peace of mind to our Channel Partners with their concerns related to claims, we have designed a new feature on dealer portal which allows the channel partner to raise claim digitally on either scheme, products, rate difference or reimbursement. The feature also allows the dealers to track the current status of claims raised. With this functionality channel partners do not have to send mails or worry about the claims status as all the answers are available to them at the click of a button.

(b) Dealer Scheme Settlement Register:

With the help of this new feature on the Dealer Portal our Channel Partners are now equipped with all the information related to schemes at just a click of button. A complete summary of all settled schemes in one file with Month wise/BU wise/ Scheme wise details of the benefit received from the company can be viewed and downloaded for their reference. Channel partners can also get product schemes related information along with the circular from this feature.

(c) **Online Payment Options:**
Channel partners directly associated with us can now make online payments for their outstanding dues from the dealer portal. It allows the dealers to even select the amount that he wants to pay first as per the invoice. Dealers can pay using multiple options provided on the payment gateway and receive an immediate confirmation on the amount paid.

(II) Key Initiatives for Retailers

- **Value Additions on Retailers Sampark App:**
Havells Sampark App is specially designed for our retailers by bringing a digital platform and making it a single point of access for all business related information. Recently we have made new value additions to the app that gives our retailers a next level of access to information and ease of doing business with Havells.

Order Booking:
Havells retailers can now place orders for materials directly through the Sampark app where they have the flexibility to select the channel partner and materials they want to purchase.

Scheme Achievement:
During the scheme period retailers will be able to view his current achievement status and balance to do for the next higher slab in scheme. This allows retailers to constantly keep an eye on his accumulation and tries to achieve the best possible slab in scheme.

Detailed information on points:
With the development of this new feature retailers can view the complete history of points accumulated along with the details of material and points.

(III) Key Initiatives for Influencers

- **Electrician Engagement Program (E-Plus 2.0):**
Havells initiated a new engagement program (E-Plus 2.0) for Electricians with a complete digitized process including the registration, verification, accumulation and redemption of the electricians. The idea behind launching E-plus 2.0 program was to build a personal connect with the Electricians who influence the range of building segment products. Registration of electricians are done by the sales team at branch level through SFA (Sales Force Automation) and electrician's accumulation and redemption is done through an exclusive app for electricians. Since the time we launched the program in July'19 till now we have registered more than 1 lac electricians in E-plus 2.0. The electrician app also features updation of bank details, redemption of points through instant bank transfer, mobile recharge or vouchers from top retail brands.

(IV) Key Initiatives for Employees

- **Montlhy Sales Forecast Portal:**
Monthly sales projection numbers collation and analysis was done as a manual task with data on multiple excel sheets and calculations from Branches and Alternate Channels in different formats. Now we have designed a new website portal which digitally captures all the data in an easy to use format from multiple stakeholders along with last year data which can be referred to fill the monthly sale plan.

- **Havells Dashboard Reports:**
Havells Dashboard has been designed to digitize all the manual reports made by various functions and divisions of the organization in a very interactive Graphical User Interface. We have also developed reports basis multiple cuts on which the data can be analyzed quickly. A single point solution to all business related information can be accessed by all the internal stakeholder basis requirement and current role in company.

- **Saksham – Training and Learning App:**
Saksham mobile app was designed to keep our employees geared and update with continuous knowledge and training on various topics on product related information with features, comparison, USP's and corporate schemes. Around 6000 employees were enrolled in various course modules based on the products they handle. On completion of course a test was also given by the users. All the passing candidates were given a digital certificate for same. The courses and modules are updated regularly to keep the employees updated on new information at all times.

- **Check in – Check out Module:**
A new feature is developed in SFA app for employees where Daily Attendance of In-shop Promoters (ISP) and Demonstrators (ISD) gets digitally registered with check in and check out time i.e. total time spent at the store. This process ensures hygiene in the entire attendance process as it lets us know if the ISP/ISD was present at the outlet during store working hours. We leveraged the SFA app & Geo tagging technology with outlets mapped to get this real-time accurate data. A notification is also sent to their respective managers & dealer in case the ISP/ISD are on leave.

(V) *Key Initiatives - Others*

- **Whatsapp for Business:**
  WhatsApp being one of the most popular form to connect and communicate with people, we have incorporated WhatsApp for Business to communicate with multiple stakeholders like Channel Partners, Employees and Consumers. Multiple queries from various stakeholders like pricelist, product information and any service related queries can be answered using this tool.

Segment Wise Overview

- **Switchgears**
  The Switchgear market growth is impacted due to slow residential and commercial buildings growth. However, our strategy to introduce innovative products and focus on expanding channel foot print has driven market share growth for both our domestic and industrial switchgears. The momentum gained in 2018 in industrial switchgears slowed down during the year owing to liquidity challenges of contractors and dealers, sluggish infrastructure development and muted electrification initiatives in the country. Continuing with our alliance with Hyundai Electric & Energy Systems Co. Ltd., the Company has strengthened its offering in Controlgears in industrial switchgears category, thereby increasing the addressable market and opportunities for Havells both domestically and export.

  Our rural retail outreach initiative helped us to grow our Domestic switch gear business penetration significantly. In line with customer centric focus, Havells continues to invest in R&D, introduce innovative technology driven, operationally efficient products like IOT Alexa operated Switches, Connected Industrial Switchgear range which have received excellent response. Havells R&D has started work on next generation of Circuit Breakers to further expand the market share in B2B market segment.

  The Switchgear division registered net revenues at ₹ 1,498 crores during FY 2019-20 with contribution margins at 38.5% compared to net revenues of ₹ 1,578 crores with contribution margins at 39.8% during FY 2018-19.

- **Cables**
  Cables and Wire industry has faced challenges during the year due to tepid demand from infrastructure, real estate and industrial segment. However, with Government infusing funds in infrastructure projects, implementation of strict RERA norms in real estate and bringing out strong industrial policy to encourage 'Make in India' concept, are likely to open prospects for B2B opportunities in Cables segment. Further, highways and railways infrastructure expansion, increasing the fold of cities under smart city project scheme and push for energy generation will provide much needed impetus to growth.

  We perceive current slowdown and delays in execution of projects as temporary phase, hence to capture future opportunities we have invested in capacity building and new product addition in this segment.

  The Cables division registered net revenues at ₹ 2,994 crores during FY 2019-20 with contribution margins at 16.3% compared to net revenues of ₹ 3,235 crores with contribution margins at 16.1% during FY 2018-19.

- **Lighting and Fixtures**
  Consumer behavior in lighting is changing dramatically. It is expected that consumer will be far more involved in this category. Lighting is now associated with well-being. It can reduce stress levels, soft on eyes for kids & elders, better sleep, aesthetics, better viewing experience, & comfort of usages. Similarly, for B2B customers it can optimize office spaces, better maintenance, productivity enhancement, reduced cost of ownership, smart poles, smart street lights and many other ways lighting can add value.

  Though in long term this business seems to be moving in the right direction however in short term, price erosion, availability of low quality/low price products and time-lag in adaptation of new technology by customers are some of the reasons for subdued growth, especially in B2B business. While in B2C, increase in numerical distribution and rural reach helped in significant volume growth. In last few months we could see some price increases and it is expected that prices in the industry will move upwards or at least will be stabilized. Standardization and regulations are also coming in shape.

  The Lighting and Fixtures division registered net revenues at ₹ 1,131 crores during FY 2019-20 with contribution margins at 28.6% compared to net revenues of ₹ 1,303 crores with contribution margins at 28.1% during FY 2018-19.

- **Electrical Consumer Durables**
  Havells' ECD segment has been focused on bringing consumer centric innovative products backed by technology to stay ahead of competition. Havells launched smart next generation IOT and voice enabled fan 'Carnesia-I'. Apart from this, Havells also launched first in the industry, a 9 stage filtration based air purifiers.

  Seasonal products with superior features helped garner overall growth. Havells is the leading brand in Water Heaters and not only gained market share but also was recognized by Bureau of Energy Efficiency as 'Most Energy Efficient Appliance of the Year' in Water Heater industry. Focus on omni channels especially in Modern Format Retails and E-commerce has helped in categories like Personal Grooming and Small Domestic Appliances. Alkaline based Water Purifiers are also making inroads in a highly competitive category.

Our 'Make in India' focus has helped us in ensuring better quality and consistent supplies. We will be adding capacities in our Water Heaters and Fans categories in coming period.

The Electronic Consumer Durables division registered net revenues at ₹ 2,216 crores during FY 2019-20 with contribution margins at 25.9% compared to net revenues of ₹ 2,096 crores with contribution margins at 26.4% during FY 2018-19.

- **Lloyd Consumer**
  Lloyd is on a journey to become a comprehensive consumer durable brand. The journey has been in line with the expectations barring last couple of quarters where an industry wide disruption has triggered some variations in the short term.

  Hitherto, Lloyd was disproportionately dependent on imports for all its product categories. Increase in customs duty last year and continued weakness in Rupee resulted in increase in product cost both in absolute terms and relative to the competition. Further, the LED TV industry experienced onslaught of cheap products being flooded in the market by few foreign brands which triggered industry wide substantial price corrections. Lloyd being a relatively smaller brand for TVs was impacted significantly. The Company has already done course corrections to adjust to these Industry level changes and is confident that these disruptions do not impact the medium to long term plans.

  There have been several structural improvements in last 2 years, most of which were seeded immediately after acquisition:

  a) In-house manufacturing: Lloyd has recently set-up a highly integrated and automated factory for Air Conditioners which will help improve the supply chain, quality and margins. The in-house manufacturing is in line with the Havells' philosophy of giving differentiated products with high quality standard. This will go in long way to improve the brand image for the consumer and will give confidence to the trade.

  b) Portfolio expansion: Lloyd is expanding its portfolio both vertically and horizontally. There is emphasis on right product laddering, offering wide range of products including premium products. For ACs, Havells will use its own factory and for Washing Machines and TV, the Company will provide tools / moulds to its suppliers in India. The Company also plans to enter Refrigerator category in the coming 6 to 9 months.

  c) LED TV space remains hyper competitive and faces frequent price erosion in the panel prices. The best way to manage such fluid environment is to have good inventory management so that the Company and channel inventory are not high and the carrying costs are in line with the prevailing trends. Lloyd has accordingly shifted its LED sourcing from imports to Indian ODMs / OEMs which will now give flexibility in terms of availability and improved costs.

  d) Network Expansion: Post acquisition, Lloyd has been expanding its distribution reach both in the traditional channel as well as in the modern format retail. Entry into large retail chains has given access to 'A' class counters.

  Lloyd Air conditioner business has performed quite well in the last couple of months owning to renewed confidence of the trade partners supported by:

  - Factory visits by 3,000+ trade partners
  - Faster response to the market
  - Network expansion
  - New product introductions such as high end 'Grande Heavy-duty' Air Conditioner

  The Lloyd Consumer division registered net revenues at ₹ 1,590 crores during FY 2019-20 with contribution margins at 10.6% compared to net revenues of ₹ 1,856 crores with contribution margins at 17.1% during FY 2018-19.

Opportunities and Threats

(A) Infrastructure investment: Union Government's focus on infrastructure development in country is expected to create demand for electrical goods, particularly in products supplied to projects like street lights, cables and switchgears etc. Slowdown in the infrastructure activities may impact the near to mid-term growth prospects.

(B) Favourable demographics: Favourable demographic indicators like urbanisation, increase in disposable income of individuals, aspiration for good quality products, nuclear families etc. are expected to catalyse the growth for electrical goods in mid-to-long term horizon. Change in consumer preferences post COVID-19 may change their behaviours to spend less.

(C) Electricity Penetration: India has seen rapid growth in providing electricity access even in deeper pockets. Government initiatives like metering of houses, focus on reducing transmission loss of electricity and programmes like 'Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) are creating many opportunities in new geographies for supply of electrical products.

Though, any reduction on Government expenditure on electrification might impact the business dynamics of electrical goods industry negatively.

(D) Affordable Housing: Rapid urbanisation and migration to cities has given rise to affordable housing concept in India. Though the pace has been somewhat slow, during last year Government's initiatives like special funding of stressed projects mainly in affordable and mid-income projects are likely to provide impetus in near future. However, continued slowdown in housing sector is likely to soften the demand in affordable housing segment.

(E) Under Penetration: Majority of consumer facing products in India have lower penetration vis-à-vis other emerging countries. It is expected that increase in per capita income and yearning for comfort could lead to exponential rise in penetration in medium to long term time frame. However, under penetration could lead to increased competition which may result in pricing disruption.

Risk and Concerns

(A) Economic slowdown: Slowdown in the Indian economy due to current global developments could adversely impact growth in the short-term.

(B) Slower than Expected Pick-up in Housing: Demand for new housing has been sluggish since couple of years. Continued weak demand for housing could impact demand for electrical goods.

(C) Increase in Competition: Last year witnessed irrational pricing behaviour in market in various product categories. Though the same seems temporary in nature but it could negatively impact the industry for a short period of time.

(D) Non-Availability of Regular and Quality Power: Availability of quality electricity is the key for demand of electrical products, any substantial shortfall in the supply of electricity may hamper growth prospects for the industry.

(E) Pandemic: Deterioration in supply chain and demand due to pandemic such as COVID-19 have emerged as a significant business risk

Key financial ratios:

The key financial ratios are given as below:

Ratio	FY 2019-20	FY 2018-19	Explanation to significant change wherever applicable
Debtors turnover (times)	37.89	23.73	Improvement in ratio is owing to better recovery and lower revenue in last 10 days of March-20
Inventory turnover (times)	5.04	5.25	No significant change
Interest Coverage Ratio (times)	41.05	64.09	Interest cost has remained the same, however lower EBIT has led to change in interest coverage ratio
Current Ratio (times)	1.49	1.51	No significant change
Debt-Equity Ratio (times)	0.01	0.02	Due to reduction in debt, the Debt-Equity ratio has changed favourably
Operating Profit Margin (%)	10.9%	11.8%	No significant change
Net Profit Margin (%)	7.8%	7.8%	No significant change
Return on Net Worth (%)	17.3%	19.9%	Lower profits vis-a-vis last year amidst challenging business environment and COVID-19

Note: For the purpose of calculating interest coverage ratio and operating profit margin, EBIT and EBIDTA have been considered before other income.

Financial Performance

The key highlights of financial performance is as under:

- Total revenue for the FY 2019-20 was ₹ 9,429 crores compared to ₹ 10,068 crores in the previous FY 2018-19
- Earnings before interest, depreciation, tax and amortisation (EBIDTA) for the FY 2019-20 was ₹ 1,027 crores compared to ₹ 1,184 crores in the previous FY 2018-19
- Profit before tax for the FY 2019-20 was ₹ 902 crores compared to ₹ 1,146 crores in the previous FY 2018-19
- Profit after tax for the FY 2019-20 was ₹ 733 crores compared to ₹ 787 crores in the previous FY 2018-19
- During the year, the Company paid an interim dividend of ₹ 4 per equity share.

Human Resources

Driving performance, enhancing employee skill set & engagement has been a continuous focus of Human Resource Strategy at Havells. We have strengthened our processes and brought in strong systems in place to support our objective.

This year we have become a Great Place to Work® organization certified by Great Place to Work® Institute. This Certification is the first step in journey of building a High-Trust, High-Performance Culture™ and we have successfully accomplished this milestone in our maiden attempt.

To strengthen Product Knowledge & Application capabilities of our Field Sales & ISP teams, we have launched Saksham – On The Go Learning portal to support online training and assessment thereby enhancing capabilities. The tool is being extensively used in business and support functions like Service etc. across locations with new content being updated on regular basis to maintain continuity of the learning curve.

In our commitment towards building an eco-friendly & efficient workplace, we have digitalized our various HR processes through e-recruitment, e-appointment letter, e-boarding, e-separation and moved towards a paperless working. This has enhanced process efficiencies with secured and faster transfer of information.

Our Performance Management Process and discussion at various levels has helped employees get developmental feedback. Performance dialogue and Mid-year discussions was encouraged across locations and driven Top-down levels.

At Havells, we ensure that there is full adherence to the Code of Ethics and fair business practices. We provide equal opportunity in all aspects of employment, including retirement, training, work conditions, career progression etc. that reconfirms our commitment that equal employment opportunity is component of our growth and competitiveness. Further, Havells is committed to maintaining a workplace where each employee's privacy and personal dignity is respected and protected from offensive or threatening behavior including violence. The Company had a total of 5,781 permanent employees as on 31st March 2020

Internal Control Systems and Their Adequacy

The Company has robust internal financial controls (IFC) systems, which facilitates 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. 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. The internal control system ensures compliance with all applicable laws and regulations. Our internal control system facilitates in optimum utilization of available resources and protect the interests of all stakeholders.

The Company has a clearly defined Policies, Standard Operating Procedures (SOP), Financial & Operation Delegation of Authority (DOA) and Organizational structure for its business functions to ensure a smooth conduct of its business across the organization. Our ERP system supports in processes standardization and their automation.

SAP GRC (with respect to Access control) has been implemented which also take care of users' conflict relating to Segregation of Duties (SOD). COSO (The Committee of Sponsoring Organizations of the Treadway Commission) framework is considered as a self-benchmarking for Company's Enterprise Risk Management. All legal and statutory compliances are ensured on a monthly basis for all locations in India through a fully automated compliance management tool. Non- compliance, if any, is seriously taken by the Management and corrective actions are taken immediately. Any regulatory amendment is updated periodically in the system.

Risk based Internal audit is performed, basis which significant audit observations and follow up actions thereon are reported to the Sub Audit Committee and Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Company has a system of Internal Business Reviews. All departmental heads discuss their business issues and plans in periodic review meetings. They review their achievements vs. budgets in quarterly review meetings. Specialized issues like production, sales, quality control etc. are discussed in their respective internal committee meetings.

Vigil Mechanism: The Company also has a very strong Whistle blower policy in place under the name "Satark", whereby a forum is available for all Employee(s), business associate(s) engaged with the Company who can report any fraud, irregularity, wrong doing and unethical behavior. The Policy provides that the Company investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld. Any complain 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 www.havells.com

Disclaimer Clause

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Corporate Governance Report

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2020 is presented below:

(1) A BRIEF STATEMENT ON LISTED ENTITY'S PHILOSOPHY ON CODE OF GOVERNANCE

Who we are is defined by what we do and how we do it

This simple philosophy underlines our approach to Corporate Governance. So, if growth is our intention, how we achieve this growth is a part of our Corporate Governance. For us, Corporate Governance goes beyond philanthropy and compliance but actually deals with how we manage our triple bottom lines – economic, social and environmental impacts. It monitors our role as well as the quality of our relationships in key spheres of influence including the workplace, the market place, the supply chain, the community and the public policy realm.

As a Company, we distinguish ourselves in the market by offering a portfolio of ecologically responsible electrical products and services that deliver powerful, sustainable and energy efficient solutions that do not compromise on capacity or security.

Our eco-friendly approach is evident in our efforts to develop an alternate energy strategy so as to reduce the environmental impact from our business. We are equally committed to managing a responsible supply chain in a manner that is consistent and compliant with our high standards for environment and business practices.

We recognise that there are barriers that constrain innovation, both, in individuals and communities and we work to overcome them. We build communities and promote the exchange of ideas through assistive technologies; participative programs and 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 and fifty per cent of the Board of Directors comprises of Non-Executive and Independent Directors. The Chairperson of the Board is an Executive Director. The Board meets at least 4 (Four) times a year and more often if Company needs merit additional oversight and guidance. During the Financial Year 2019-20, 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.

Lead Independent Director

The Independent Directors of the Board had nominated Shri Surender Kumar Tuteja as the Lead Independent Director of the Company. Shri Surender Kumar Tuteja was the Lead Independent Director upto 31st March, 2020. With effect from 1st April, 2020, he ceased to be an independent director due to completion of his tenure. 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.

In the Independent's Director Meeting held on 25th March, 2020, the Independent Directors have appointed Mr. Upendra Kumar Sinha as the Lead Independent Director with effect from 1st April, 2020, from amongst themselves.

(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, 2020, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of the Director		Category
1	Shri Anil Rai Gupta	Promoters	Executive Chairman and Managing Director
2	Shri Surjit Kumar Gupta	Promoters	Non-Executive Non-Independent Director
3	Shri Ameet Kumar Gupta	Promoters	Executive Whole-time Director
4	Shri Rajesh Kumar Gupta	Non-Promoters	Executive Whole-time Director (Finance) and Group CFO
5	Shri Siddhartha Pandit	Non-Promoters	Executive Whole-time Director
6	Shri Vijay Kumar Chopra	Non-Promoters	Independent Director
7	Shri Surender Kumar Tuteja	Non-Promoters	Independent Director
8	Dr. Adarsh Kishore	Non-Promoters	Independent Director
9	Smt. Pratima Ram	Non-Promoters	Independent Director
10	Shri T. V. Mohandas Pai	Non-Promoters	Non-Executive Non-Independent Director
11	Shri Puneet Bhatia	Non-Promoters	Non-Executive Non-Independent Director
12	Shri Vellayan Subbiah	Non-Promoters	Independent Director
13	Shri Jalaj Ashwin Dani	Non-Promoters	Independent Director
14	Shri Upendra Kumar Sinha	Non-Promoters	Independent Director

1. *With effect from 1st April, 2020, Shri Surender Kumar Tuteja, Shri Vijay Kumar Chopra and Dr. Adarsh Kishore ceased to be Independent Directors due to completion of their tenure.*
2. *With effect from 12th May, 2020, Shri Subhash S Mundra, Shri B Prasada Rao and Shri Vivek Mehra were appointed as Additional Directors (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 22nd June, 2020.*

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

Sr. No.	Name of the Director	Attendance in Board Meetings					AGM 27 Jul 19
		29 May 19	27 July 19	23 Oct 19	21 Jan 20	6 Mar 20	
1	Shri Anil Rai Gupta	✓	✓	✓	✓	✓	✓
2	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	✓
3	Shri Ameet Kumar Gupta	✓	✓	✓	✓	✓	✓
4	Shri Rajesh Kumar Gupta	✓	✓	✓	✓	✓	✓
5	Shri Vijay Kumar Chopra	✓	×	✓	✓	✓	×
6	Shri Surender Kumar Tuteja	✓	✓	✓	✓	✓	✓
7	Dr. Adarsh Kishore	✓	✓	✓	×	✓	×
8	Smt. Pratima Ram	✓	✓	✓	✓	✓	✓
9	Shri T. V. Mohandas Pai	✓	✓	✓	✓	×	×
10	Shri Puneet Bhatia	×	×	✓	✓	✓	×
11	Shri Vellayan Subbiah	×	✓	✓	✓	✓	✓
12	Shri Jalaj Ashwin Dani	✓	✓	✓	✓	✓	✓
13	Shri Upendra Kumar Sinha	✓	✓	✓	×	✓	✓
14	Shri Siddhartha Pandit	NA	✓	×	✓	✓	✓

(c) Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31st March, 2020

Sr. No.	Name of the Director	Directorships in Other Board of Directors*	Membership of Committees of Other Boards**	Chairmanship of Committees of Other Boards**
1	Shri Anil Rai Gupta	1	2	1
2	Shri Surjit Kumar Gupta	1	3	0
3	Shri Ameet Kumar Gupta	1	3	0
4	Shri Rajesh Kumar Gupta	1	0	0
5	Shri Siddhartha Pandit	1	0	0
6	Shri Vijay Kumar Chopra	5	8	6
7	Shri Surender Kumar Tuteja	4	10	5
8	Dr. Adarsh Kishore	1	1	1
9	Smt. Pratima Ram	3	6	0
10	Shri T. V. Mohandas Pai	1	0	0
11	Shri Puneet Bhatia	2	2	0
12	Shri Vellayan Subbiah	4	2	0
13	Shri Jalaj Ashwin Dani	3	3	2
14	Shri Upendra Kumar Sinha	3	3	0

Data presented above is after taking into account the disclosures furnished by the continuing Directors in the first Board Meeting of the Financial Year 2020-21.

* *Directorships are reported for listed companies only including Havells India Limited in terms of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The count for the number of listed entities on which a person is a Director / Independent Director is of only those whose equity shares are listed on a Stock Exchange.*

** *Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including Havells India Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.*

Names of the Listed entities where the person is a Director and the category of Directorship as on 31st March, 2020

Sr. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
1.	Shri Anil Rai Gupta	Havells India Limited	Chairman and Managing Director
2.	Shri Surjit Kumar Gupta	Havells India Limited	Non-Executive Non-Independent Director
3.	Shri Ameet Kumar Gupta	Havells India Limited	Whole-time Director
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 Vijay Kumar Chopra	Havells India Limited	Independent Director
		Greenlam Industries Limited	Independent Director
		Future Enterprises Limited	Chairman and Independent Director
		Sheela Foam Limited	Independent Director
		IIFL Finance Limited	Independent Director
7.	Shri Surender Kumar Tuteja	Havells India Limited	Independent Director
		Shree Renuka Sugars Limited	Independent Director
		SML Isuzu Limited	Chairman and Independent Director
		A2Z Infra Engineering Limited	Chairman and Independent Director
8.	Dr. Adarsh Kishore	Havells India Limited	Independent Director
9.	Smt. Pratima Ram	Havells India Limited	Independent Director
		Nandan Denim Limited	Independent Director
		Minda Corporation Limited	Independent Director
10.	Shri T. V. Mohandas Pai	Havells India Limited	Non-Executive Non-Independent Director
11.	Shri Puneet Bhatia	Havells India Limited	Non-Executive Non-Independent Director
		Shriram Transport Finance Company Limited	Non-Executive Non-Independent Director

Sr. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
12.	Shri Vellayan Subbiah	Havells India Limited	Independent Director
		SRF Limited	Independent Director
		Tube Investments of India Limited	Managing Director
		Shanthi Gears Limited	Non-Executive Non-Independent Director
13.	Shri Jalaj Ashwin Dani	Havells India Limited	Independent Director
		Hitech Corporation Limited (Hitech Plast Limited)	Non-Executive Non-Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	Independent Director
14.	Shri Upendra Kumar Sinha	Havells India Limited	Independent Director
		Vedanta Limited	Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	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 continuing Directors in the first Board Meeting of the Financial Year 2020-21.*

(d) Number of Meetings of the Board of Directors held and dates on which held

During the Financial Year 2019-20, 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://www.havells.com/en/aboutus/corporate-governance.html

(h) Skills/ Expertise/ Competence of the Board of Directors including the areas as identified by the Board in the Context of the Company's Business

The Company is a Fast Moving Electrical Goods (FMEG) Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- Overseeing the development and implementation of Risk Management/ GRC tools;
- Management and strategy of the Information Technology function; and
- Human Resources Management.

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.

Expertise/ Skill of Directors

Sr. No.	Name of the Director	Expertise/ Skill
1.	Shri Anil Rai Gupta	Strategic Marketing, Brand transformation and Finance.
2.	Shri Surjit Kumar Gupta	Technical planning and foreign alliances.
3.	Shri Ameet Kumar Gupta	Business development, spearheading new projects.
4.	Shri Rajesh Kumar Gupta	Finance and allied fields, 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 Vijay Kumar Chopra	Finance & Banking matters.
7.	Shri Surender Kumar Tuteja	Administrative reforms and strategy, new technologies and innovations.
8.	Dr. Adarsh Kishore	Administrative reforms and strategy, financial reforms.
9.	Smt. Pratima Ram	Investment Banking, Corporate Advisory and Project Appraisal.
10.	Shri T. V. Mohandas Pai	IT reforms, Human Resources, Education & Research, Social Reforms and betterment of the nation in areas of Trade and Industry.
11.	Shri Puneet Bhatia	Strategic private equity investment and Business Management.
12.	Shri Vellayan Subbiah	Technology matters and Business Administration.
13.	Shri Jalaj Ashwin Dani	Supply Chain, Human Resources, Corporate Quality and Safety Functions, Advanced Management and Skill Development.
14.	Shri Upendra Kumar Sinha	Asset Management, Securities Laws, Corporate Governance, Banking, Finance Foreign Investment, Corporate Bond Management and Investor Protection and employee retirement planning.

(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 2020-21, 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.

Separate Meeting of the Independent Directors

In terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company is held every financial year, whereat the following prescribed items are discussed:

a) Review of performance of Non-Independent Directors and the Board as a whole;

b) Review of performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;

c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In respect of the Financial Year 2019-20, the Independent Directors met separately on 25th March, 2020 without the presence of any Non-Independent Director or representatives of management and discussed the aforesaid Items.

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 updated by the Board of Directors on 21st January, 2020 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

The full text of the Code is available on the website of Company under 'Codes & Policies' in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

For the purpose of monitoring the Policy, the Company uses a system-based software through which reports and analytics are made available based on the criteria defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Subsidiary

During the Financial year 2019-20, the Hon'ble NCLT (National Company Law Tribunal), vide its Order dated 31st January, 2020, approved the Scheme of Amalgamation of the domestic wholly-owned subsidiaries of the Company, namely, Havells Global Limited, Standard Electrical Limited, Lloyd Consumer Private Limited and Promptec Renewable Energy Solutions Private Limited with Havells India Limited. The Appointed Date for the Merger was 1st April, 2018 and the Order became effective upon its filing with the ROC on 7th February, 2020.

Besides, the Company has 2 (Two) Subsidiary Companies which are incorporated outside India.

Please refer to the Directors' Report for further details regarding subsidiaries.

The Board has approved a "Policy for determining Material Subsidiaries" of the Company viz. Havells India Limited and the same is available on the website of the Company under 'Codes & Policies' in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

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

The Minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

Related Party Transactions

The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions and the same was last reviewed by the Board of Directors on 22nd January, 2019.

The Policy is available on the website of the Company under 'Codes & Policies' in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

The shareholders of the Company vide Special Resolution passed on 9th June, 2014 approved per annum limits (beginning 1st April, 2014) for certain Related Party Transactions of the Company.

Within the permissible limits under the Companies Act, 2013 and/ or shareholder approved limits, the Audit Committee and Board approve the annual limits for related party transactions projected for the next financial year.

Further, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

(3) AUDIT COMMITTEE

(a) Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

(i) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

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

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

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;

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

(vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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 or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

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

(viii) approval or any subsequent modification of transactions of the Company with related parties;

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

(x) valuation of undertakings or assets of the Company, wherever it is necessary;

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

(xii) reviewing, with the management, performance of statutory and internal auditors,

(xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) discussion with internal auditors of any significant findings and follow up thereon;

(xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

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

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

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

(xxi) reviewing the 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) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, from time to time.

The Audit Committee has been granted powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee also mandatorily reviews the information as specified in the SEBI Regulations –management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, submitted by management, management letters / letters of internal control weaknesses issued by the statutory auditors, if any, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.

(b) Composition, Name of Members and Chairperson

The Audit Committee comprises of 4 (Four) Non-Executive Directors as Members. All Members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal/Statutory Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2020, is given below:

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

1. *With effect from 1st April, 2020, Shri Surender Kumar Tuteja and Shri Vijay Kumar Chopra ceased to be Independent Directors due to completion of their tenure.*

2. *With effect from 12th May, 2020, Shri Upendra Kumar Sinha and Shri Subhash S Mundra were inducted as Members of the Audit Committee and Shri Upendra Kumar Sinha was appointed as the Chairman of Audit Committee.*

(c) Meetings and attendance during the year

Sr. No.	Name	Attendance in Audit Committee Meetings held on				
		28 May 19	27 Jul 19	7 Oct 19	23 Oct 19	21 Jan 20
1	Shri Surender Kumar Tuteja	✓	✓	✓	✓	✓
2	Shri Vijay Kumar Chopra	✓	×	✓	✓	✓
3	Smt. Pratima Ram	✓	✓	✓	✓	✓
4	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓

(4) NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of terms of reference

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the ESOP/ ESPS Plans of the Company namely - Havells Employees Long Term Incentive Plan 2014, Havells Employees Stock Purchase Scheme 2015 and Havells Employees Stock Purchase Scheme 2016.

(b) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on 31st March, 2020, is given below:

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

1. *With effect from 1st April, 2020, Shri Surender Kumar Tuteja and Shri Vijay Kumar Chopra ceased to be Independent Directors due to completion of their tenure.*
2. *With effect from 12th May, 2020, Shri Vellayan Subbiah, Smt. Pratima Ram and Shri Vivek Mehra were inducted as Members of the Nomination and Remuneration Committee and Shri Vellayan Subbiah was appointed as the Chairman of Nomination and Remuneration Committee.*

(c) Meeting and attendance during the year

Sr. No.	Name	Attendance in Nomination and Remuneration Committee Meetings held on	
		28 May 19	31 Mar 20
1	Shri Vijay Kumar Chopra	✓	✓
2	Shri Surender Kumar Tuteja	✓	✓
3	Shri Surjit Kumar Gupta	✓	✓

(d) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(5) REMUNERATION OF DIRECTORS

(a) Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity

None, except for the Sitting Fee or the payment of Commission to Non-Executive Directors (except for promoter director).

(b) Criteria of making payments to Non-Executive Directors

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company https://havells.com/en/aboutus/corporate-governance.html 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 ₹ 10 lakhs per annum in addition to the fee payable to such Directors for attending the Board and other Meetings or reimbursement of expenses, if any.

The remuneration to the Managing Director and Whole-time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting.

(c) Disclosures with respect to Remuneration

(i) Details of remuneration/ sitting fees paid to Directors during the Financial Year 2019-20 are given below:

(₹ in lakhs)

Sr. No.	Name of Director	Service Term	No. of shares allotted/ transferred under ESPS	Sitting Fee (A)	Salary (B)	Perks (C)	Commission (D)	Total (A+B+C+D)
1	Shri Anil Rai Gupta* (Chairman and Managing Director)	1-4-19 to 31-3-24	0	NA	604.95	0.40	1155.29	1760.64
2	Shri Ameet Kumar Gupta** (Whole-time Director)	1-1-20 to 31-12-24	0	NA	238.71	0.40	462.12	701.23
3	Shri Rajesh Kumar Gupta** (Whole-time Director (Finance) and Group CFO)	1-4-20 to 31-3-25	1,00,000	NA	524.31	0.40#	462.12	986.83
4	Shri Surjit Kumar Gupta	-	0	NA	-	-	-	-
5	Shri Siddhartha Pandit ## (Whole-time Director)	29-5-19 to 28-5-22	1,035	NA	76.13	-#	-	76.13
6	Shri Vijay Kumar Chopra	-	0	4.50	-	-	10.00	14.50
7	Shri Surender Kumar Tuteja	-	0	7.20	-	-	10.00	17.20
8	Dr. Adarsh Kishore	-	0	3.30	-	-	10.00	13.30
9	Smt. Pratima Ram	-	0	5.40	-	-	10.00	15.40
10	Shri T. V. Mohandas Pai	-	0	2.40	-	-	10.00	12.40
11	Shri Puneet Bhatia	-	0	1.80	-	-	10.00	11.80
12	Shri Vellayan Subbiah	-	0	3.30	-	-	10.00	13.30
13	Shri Jalaj Ashwin Dani	-	0	3.90	-	-	10.00	13.90
14	Shri Upendra Kumar Sinha	-	0	3.30	-	-	10.00	13.30

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

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

Shri Siddhartha Pandit was appointed as a Whole-time Director w.e.f. 29-05-2019.

 # Excluding the value of shares i.e. ₹ 733.90 lakhs exercised by Shri Rajesh Kumar Gupta and ₹ 3.15 lakhs exercised by Shri Siddhartha Pandit during the Financial Year 2019-20 under the employees stock purchase plans of the Company.

(ii) Service contracts, notice period, severance fees:

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

During the Financial Year 2019-20, 1,00,000 Equity Shares of Re. 1/- each were allotted under Havells Employees Stock Purchase Scheme 2015 to Shri Rajesh Kumar Gupta and 1,035 Equity Shares of Re. 1/- each were allotted under Havells Employees Stock Purchase Plan 2014 to Shri Siddhartha Pandit.

(6) STAKEHOLDERS RELATIONSHIP / GRIEVANCE REDRESSAL COMMITTEE

The terms of reference and the ambit of powers of Stakeholders Relationship / Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee which meets at quarterly intervals.

(a) Name of Non-Executive Director heading the committee

Dr. Adarsh Kishore, Non-Executive Independent Director was the Chairman of the Stakeholders Relationship / Grievance Redressal Committee until 31st March, 2020. With effect from 12th May, 2020, Shri Upendra Kumar Sinha chairs the Stakeholders Relationship / Grievance Redressal Committee.

The Stakeholders Relationship / Grievance Redressal Committee comprises 4 (Four) members of which, 3 (Three) are Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship / Grievance Redressal Committee as on 31st March, 2020, is given below:

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

1. *With effect from 1st April, 2020, Dr. Adarsh Kishore and Shri Surender Kumar Tuteja ceased to be Independent Directors due to completion of their tenure.*
2. *With effect from 12th May, 2020, Shri Upendra Kumar Sinha, Shri Jalaj A Dani and Shri Ameet Kumar Gupta were inducted as Members of the Stakeholders Relationship/ Grievance Redressal Committee and Shri Upendra Kumar Sinha was appointed as the Chairman of Stakeholders Relationship/ Grievance Redressal Committee. Shri Anil Rai Gupta and Shri Surjit Kumar Gupta ceased to be the Members w.e.f 12th May, 2020.*

(b) Name and designation of compliance officer

Shri Sanjay Kumar Gupta, 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 2019-20 is given below:

(i) Number of shareholders' complaints received – 1

(ii) Number of shareholders' complaints resolved – 1

(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, 2020, no complaint was pending unresolved.

(f) Meetings and attendance during the year

During the Financial Year 2019-20, the Stakeholders Relationship/ Grievance Redressal Committee met once on 29th May, 2019 which was attended by all the Members of the Committee.

Besides the above, the Board of Directors has Corporate Social Responsibility (CSR) Committee, Enterprises Risk Management Committee, Share Allotment and Transfer Committee and an Executive Committee. In respect of these Committees brief details of the role, terms of reference, composition and No. of meetings held etc. are given below:

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(a) Brief description of terms of reference

The Corporate Social Responsibility Committee was formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company under 'Codes & Policies' in the Corporate Governance section and can be accessed from https://havells.com/en/aboutus/corporate-governance.html

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

(b) Composition, Name of Members and Chairperson

The Corporate Social Responsibility Committee comprises of 5 (Five) members of which 3 (Three) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on 31st March, 2020, is given below:

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

1. *With effect from 1st April, 2020, Shri Surender Kumar Tuteja and Dr. Adarsh Kishore ceased to be Independent Directors due to completion of their tenure.*
2. *With effect from 12th May, 2020, Shri Jalaj A Dani and Shri B Prasada Rao were inducted as Members of the CSR Committee and Shri Jalaj A Dani was appointed as the Chairman of CSR Committee.*

(c) Meeting and attendance during the year

Sr. No.	Name	Attendance in Corporate Social Responsibility Committee Meetings held on		
		29 May 19	23 Oct 19	21 Jan 20
1	Shri Vellayan Subbiah	×	✓	✓
2	Shri Surender Kumar Tuteja	✓	✓	✓
3	Dr. Adarsh Kishore	✓	×	×
4	Shri Anil Rai Gupta	✓	✓	✓
5	Shri Rajesh Kumar Gupta	✓	✓	✓

ENTERPRISES RISK MANAGEMENT COMMITTEE

The role of the Enterprises Risk Management Committee is to identify the risks impacting the Company's business and formulate and administer policies/ strategies aimed at risk minimization and risk mitigation as part of risk management.

The Committee is chaired by a Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary to the Enterprises Risk Management Committee. The Composition of Enterprises Risk Management Committee as on 31st March, 2020, is given below:

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

With effect from 12th May, 2020, Shri T.V. Mohandas Pai and Shri Jalaj A Dani were inducted as Members of the ERM Committee.

The Enterprises Risk Management Committee met on 12th May, 2020 within the time frame provided vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26th March, 2020. The Meeting was attended by all the Members of the Committee.

SHARE ALLOTMENT AND TRANSFER COMMITTEE

The Share Allotment and Transfer Committee meets regularly to consider requests of share transfer/ transmission/ transposition/ split/ consolidation / sub-division / duplicate share certificate etc. and also to take note of the investor grievances. The summary of number of requests/ grievances received and resolved in every quarter is also placed before the Stakeholders Relationship / Grievance Redressal Committee for its information and review.

The Committee comprises of 1 (One) Non-Executive Director and 2 (Two) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Share Allotment and Transfer Committee. The Composition of Share Allotment and Transfer Committee as on 31st March, 2020, is given below:

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

During the Financial Year 2019-20, the Share Allotment and Transfer Committee met 5 (Five) 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, 2020, is given below:

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

During the Financial Year 2019-20, the Executive Committee met 17 (Seventeen) times.

(7) GENERAL BODY MEETINGS

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

Date of AGM	Location	Time
27th July, 2019	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110003	10:00 a.m.
20th July, 2018	Kamani Auditorium, 1, Copernicus Marg, New Delhi - 110001	10:00 a.m.
7th July, 2017	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110003	10:00 a.m.

(b) Whether any Special Resolutions passed in the previous Three Annual General Meetings:

Date of AGM	Details of Special Resolutions passed, if any
27th July, 2019	Nil
20th July, 2018	1. 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. 2. Re-appointment of Smt. Pratima Ram (DIN:03518633) as an Independent Director for a Second Term. 3. Re-appointment of Shri T. V. Mohandas Pai (DIN:00042167) as a Director for a Second Term. 4. Re-appointment of Shri Puneet Bhatia (DIN:00143973) as a Director for a Second Term. 5. Amendment to Main Object Clause of the Memorandum of Association.
7th July, 2017	Nil

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

Nil

(d) Person who conducted the postal ballot exercise:

Not Applicable

(e) Special Resolution proposed to be conducted through postal ballot

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

(8) 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 both English and Hindi Daily editions.

(c) Website, where displayed

The financial results and the official news releases are also placed on the Company's website www.havells.com in the investor relations section 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.

(9) GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting - Date, Time and Venue

Day	:	Monday
Date	:	22nd June, 2020
Time	:	10:00 a.m.
Mode	:	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) Company's Registered Office i.e. 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110001 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 ₹ 4 per equity share of Re. 1/- each i.e. @400 % during the Financial Year 2019-20. Payment of dividend was done within 30 days from date of declaration i.e. 6th March, 2020.The Board has not recommended a final dividend and the interim dividend of ₹ 4/- per equity share declared by the Board on 6th March, 2020 shall be considered as the final dividend for the Financial Year 2019-20. Thus, the total dividend for the Financial Year 2019-20 remains ₹ 4/- per equity share of Re.1/- each.

(d) Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)

The equity shares of the Company are listed at:

- The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The annual listing fee for the Financial Year 2020-21 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 2019-20 are as under:

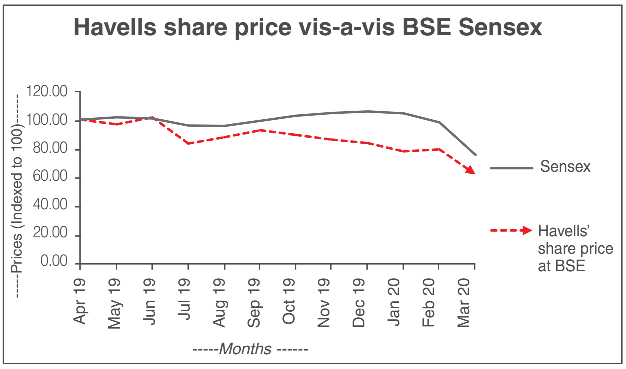
(Amount in ₹)

Period	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr 2019	783.00	738.50	1,83,46,053	782.70	739.10	31,36,995
May 2019	778.85	709.20	3,76,98,537	779.90	709.30	17,66,037
Jun 2019	806.85	743.45	2,22,40,226	806.90	744.15	9,05,267
Jul 2019	797.50	622.65	3,89,58,077	798.90	623.50	19,48,635
Aug 2019	687.00	623.25	2,90,01,726	686.70	623.40	11,48,060
Sep 2019	765.75	627.70	2,53,00,550	765.10	627.40	12,27,744
Oct 2019	731.80	650.00	2,76,58,352	731.50	650.60	9,28,932
Nov 2019	717.25	636.00	2,44,01,137	717.40	636.80	7,09,404
Dec 2019	676.70	631.10	1,94,69,928	676.40	631.00	6,52,769
Jan 2020	665.65	588.30	4,94,52,434	665.50	588.50	30,35,598
Feb 2020	652.70	585.50	3,61,08,631	656.00	586.00	29,06,480
Mar 2020	647.80	458.05	4,11,68,184	647.40	458.30	34,99,674

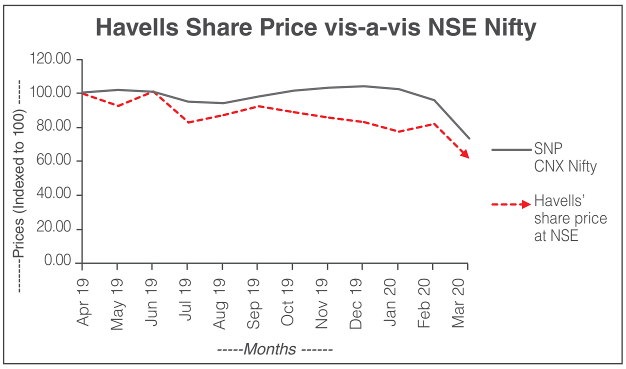
(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchanges.

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



Note: The graph indicates monthly closing positions. Share prices and BSE are indexed to 100 as on 1st April.



Note: The graph indicates monthly closing positions. Share prices and NSE Nifty are indexed to 100 as on 1st April.

(h) In case the securities are suspended from trading, the directors report shall explain the reason thereof

Not applicable.

(i) Registrar to an issue and share transfer agents

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058
Telephone: 011-41410592,93,011-49411000
Fax: 011-41410591
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

(j) Share transfer system

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

In terms of the amendment carried out during last Financial Year in Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 transfer of securities were to be carried out in dematerialized form only with effect from 1st April, 2019.

In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/her.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

(k) Distribution of shareholding as on 31st March, 2020

Shareholding of Nominal Value of Re.1/- each	Shareholders (Numbers)	% of Total Share Holders	No. of Shares	Nominal Value (in Rs.)	% of Nominal Value
Upto 5,000	1,36,824	98.65	2,59,71,797	25,971,797	4.15
5,001 - 10,000	906	0.66	66,64,648	66,64,648	1.06
10,001 - 20,000	351	0.25	51,26,626	51,26,626	0.82
20,001 - 30,000	144	0.10	35,90,231	35,90,231	0.57
30,001 - 40,000	76	0.05	26,93,223	26,93,223	0.43
40,001 - 50,000	51	0.04	22,86,563	22,86,563	0.37
50,001 - 1,00,000	104	0.08	73,68,013	73,68,013	1.18
1,00,001 & Above	239	0.17	57,21,01,733	57,21,01,733	91.42
GRAND TOTAL	**1,38,695**	**100.00**	**62,58,02,834**	**62,58,02,834**	**100.00**

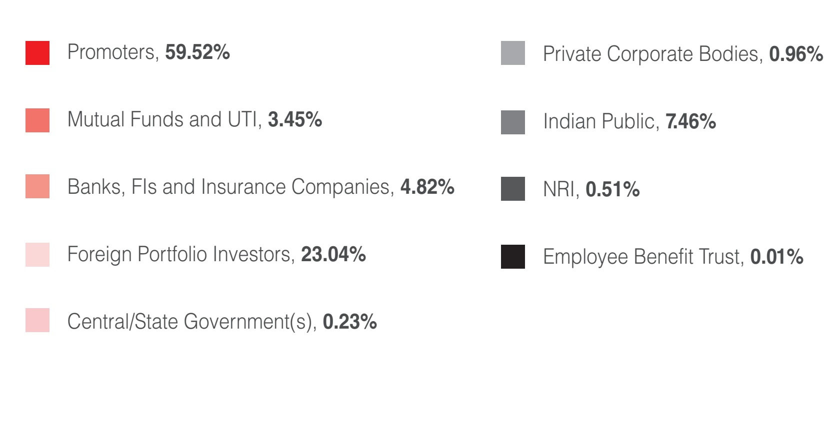
Ownership Pattern as on 31st March, 2020

Category	No. of Shareholders	No. of Shares Held	% of Total Holding
Promoters			
Indian Promoters	4	37,24,57,920	59.52
Non Promoters			
Institutional Investors			
Mutual Fund and Alternative Investment Funds	96	2,15,87,455	3.45
Foreign Portfolio Investors	480	14,41,59,365	23.04
Bank, Financial Institutions and Insurance Companies	64	3,01,78,394	4.82
Central Government / State Government(s)	3	14,60,996	0.23
Non-Institutions			
Indian Public*	1,31,774	4,67,32,171	7.46
NRI	4,999	31,89,812	0.51
Bodies Corporate	1,274	59,94,761	0.96
Non Promoter Non Public			
Employee Benefit Trust	1	41,960	0.01
GRAND TOTAL	**1,38,695**	**62,58,02,834**	**100.00**

**Indian Public shareholding includes shareholdings of individuals, shares with IEPF Authority, Trust, HUF, Unclaimed Suspense A/c, and Clearing Members.*

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchanges as at 31st March, 2020, wherein the Shareholding is consolidated on the basis of PAN in terms of SEBI Circular dated 19th December, 2017.

Ownership Pattern as on 31st March 2020



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2020

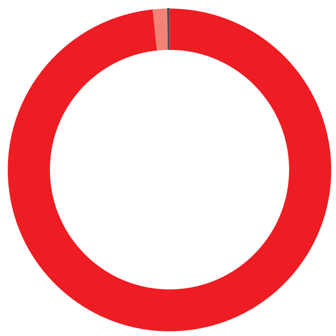
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Shareholding
1.	Nalanda India Equity Fund Limited	3,30,44,930	5.28
2.	Life Insurance Corporation Of India	2,36,60,333	3.78
3.	Government Pension Fund Global	1,21,68,461	1.94
4.	Mirae Asset Large Cap Fund	93,50,528	1.49
5.	Smallcap World Fund, Inc	63,64,000	1.02
	TOTAL	**8,45,88,252**	**13.52**

(I) 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, 2020, 62,43,76,502 Equity shares out of 62,58,02,834 Equity Shares of the Company, forming 99.77% 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, 2020		As on 31st March, 2019	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form	**62,43,76,502**	**99.77**	**62,37,57,743**	**99.73**
NSDL	61,54,10,656	98.34	61,65,84,618	98.58
CDSL	89,65,846	1.43	71,73,125	1.15
Shares in Physical Form	**14,26,332**	**0.23**	**17,15,167**	**0.27**
TOTAL	**62,58,02,834**	**100.00**	**62,54,72,910**	**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, 2020.

(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	NH-31, Dara Kahara (Bhahkajan) Mouza Madartoal, Kamrup, Assam	Electrical wire Accessories and Switchgears
4	14/3, Mathura Road, Faridabad, Haryana	Switchgears
5	Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)	Switchgears and Capacitors
6	SP-181 – 189 & 191(A) Industrial Area, Phase II, Neemrana, Alwar, Rajasthan	Motor and Pump Lighting & Fixture, Water Heater and Water Cooler
7	A/461-462, & SP – 215, 204 & 204(A) Matsya Industrial Area, Alwar, Rajasthan	Industrial & Domestic Cable
8	Plot No. 2A, Sector - 10, SIDCUL Industrial Area, Haridwar, Uttarakhand	Fan
9	SP1-133, Rico Industrial Area, Behror, Ghiloth, Alwar, Rajasthan-301706	Air Conditioner

(p) Address for correspondence

The Company Secretary
Havells India Limited
(Secretarial Department)
QRG Towers, 2D, Sector – 126,
Expressway, Noida – U.P.
Pin – 201304
Telephone No.: 0120 – 3331000
Fax No.: 0120 – 3332000
Email: investors@havells.com

Address for Correspondence with the Registrar and Transfer Agents

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058
Telephone: 011-41410592,93, 011-49411000
Fax: 011-41410591
Email: delhi@linkintime.co.in

(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The Company has obtained the following Credit Ratings from CARE:-

Long-term Financial Facilities	CARE AAA (Triple A)
Short-term Financial Facilities	CARE A1+ (A One Plus)
Corporate Governance	CARE CGR 2+ (Two Plus)

The details on credit ratings are provided in the Directors Report and are also available on the website of the Company in the Investor Relations section and can be accessed at https://www.havells.com/en/discover-havells/investor-relation/credit-rating.html

During the year ended 31st March, 2020, there was no change in the above ratings by CARE.

(10) OTHER DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the Financial Year 2019-20, 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. 34(8) 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://www.havells.com/en/aboutus/corporate-governance.html

No person has been denied access to the Audit Committee for any grievance.

The Company has in addition to Whistle Blower Policy also adopted a policy named 'Idea' to promote a culture of innovative thinking, creativity and vigilance in all areas of its business. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspect that may benefit the Company.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(f) Web link where policy on dealing with related party transactions

The policy on dealing with related party transactions is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(g) Disclosure of commodity price risks and commodity hedging activities

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this

Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

Policy on Foreign Exchange Risk and Commodity Price Risk alongwith Foreign Currency exposure is given under Note No. 34(12) 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 31st March, 2020, M/s MZ & Associates, Company Secretaries (Membership No. FCS 9184, CP No. 13875), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/ MCA or any such authority.

(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 Fees (incl. Tax Audit Fee)	1.40
Certification Fee	0.05
Reimbursement of expenses	0.09
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 of during the financial year – 0

c. number of complaints pending as on end of the financial year – 0

(11) DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

(a) The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a Non-Executive Chairperson is not applicable.

(b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website 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 CEO: Presently, Shri Anil Rai Gupta is the Chairman and Managing Director of the Company. He is also the CEO of the Company.

(e) Reporting of Internal Auditor: The Company has appointed KPMG as the Internal Auditors for conducting the internal audit, representatives whereof report to the Head, Risk Management and Governance Department who reports to the Director (Finance) and Group CFO and has direct access to the Audit Committee.

(12) DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

Declaration pursuant to

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2020.

Anil Rai Gupta
Chairman and
Managing Director

Delhi, May 12, 2020

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 2,10,100 Equity Shares of Re. 1/- each in respect of 30 Shareholders, lying into one folio, namely, the Unclaimed Suspense A/c and in the demat account held with NSDL (IN30045014669162).Further, the dividend accruing on such Shares was also credited to Unpaid Dividend Account.

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year –31 (No. of shareholders) 2,12,100 (No. of shares) respectively.

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year –1 (No. of shareholders) 2,000 (No. of shares) respectively.

(c) Number of shareholders to whom shares were transferred from suspense account during the year –1 (No. of shareholders) 2,000 (No. of shares) respectively.

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year –30 (No. of shareholders) 2,10,100 (No. of shares) respectively.

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

OTHER USEFUL INFORMATION FOR SHAREHOLDERS

ECS Facility

The Company provides facility of "Electronic Clearing Service" (ECS) for payment of dividend to its shareholders. ECS facility assists in quick remittance of dividend without possible loss/delay in postal transit. Shareholders holding shares in physical form are requested to provide details of their bank account for availing ECS facility. However, if the shares are held in dematerialized form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

Pursuant to SEBI circular dated 20th April, 2018, the Company had in the year 2018 sent a letter through its RTA along with KYC form followed by 2 (Two) reminders to the shareholder requesting them to submit their PAN and Bank Account details for updation of their data in Company records. Further, pursuant to BSE circular dated 5th July, 2018 information about transfer of shares in demat mode was also intimated to the shareholder who are holding shares of the company in physical mode.

Update Emails for receiving notice/ documents in e-mode

The shareholders who have not registered their email addresses with the Company are requested to kindly register their email addresses with the Company in the Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

In line with the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, your Company is sending the Notice calling the AGM along with the Annual Report to the shareholders in electronic mode at their email addresses.

Encash Dividend Promptly

The shareholders are advised to encash their dividend promptly to avoid hassles of revalidation or losing right to claim dividend owing to transfer of unclaimed dividends beyond seven years to the Investor Education and Protection Fund.

Unpaid Dividend

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of seven years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

Unclaimed Dividend in respect of the Financial Year 2012-13 will be due for transfer to Investor Education and Protection Fund on 11th August, 2020 in terms of Section 124 of the Companies Act, 2013. Members who have not encashed their Dividends for the financial year ended 31st March, 2013 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, 2013, it will not be possible to entertain claims which are received by the Company after 11th August, 2020. Members are advised that in terms of the provisions of Section 124(5) of the Companies Act, 2013, once unclaimed dividend is transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for refund with the IEPF authority by making an application in the prescribed Form alongwith fee.

Financial Year	Dividend Type	Dividend Per Share (Rs.)	Date of Declaration	Due date of transfer to IEPF
2012-13	Final	7.50	05.07.2013	11.08.2020
2013-14	Interim	5.00	14.03.2014	20.04.2021
2013-14	Final	10.00	09.07.2014	15.08.2021
2014-15	Final	3.00*	13.07.2015	19.08.2022
2015-16	Interim	3.00	03.02.2016	12.03.2023
2015-16	Final	3.00	13.07.2016	19.08.2023
2016-17	Final	3.50	07.07.2017	14.08.2024
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

**During the Financial Year 2014-15, the Equity Shares of the Company, which were of the face value of ₹ 5/- each, were sub-divided into 5 Equity Shares of Re. 1/- each.*

Dematerialization of Shares

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/ misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

The Company periodically sends communications to all those Shareholders of the Company who have not yet dematerialized their physical share certificates, outlining the procedure for dematerialization and benefits thereof.

Transfer / Transmission / Transposition of Shares

The Securities and Exchange Board of India (SEBI) amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 informing that transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository with effect from 1st April, 2019.

Any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized.

The said amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders) cases.

In terms of the relevant SEBI circulars, a copy of the PAN Card is to be furnished to the Company in the following cases:

- deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;
- transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder; and
- transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders.

Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests.

Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

Nomination Facility

Provision of Section 72 of the Companies Act, 2013 read with rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/ successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective DPs.

Update your Correspondence Address / Bank Mandate / Email Id

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address / bank details / email Id instantly by written request under the signatures of sole/ first joint holder.

Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details / address / email Id directly with their respective DPs.

Quote Folio No. / DP ID No.

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their Email IDs, Contact / Fax numbers for prompt reply to their correspondence.

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

Anil Rai Gupta
Delhi, May 12, 2020 Chairman and Managing Director

CEO'S/CFO'S CERTIFICATE

We, Anil Rai Gupta, Chairman and Managing Director and Rajesh Kumar Gupta, Director (Finance) and Group CFO of Havells India Limited, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 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
Delhi, May 12, 2020

For **Havells India Limited**

(Rajesh Kumar Gupta)
Director (Finance) and Group CFO

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Havells India Limited
Havells India Limited
QRG Tower, 2D, Sector 126,
Noida -Greater Noida Expressway
Noida, Uttar Pradesh - 201304

1. The Corporate Governance Report prepared by Havells India Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, 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 ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

    i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

    iii. Obtained and read the Register of Directors as on March 31,2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31,2020:

(a) Board of Directors;

(b) Audit Committee;

(c) Annual General Meeting (AGM)

(d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee;

(f) Risk Management Committee

v. Verified the fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. Obtained necessary declarations from the directors of the Company.

vii. Obtained and read the policy adopted by the Company for related party transactions.

viii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra
Partner
Membership Number: 094421
UDIN: 20094421AAAABO2772
Place of Signature: New Delhi
Date: May 12, 2020

Independent Auditor's Report

To the Members of Havells India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Havells India Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Ind AS 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 standalone 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 audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impact of Corona Virus Disease (COVID-19) on the assessment of impairment of goodwill and intangible assets with indefinite useful life *(as described in note 34(17) of the standalone Ind AS financial statements)*	
On account of prevalent financial, economic and health crises caused due to global pandemic – COVID-19, having impact the assumptions used for the continuity of operations and thus having further impact on the assessment of impairment of goodwill having carrying value of ₹ 310.47 crores and intangible assets having indefinite useful life having carrying value of ₹ 1,029 crores as at March 31, 2020. The Company has prepared cash flow projections and believes it has sufficient liquidity based on the available liquid cash and available credit facilities as disclosed in note 34(17) and the expected cash to be generated from operations to meet its financial obligations as they fall due for the following twelve months.	As a part of our audit we have, carried out the following procedures: a) Obtained an understanding of the process and testing the operating effectiveness of internal controls over the impairment and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows. b) We assessed the Company's methodology applied in determining the CGUs to which these assets are allocated. c) We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used;

Key audit matters	How our audit addressed the key audit matter
Assessment of impact of Corona Virus Disease (COVID-19) on the assessment of impairment of goodwill and intangible assets with indefinite useful life *(as described in note 34(17) of the standalone Ind AS financial statements)*	
Further in accordance with Indian Accounting Standards (Ind-AS) – 36 'Impairment of Assets', the management has allocated goodwill and intangible assets having indefinite life to their respective cash generating units (CGU) and tested these for annual impairment using a discounted cash flow model. The impairment test model also includes sensitivity testing of key assumptions. Further, management has factored impact of COVID-19 on these CGU's. The above assessment factoring impact of COVID-19 on continuity of its operations and thereupon on annual impairment of goodwill and intangible assets having indefinite useful life is considered as significant accounting judgement and estimate (Note 34(17) to the standalone Ind-AS financial statements) and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the standalone financial statements as a whole.	d) Compared the cash flow forecasts to approved budget and other relevant market and economic information, as well as testing the underlying calculations. e) We discussed the potential changes in key drivers as compared to previous year / actual performance with management and considering impact of COVID-19 in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; f) We engaged expert to assess the assumption and methodology used by the management to determine the recoverable amount and also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. g) We tested the arithmetical accuracy of the models. h) We evaluated disclosures related to management assessment on impact of COVID-19 for the continuity of operations and on the annual impairment tests and as required under Indian Accounting Standard (Ind-AS) -36 Impairment of Assets.

Other Information

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 standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS 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 for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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 Ind AS financial statements – Refer Note 33(A) to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABM2308
Place of Signature: New Delhi
Date: May 12, 2020

Annexure 1: referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Havells India Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for:

- Land taken on lease by the Company from its group company duly approved by board of directors for which lease deed is yet to be registered with appropriate authorities. The Company has constructed building on such land which is appearing in the Company's property, plant and equipment having gross block of ₹ 15.46 crores and net block of ₹ 14.20 crores.

- Freehold land having gross block of ₹ 15.89 crores and net block of ₹ 15.89 crores for which title deed is not in the name of the Company. The Company has constructed building on such land amounting to gross block of ₹ 2.43 crores and net block of ₹ 1.28 crores. The Company is in the process of getting them registered in its name.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of electricals and electronic goods and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount of Demand without netting of amount paid under protest (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Disallowances and additions to taxable income.	29.76	10.44	2003-04, 2005-06 to 2013-14	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income.	26.45	1.98	2009-10 to 2012-13	Commissioner of Income Tax (Appeal), New Delhi
Central Excise Act, 1944	Excise duty demand/ disallowance of Cenvat credit on various items.	0.23	-	2007-08 to 2009-10	CESTAT, (Chandigarh)
The Custom Act,1944	Custom duty demand on various Matter	0.16	0.01	2019-20	Commissioner of customs (Appeals)
Sales Tax/ VAT	Sales tax demand on various matter	0.12	-	2001-02	Joint Commissioner (Appeal), Faridabad
Sales Tax/ VAT	Sales tax demand on various matter	2.68	1.46	2010-11, 2013-14 to 2016-17	Joint Commissioner (Appeal), Uttarakhand
Sales Tax/ VAT	Sales tax demand on various matter	20.03	13.47	2007-08 to 2015-16	Tribunal Commercial Tax (Patna)
Sales Tax/ VAT	Sales tax demand on various matter	0.24	0.24	2005-06	Appellate Tribunal, Commercial Tax, Ernakulam, (Kerala)
Sales Tax/ VAT	Sales tax demand on various matter	0.05	0.03	2007-08	Appellate Tribunal, Commercial Tax, (Tamil Nadu)
Sales Tax/ VAT	Sales tax demand on various matter	2.32	0.30	2008-09 to 2011-12	Appellate Tribunal, Commercial Tax, (Orissa)
Sales Tax/ VAT	Sales tax demand on various matter	1.25	1.23	2009-10 to 2012-13	Commercial Tax Tribunal, (Uttarakhand)
Sales Tax/ VAT	Sales tax demand on various matter	0.03	0.03	2010-11	Nagpur Municipal Corporation
Sales Tax/ VAT	Sales tax demand on various matter	0.04	0.01	2013-14	Appellate Tribunal Commercial Tax (Punjab)
Sales Tax/ VAT	Sales tax demand on various matter	0.33	0.07	2014-15	Deputy Commissioner (Appeals), (Gujrat)
Sales Tax/ VAT	Sales tax demand on various matter	0.25	0.15	2003-04, 2005-06 to 2006-07	High Court (Punjab and Haryana)
Sales Tax/ VAT	Sales tax demand on various matter	0.35	0.35	2005-06	High Court (Kerala)
Sales Tax/ VAT	Sales tax demand on various matter	0.21	-	2005-06	High Court (Rajasthan)
Sales Tax/ VAT	Sales tax demand on various matter	1.04	0.52	2016-17 and 2017-18	Assistant Commissioner of Excise and Taxation (Baddi)
Goods and Service Tax (GST)	GST demand on various matter	0.46	0.46	2017-18	High Court (Uttar Pradesh)
Goods and Service Tax (GST)	GST demand on various matter	0.10	0.10	2019-20	Additional Commissioner (A), Noida, (Uttar Pradesh)
Goods and Service Tax (GST)	GST demand on various matter	0.11	0.11	2019-20	Additional Commissioner (A), Dehradun (Uttarakhand)
Goods and Service Tax (GST)	GST demand on various matter	0.58	-	2017-18	Commissioner of GST Appeals-Ghaziabad

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

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

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABM2308
Place of Signature: New Delhi
Date: May 12, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF HAVELLS INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Havells India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABM2308

Place of Signature: New Delhi
Date: May 12, 2020

Balance Sheet

as at March 31, 2020

(₹ in crores)

	Notes	As at March 31, 2020	AS AT March 31, 2019 (Restated #)
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	1,899.44	1,433.50
Capital work in progress	3	82.77	232.15
Investment property	4	-	-
Goodwill	5	310.47	310.47
Other intangible assets	5	1,139.51	1,159.86
Intangible assets under development	5	3.36	0.51
Investment in subsidiaries	6	1.63	1.66
Contract assets	7	60.58	69.84
Financial assets	8		
(i) Trade receivables		7.96	17.62
(ii) Other bank balances		-	0.01
(iii) Other financial assets		21.37	21.38
Other non-current assets	9	50.67	58.74
Non current tax asset (net)	10	16.53	-
		3,594.29	**3,305.74**
2 Current assets			
Inventories	11	1,871.88	1,918.97
Contract assets	7	20.01	9.27
Financial assets	12		
(i) Trade receivables		240.92	406.58
(ii) Cash and cash equivalents		242.09	680.87
(iii) Bank balances other than (ii) above		864.83	606.83
(iv) Other financial assets		29.44	30.05
Other current assets	13	164.60	149.47
		3,433.77	**3,802.04**
Assets held for sale	14	19.80	17.88
		3,453.57	**3,819.92**
Total assets		**7,047.86**	**7,125.66**
EQUITY AND LIABILITIES			
1 Equity	15		
Equity share capital		62.58	62.55
Other equity		4,242.23	4,129.65
Total equity		**4,304.81**	**4,192.20**
2 Liabilities			
Non-current liabilities			
Contract liability	7	4.32	2.63
Financial liabilities	16		
(i) Borrowings		-	40.50
(ii) Other financial liabilities		90.87	0.92
Provisions	17	35.57	32.68
Deferred tax liabilities (Net)	18	286.52	316.75
Other non-current liabilities	19	17.71	17.71
		434.99	**411.19**
Current liabilities			
Contract liability	7	15.74	4.76
Financial liabilities	20		
(i) Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises		106.28	55.66
b) Total outstanding due of other than Micro Enterprises and Small Enterprises		1,307.79	1,504.39
(ii) Other financial liabilities		563.17	610.00
Other current liabilities	21	105.07	113.41
Provisions	22	210.01	203.12
Current tax liabilities (net)	23	-	30.93
		2,308.06	**2,522.27**
Total liabilities		**2,743.05**	**2,933.46**
Total equity and liabilities		**7,047.86**	**7,125.66**
Summary of significant accounting policies	2		
Commitments and contingencies	33		
Other notes on accounts	34		
# Due to merger of wholly owned subsidiaries	34(2)		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E
/E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ In crores)

		Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated #)
I	**INCOME**			
	Revenue from operations	24	9,429.20	10,067.71
	Other income	25	111.98	127.77
	Total Income		**9,541.18**	**10,195.48**
II	**EXPENSES**			
	Cost of raw materials and components consumed	26	4,389.58	4,532.87
	Purchase of traded goods	27	1,272.82	1,999.74
	Change in inventories of finished goods, traded goods and work in progress etc	28	172.74	(245.27)
	Employee benefits expense	29	899.58	837.26
	Finance costs	30	19.72	16.14
	Depreciation and amortization expenses	31	217.91	149.36
	Other expenses	32	1,667.10	1,759.28
	Total Expenses		**8,639.45**	**9,049.38**
III	**Profit before tax**		**901.73**	**1,146.10**
IV	**Income Tax expenses**	18		
	Current tax		198.93	269.53
	Deferred tax (credit)/charge		(30.23)	89.23
	Total Income tax expense		**168.70**	**358.76**
V	**Profit for the year**		**733.03**	**787.34**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss in subsequent periods			
	i) Re-measurement gains / (loss) on defined benefit plans {refer note 34(6)}		(4.98)	(7.30)
	ii) Income tax effect on above {refer note no 18(b)}		1.25	2.55
	Other comprehensive income/(loss) for the year, net of tax		**(3.73)**	**(4.75)**
VII	**Total comprehensive income for the year, net of tax**		**729.30**	**782.59**
VIII	**Earnings per equity share (EPS) {refer note no. 34 (14)}**			
	(nominal value of share ₹1/-)			
	Basic EPS (₹)		11.71	12.59
	Diluted EPS (₹)		11.71	12.59
	Summary of significant accounting policies	2		
	Commitments and contingencies	33		
	Other notes on accounts	34		
	# Due to merger of wholly owned subsidiaries	34(2)		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E
/E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Statement of Changes in Equity

for the year ended March 31, 2020

A) Equity Share Capital

(₹ in crores)

Particulars	Numbers	Amount
As at April 1, 2018	**625,148,473**	**62.51**
Add: Exercise of employee stock purchase plan - proceeds received	324,437	0.04
As at March 31, 2019	**625,472,910**	**62.55**
Add: Exercise of employee stock purchase plan - proceeds received	329,924	0.03
As at March 31, 2020	**625,802,834**	**62.58**

Note: The closing amount is rounded off to the nearest crore of rupees upto two decimal places.

B) Other Equity

(₹ in crores)

Particulars	Reserves and surplus					Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	
As at April 1, 2018 (Restated #)	**7.63**	**38.46**	**722.72**	**-**	**2,875.30**	**3,644.11**
Profit for the year	-	-	-	-	787.34	787.34
Other comprehensive income for the year						
Re-measurement gains / (losses) on defined benefit plans net of tax {refer note 34(6)}	-	-	-	-	(4.75)	(4.75)
Total Comprehensive income for the year						**782.59**
Transaction with owners in their capacity as owners:						
Final Dividend paid for financial year ended March 31,2018	-	-	-	-	(250.19)	(250.19)
Dividend distribution tax on Final Dividend	-	-	-	-	(51.43)	(51.43)
Employee stock option expense	-	-	-	0.27	-	0.27
Addition on equity shares issued under employee stock purchase plan	-	17.94	-	-	-	17.94
Transaction on account of acquisition of additional interest in subsidiary Company merged with the Company {Refer note 34(2)}	-	-	-	-	(13.64)	(13.64)
As at March 31, 2019 (Restated #)	**7.63**	**56.40**	**722.72**	**0.27**	**3,342.63**	**4,129.65**
Profit for the year	-	-	-	-	733.03	733.03
Other comprehensive income for the year						
Re-measurement gains / (losses) on defined benefit plans net of tax {refer note 34(6)}	-	-	-	-	(3.73)	(3.73)
Total Comprehensive income for the year						**729.30**
Transaction with owners in their capacity as owners:						
Final Dividend paid for financial year ended March 31,2019	-	-	-	-	(281.61)	(281.61)
Dividend distribution tax on final dividend	-	-	-	-	(57.89)	(57.89)
Interim Dividend paid during the year					(250.32)	(250.32)
Dividend distribution tax on interim dividend					(51.45)	(51.45)
Employee stock option expense	-	-	-	0.37	-	0.37
Addition on equity shares issued under employee stock purchase plan	-	24.18	-	-	-	24.18
As at March 31, 2020	**7.63**	**80.58**	**722.72**	**0.64**	**3,430.66**	**4,242.23**

Summary of significant accounting policies	2
Commitments and contingencies	33
Other notes on accounts	34
# Due to merger of wholly owned subsidiaries	34(2)

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E
/E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Statement of Cash Flows

for the year ended March 31, 2020

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		**(Restated #)**
	Profit before tax	901.73	1,146.10
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	217.91	149.36
	Loss on disposal of Property, plant and equipment	6.73	4.63
	Unrealized foreign exchange (gain) / loss (net)	(1.31)	(9.70)
	Impairment allowance for trade receivables considered doubtful	18.23	8.81
	Impairment of investment in subsidiary company	0.03	0.10
	Profit on sale of non-current financial investments	-	(0.07)
	Bad debts written off	0.82	2.19
	Unwinding of discount on long term provisions	3.55	2.55
	Discounting of long term warranty provision	(4.21)	(3.55)
	Interest income on bank deposits	(69.58)	(78.20)
	Interest income on others	-	(0.44)
	Interest expenses	5.17	13.43
	Interest on lease liability	10.92	-
	Liabilities no longer required written back	(4.33)	(4.51)
	Employee stock option expense	0.37	0.27
	Rental Income	-	(7.62)
	Operating Profit before working capital changes	**1,086.03**	**1,223.35**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables and contract assets	157.32	(187.95)
	(Increase)/ Decrease in financial assets	(1.89)	(25.61)
	(Increase)/ Decrease in non-financial assets	(20.03)	(18.78)
	(Increase)/ Decrease in inventories	47.09	(285.85)
	Increase/ (Decrease) in trade payables	(148.76)	(64.46)
	Increase/ (Decrease) in financial liabilities	(59.64)	55.48
	Increase/ (Decrease) in non financial liabilities and contract liabilities	4.33	12.99
	Increase/ (Decrease) in provisions	0.11	50.31
	Cash generated from in operations	**1,064.56**	**759.48**
	Income tax paid (net of refunds)	(239.79)	(246.87)
	Net Cash flow from Operating Activities (A)	**824.77**	**512.61**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(360.93)	(501.42)
	Proceeds from sale of property, plant and equipment	1.69	1.81
	Fixed deposits made / (matured) during the year	(250.87)	616.96
	Transaction on account of acquisition of additional interest in subsidiary Company merged with the Company {Refer note 34(2)}	-	(16.66)
	Rental income	-	7.62
	Interest received	62.46	79.99
	Net Cash flow from / (used) in Investing Activities (B)	**(547.65)**	**188.30**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		

Statement of Cash Flows

for the year ended March 31, 2020

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Proceeds from exercise of employee stock purchase plan - share capital	0.03	0.04
Proceeds from exercise of employee stock purchase plan - security premium received	24.18	17.94
Payment of principal portion of lease liabilities	(28.75)	-
Payment of interest portion of lease liabilities	(10.92)	-
Repayment of short term borrowings	-	(7.38)
Repayment of long term borrowings	(54.00)	(13.50)
Interest paid	(5.17)	(13.43)
Final Dividend paid to equity shareholders of the Company (including Dividend Distribution Tax)	(339.50)	(301.62)
Interim Dividend paid to equity shareholders of the Company (including Dividend Distribution Tax)	(301.77)	-
Net Cash Flow used in Financing Activities (C)	**(715.90)**	**(317.95)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(438.78)**	**382.96**
Cash and cash equivalents at the beginning of the year	680.87	301.34
Net foreign exchange differences on cash and cash equivalents held in foreign currency	-	(3.43)
Cash and Cash Equivalents at the end of the year	**242.09**	**680.87**

Notes :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :-

₹ in crores

	As at March 31, 2020	As at March 31, 2019 (Restated #)
Cash and cash equivalents		
Balances with banks:		
Current accounts	12.52	50.27
Cash credit accounts	54.10	374.80
Fixed deposits account with a original maturity of less than three months	175.35	255.67
Cash on hand	0.12	0.13
	242.09	**680.87**

3 # Due to merger of wholly owned subsidiaries - Refer note 34(2)

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E /E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Notes to Financial Statements

for the year ended March 31, 2020

1 CORPORATE INFORMATION

Havells India Limited ('the Company') is a public limited Company domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The Company is listed on BSE Limited and National Stock Exchange of India Limited.

The Company is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Domestic Appliances, 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 and Guwahati in Assam. The research and development facilities are located at Noida (Uttar Pradesh) and Bangalore.

During the year, the Company has received approval from the National Company Law Tribunal (NCLT) on January 31, 2020 (filed with Registrar of Companies on February 07, 2020) in respect of merger of the Company with 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 Company has applied principles of Appendix C to Ind-AS 103 on 'Business Combinations of entities under Common Control' w.e.f. April 01, 2018 and restated the previous year comparatives.(Refer note 34 (2) for detailed disclosures in this regard). These standalone financial statements were approved for issue in accordance with a resolution of the directors on 12th May 2020.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

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.

Notes to Financial Statements

for the year ended March 31, 2020

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

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 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	3 and 10
Computers	3
Laptops	4

The useful lives have been determined based on technical evaluation done by the management's expert. In respect of moulds and dies and mobile phones and laptops, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years and 4 years respectively, in order to reflect the actual usage of assets. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period.

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

2.04 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both , and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalized to assets

Notes to Financial Statements

for the year ended March 31, 2020

carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 " Fair value measurement".

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Investment properties are depreciated using straight line method over their estimated useful life. Investment properties comprising of factory building is depreciated over useful life of 30 years and leasehold land is amortized on a straight line basis over the unexpired period of the lease.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

2.05 Goodwill and Other 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 economic 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 in the expense category consistent with the function of the intangible assets.

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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) 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 are amortized on a straight line basis over their estimated useful life as under:

Assets	Useful life (in years)
Computer Software	6
Technical Know-how	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7
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;

Notes to Financial Statements

for the year ended March 31, 2020

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. During the period of development, the asset is tested for impairment annually.

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. 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 acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.06 Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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.

Notes to Financial Statements

for the year ended March 31, 2020

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 as at March 31 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.

2.07 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments

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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 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 Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity

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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 Company 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 Company 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 Company could be required to repay.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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

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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;
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Company does not track changes in credit risk. Rather , it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at 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 Company 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

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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 within 30 to 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are 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.

2.08 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

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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.

2.09 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

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

2.10 Inventories

a) Basis of valuation:

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

ii) Inventory of scrap materials have been valued at net realizable value.

b) Method of Valuation:

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.11 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Company treats sale of the asset to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset

ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.12 Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted

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by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense for the year comprises of current tax and deferred tax.

a) Current 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.

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of reduction from deferred tax liability. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where any unit of the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.13 Revenue from operations and other non-operating income

(A) 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 at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, and there are no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products are shipped to specific location and control has been transferred to the customers. The Company also provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. The Company recognizes these service revenue from sales of services over a period of time, because the customer simultaneously receives and consumes the benefits provided by the Company. The Company has objective evidence that all criterion for acceptance has been satisfied.

(a) 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 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 fair value 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.

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(ii) Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. However, in certain non-standard contracts in respect of sale of consumer durable goods, the Company provides extended warranties 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 for service-type warranties is recognised over the period of time 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 Company has used the incremental borrowing rate to discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Company and its customer.

(iv) Schemes

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 deducting cost of all these schemes.

(b) Sale of service

The Company provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. Contracts for bundled sales of equipment and above mentioned services are comprised of two performance obligations because the equipment and these services are both sold on a stand-alone basis and are distinct within the context of contract. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and these services The Company recognizes revenue from sales of services over period of 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. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivables represents the Company's right to an amount of consideration that is unconditional.

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.

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).

(B) Other Operating Revenue

(a) Export benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty

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drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(C) 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 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 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) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Life insurance Corporation of India. 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.

c) Other employee benefits

The Company provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(i) Employees Stock option plan: The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind

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for the year ended March 31, 2020

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.

(ii) Employee Stock Purchase Plan : These are in nature of employee benefit wherein employees (including senior executives) of the Company purchase shares of the Company at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognised at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period.

2.15 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 assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:.

i) Right-of-use assets

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 underlying assets (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'.

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.

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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.

The Company's lease liabilities are included in other current and non-current financial liabilities (see Note 16 and 20).

(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.

"Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.16 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.

2.17 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

1 Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue.

2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

3 Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

4 Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.

5 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

6 Segment revenue resulting from transactions with other business segments is accounted

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on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.19 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are 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 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets etc.

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 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

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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).

2.23 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. the Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to five years.

Provision for E-Waste

Provision for E-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 timing of outflow is expected to be with in one to ten years.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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.

2.24 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.

2.25 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an 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,

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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.

2.26 Business Combinations

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are 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.

2.27 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the

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first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the standalone financial statements of the Company.

(i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

Refer note 34 (5) for detailed impact on adoption of Ind AS 116 "Leases" on the financial statements of the Company.

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example; (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through

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other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the standalone financial statements of the Company.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company is in compliance with the said amendment.

Annual Improvements to Ind AS 2018

(i) Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the standalone financial statements of the Company as there is no transaction where joint control is obtained.

(ii) Ind AS 111 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

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These amendments had no impact on the standalone financial statements of the company as there is no transaction where a joint control is obtained.

(iii) Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

(iv) Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

2.28 Significant accounting judgments, estimates and assumptions

The preparation of the standalone financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these 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.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

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) Revenue from contract with customers

The Company applied judgements that affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Company sell goods and maintenance/ warranty services separately or bundled together with sales of goods. In certain non-standard contracts, where the Company provides warranties in respect of sale of consumer durable goods, the Company allocates the portion of the transaction price to goods based on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Company has used a combination of most likely amount method and expected value method. Further, as the case may be, in respect of long term contracts, the Company has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected

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in separate financing arrangement between the Company and its customer.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of 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 audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity 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 34(6).

c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. 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

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for the year ended March 31, 2020

can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

f) Provision for warranty and e- waste

Provisions for warranties and e-waste are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. In respect of e-waste, management calculates the obligation in accordance with E-Waste management Rules, 2016 and accounts/ fulfill the obligation on its own account or on 3rd party service provider. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. It is very unlikely that actual warranty/e-waste claims will exactly match the historical warranty/e-waste percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

g) 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 34(12)

h) Property, Plant and Equipment

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.

2.29 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2020.

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for the year ended March 31, 2020

Note 3 : Property, plant and equipment

(₹ in crores)

	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Moulds and Dies	Furniture and fixtures	Vehicles	R & D Equipment's	Office Equipment's	Electrical Fans and Installation	Right of Use Asset Leasehold Land	Right of Use Asset Leasehold Building	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)																
At April 01, 2018	**27.28**	**163.55**	**589.03**	**13.12**	**501.81**	**120.22**	**35.17**	**10.11**	**18.03**	**63.12**	**29.07**	**-**	**-**	**1,570.51**	**24.05**	**1,594.56**
Additions during the year	-	12.97	65.28	3.69	86.57	29.20	4.60	2.08	9.68	29.84	13.77	-	-	257.68	227.54	485.22
Transfer from Investment Property (Refer note (vi) below)	-	8.86	52.01	-	-	-	-	-	-	-	-	-	-	60.87	-	60.87
Disposals/Adjustments	-	-	-	-	(1.79)	(4.66)	(0.34)	(0.08)	(2.15)	(0.99)	(0.07)	-	-	(10.08)	(19.44)	(29.52)
Transfers to assets classified as held for sale (refer note 14)	-	-	(0.28)	-	(6.29)	(1.51)	(0.41)	-	(0.22)	(0.22)	(0.24)	-	-	(9.17)	-	(9.17)
At March 31, 2019	**27.28**	**185.38**	**706.04**	**16.81**	**580.30**	**143.25**	**39.02**	**12.11**	**25.34**	**91.75**	**42.53**	**-**	**-**	**1,869.81**	**232.15**	**2,101.96**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer Note 34(5) and (vii) below}	-	(185.38)	-	-	-	-	-	-	-	-	-	176.98	-	(8.40)	-	(8.40)
Transition impact on account of adoption of Ind AS 116 "Leases" {refer Note 34(5)}	-	-	-	-	-	-	-	-	-	-	-	-	129.59	129.59	-	129.59
Additions during the year	-	-	85.37	0.77	254.19	83.67	8.45	1.38	14.09	19.18	4.72	40.82	24.95	537.59	58.66	596.25
Disposals/adjustments (Refer note (viii) below)	-	-	1.50	(4.20)	(0.73)	(0.31)	(0.39)	(0.67)	(0.10)	(2.45)	(1.02)	-	(1.36)	(9.73)	(208.04)	(217.77)
Transfers to assets classified as held for sale (refer note 14)	-	-	(1.17)	-	(4.15)	(0.98)	(0.44)	-	(1.28)	(0.87)	(0.11)	-	-	(9.00)	-	(9.00)
At March 31, 2020	**27.28**	**-**	**791.74**	**13.38**	**829.61**	**225.63**	**46.64**	**12.82**	**38.05**	**107.61**	**46.12**	**217.80**	**153.18**	**2,509.86**	**82.77**	**2,592.63**
Accumulated Depreciation																
At April 01, 2018	**-**	**5.86**	**68.26**	**3.08**	**137.08**	**46.94**	**8.78**	**4.04**	**5.07**	**27.38**	**10.15**	**-**	**-**	**316.64**	**-**	**316.64**
Depreciation Charge for the year	-	1.87	24.11	1.84	49.81	19.00	3.89	1.61	2.63	15.53	3.40	-	-	123.69	-	123.69
Transfer from Investment Property (Refer note (vi) below)		0.67	7.84	-	-	-	-	-	-	-	-	-	-	8.51	-	8.51
Disposals/Adjustments	-	-	-	-	(0.65)	(3.40)	(0.21)	(0.05)	(1.37)	(0.92)	(0.03)	-	-	(6.63)	-	(6.63)
Transfers to assets classified as held for sale (refer note 14)	-	-	(0.02)	-	(4.31)	(0.82)	(0.21)	-	(0.13)	(0.22)	(0.19)	-	-	(5.90)	-	(5.90)
At March 31, 2019	**-**	**8.40**	**100.19**	**4.92**	**181.93**	**61.72**	**12.25**	**5.60**	**6.20**	**41.77**	**13.33**	**-**	**-**	**436.31**	**-**	**436.31**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer Note 34(5) and (vii) below}	-	(8.40)	-	-	-	-	-	-	-	-	-	-	-	(8.40)	-	(8.40)
Depreciation Charge for the year	-	-	28.78	2.57	62.11	24.77	4.57	1.71	5.12	19.51	4.54	2.16	36.53	192.37	-	192.37
Disposals/Adjustments (Refer note (viii) below)	-	-	0.82	(1.52)	(0.52)	(0.14)	(0.28)	(0.60)	(0.08)	(2.03)	(0.24)	-	(0.38)	(4.97)	-	(4.97)
Transfers to assets classified as held for sale (refer note 14)	-	-	(0.10)	-	(2.12)	(0.76)	(0.23)	-	(0.89)	(0.75)	(0.04)	-	-	(4.89)	-	(4.89)
At March 31, 2020	**-**	**-**	**129.69**	**5.97**	**241.40**	**85.59**	**16.31**	**6.71**	**10.35**	**58.50**	**17.59**	**2.16**	**36.15**	**610.42**	**-**	**610.42**
Net carrying amount																
At March 31, 2019	**27.28**	**176.98**	**605.85**	**11.89**	**398.37**	**81.53**	**26.77**	**6.51**	**19.14**	**49.98**	**29.20**	**-**	**-**	**1,433.50**	**232.15**	**1,665.65**
At March 31, 2020	**27.28**	**-**	**662.05**	**7.41**	**588.21**	**140.04**	**30.33**	**6.11**	**27.70**	**49.11**	**28.53**	**215.64**	**117.03**	**1,899.44**	**82.77**	**1,982.21**

Notes: -

(i) All property, plant and equipment (excluding "Right of Use" created on account of adoption of Ind AS 116) are held in name of the company, except:

 (a) Building situated, at Sahibabad, net block amounting to ₹ 14.20 Crores (March 31, 2019: ₹ 14.49 Crores) constructed on the land taken on lease by the company from its related party for which lease deed is yet to be registered with the appropriate authority.

 (b) Freehold land, located at Samaypur Badli, Delhi, net block amounting to ₹ 15.89 Crores (March 31, 2019: ₹ 15.89 Crores) and building constructed on such land, net block amounting to ₹ 1.28 Crores (March 31, 2019: ₹ 1.51 Crores) which is pending for registration with appropriate authority.

(ii) Right of Use asset includes:-

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

 (b) Leasehold Building represents properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 34(5)

(iii) Capital work in progress as at March 31, 2020 includes assets under construction at various plants including water heater, cable and wires and switch gears, etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iv) Plant and machinery, generators, furniture and fixtures, electric fans and installations has been pledged/hypothecated as security by the company {refer note 33(C)}

(v) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 33(B).

(vi) During the financial year 2018-19, property at Greater Noida, Uttar Pradesh was transferred from Investment property to Property, Plant and Equipment upon termination of lease. This property is now held for its own use for normal business purpose {refer note 4}.

(vii) The net block of Leasehold land of ₹ 176.98 crores (Gross block - ₹ 185.28 crores and accumulated depreciation - ₹ 8.40 crores) has been reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases".

(viii) Disposals/adjustments includes an adjustment on account of purchase of building in the current year which was earlier taken on rent, leasehold improvement amounting to ₹ 0.56 crores (Gross block of ₹ 1.53 crores and Accumulated Depreciation of ₹ 0.97 crores) has been transferred from the block of "Leasehold Improvement" to block of "Building"

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for the year ended March 31, 2020

4 INVESTMENT PROPERTY (At cost)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Gross Carrying Amount		
Opening balance	-	60.87
Less :- Transferred to Property, plant and equipment (refer note 3)	-	(60.87)
Closing balance	-	-
Accumulated depreciation		
Opening balance	-	7.08
Depreciation for the period till the date of transfer to property, plant & equipment	-	1.43
Less :- Transferred to Property, plant and equipment (refer note 3)	-	(8.51)
Closing balance	-	-
Net Carrying Amount	**-**	**-**
Amount recognised in statement of profit and loss for Investment property		
Rental income derived from investment property	-	7.62
Profit arising from investment property before depreciation	**-**	**7.62**
Less: Depreciation for the period till the date of transfer to property, plant & equipment	-	1.43
Profit arising from investment property	**-**	**6.19**
Fair value of Investment Property	**-**	**-**

Note:

Investment property represented, land and building being a premise in Greater Noida, Uttar Pradesh given on lease w.e.f May 12, 2016 on a long term basis. During the previous year Investment property was transferred to property, plant and equipment on premature termination of lease on November 29, 2018. The Company decided to use the said property for normal business purpose and accordingly the same was transferred to property, plant and equipment in the previous year

Note 5 : Goodwill and other Intangible assets

(₹ in crores)

	Computer Software	Technical Knowhow	R & D Software	Brand and Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Intangibles assets under development	Total Intangible Asset
Gross carrying amount (at cost)										
At April 01, 2018	**38.34**	**0.51**	**6.24**	**1,029.00**	**82.40**	**58.50**	**1,214.99**	**310.47**	**-**	**1,525.46**
Additions	9.56	-	1.60	-	-	-	11.16	-	0.51	11.67
Disposals/adjustments	(2.64)	(0.51)	(0.57)	-	-	-	(3.72)	-	-	(3.72)
At March 31, 2019	**45.26**	**-**	**7.27**	**1,029.00**	**82.40**	**58.50**	**1,222.43**	**310.47**	**0.51**	**1,533.41**
Additions	3.88	-	1.31	-	-	-	5.19	-	3.30	8.49
Disposals/adjustments	(0.05)	-	-	-	-	-	(0.05)	-	(0.45)	(0.50)
At March 31, 2020	**49.09**	**-**	**8.58**	**1,029.00**	**82.40**	**58.50**	**1,227.57**	**310.47**	**3.36**	**1,541.40**
Amortization										
At April 01, 2018	**21.73**	**0.50**	**2.78**	**-**	**9.30**	**7.50**	**41.81**	**-**	**-**	**41.81**
Charge for the year	4.70	-	0.88	-	10.30	8.36	24.24	-	-	24.24
Disposals/adjustments	(2.44)	(0.50)	(0.54)	-	-	-	(3.48)	-	-	(3.48)
At March 31, 2019	**23.99**	**-**	**3.12**	**-**	**19.60**	**15.86**	**62.57**	**-**	**-**	**62.57**
Charge for the year	5.71	-	1.17	-	10.30	8.36	25.54	-	-	25.54
Disposals/adjustments	(0.05)	-	-	-	-	-	(0.05)	-	-	(0.05)
At March 31, 2020	**29.65**	**-**	**4.29**	**-**	**29.90**	**24.22**	**88.06**	**-**	**-**	**88.06**
Net carrying amount										
At March 31, 2019	**21.27**	**-**	**4.15**	**1,029.00**	**62.80**	**42.64**	**1,159.86**	**310.47**	**0.51**	**1,470.84**
At March 31, 2020	**19.44**	**-**	**4.29**	**1,029.00**	**52.50**	**34.28**	**1,139.51**	**310.47**	**3.36**	**1,453.34**

Note:-

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Brand and Trademarks acquired on acquisition of Lloyd business having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumer which is also an operating and reportable segment, for impairment testing. The Company has performed an annual impairment test to ascertain the recoverable amount of CGU. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and 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. Further the management have

Notes to Financial Statements

for the year ended March 31, 2020

factored the impact of COVID-19 on the cash flow projections used in assessment of recoverable amount of CGU as at March 31, 2020. Management has determined following assumptions for impairment testing of CGU as stated below.

Assumption	March 31, 2020	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	12.50%	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 financial budgets and projections approved by management which is in line with industry growth rate

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.

6 INVESTMENTS IN SUBSIDIARIES

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
Investments in equity instruments of subsidiary companies (unquoted)				
(valued at cost, unless stated otherwise) {refer note 34 (3) (b)}				
Havells Holdings Limited	13.65		13.65	
17,37,362 (March 31,2019 : 17,37,362) ordinary shares of 1 GBP each fully paid up				
Less: Provision for impairment	12.47	1.18	12.47	1.18
Havells Exim Limited { refer note 34(1)(a) }	-		0.13	
Nil equity shares (March 31,2019 : 20,000) of 1 US Dollars each fully paid up				
Less: Provision for impairment	-	-	0.10	0.03
Havells Guangzhou International Limited				
(100% contribution paid in capital) (March 31, 2019: 100% contribution paid in capital)		0.45		0.45
Aggregate amount of unquoted investments		**1.63**		**1.66**
Aggregate amount of Impairment in value of investments		**12.47**		**12.57**

7 CONTRACT BALANCES

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(A)	**Trade Receivables {refer note (a) below and note 12(A) }**	248.88	424.20
		248.88	**424.20**
(B)	**Contract Assets (Unsecured, considered good) {refer note (b)}**	80.59	79.11
		80.59	**79.11**
	Non-current portion	60.58	69.84
	Current portion	20.01	9.27
(C)	**Contract Liability {refer note (c)}**	20.06	7.39
		20.06	**7.39**
	Non-current portion	4.32	2.63
	Current portion	15.74	4.76

Note

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

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(b) During the previous year the Company had entered in to an agreement with customer wherein the Company had identified two performance obligations in contract as per Ind AS 115 "Revenue from contract with customers". The Company's right to receive consideration is conditional upon satisfaction of both performance obligation. Accordingly Company has recognised contract asset in respect of performance obligation satisfied during the year. 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.

(c) The Company has entered into the agreements with customers for sales of goods and services. The Company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the Company has obligation to deliver the goods and perform specified services to a customer for which the Company has received consideration.

8 NON-CURRENT FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(A) TRADE RECEIVABLES		
(Unsecured) (refer note 12(A))		
Trade receivables - Considered good	7.96	17.62
	7.96	**17.62**
(B) OTHER BANK BALANCE (valued at amortised cost)		
Fixed deposits with banks having maturity period of more than twelve months	-	0.01
	-	**0.01**
(C) OTHER FINANCIAL ASSETS (valued at amortised cost)		
(Unsecured, considered good)		
Earnest money and Security Deposits	21.37	21.38
	21.37	**21.38**

9 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Capital advances	10.16	23.13
Others		
Prepaid expenses	5.84	1.90
Deposits with Statutory and Government authorities	34.67	33.71
	50.67	**58.74**

10 NON CURRENT TAX ASSET (NET)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Income Tax (net of provision for income tax)	16.53	-
	16.53	**-**

Notes to Financial Statements
for the year ended March 31, 2020

11 INVENTORIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(Valued at lower of cost and net realisable value unless otherwise stated) {refer accounting policy 2.10}		
Raw materials and components	427.67	307.08
Work-in-progress	100.52	98.77
Finished goods	836.99	623.31
Traded goods	459.30	851.66
Stores and spares	21.02	18.43
Loose tools	2.02	1.85
Packing materials	15.41	13.11
Scrap materials	8.95	4.76
	1,871.88	**1,918.97**

Notes:

(a)	The above includes goods in transit as under:		
	Raw materials	81.64	58.97
	Finished goods	44.86	43.42
	Traded goods	63.62	192.37
(b)	The stock of scrap materials have been taken at net realisable value.		
(c)	Inventories are hypothecated with the bankers against working capital limits. {refer note 33(C)}		
(d)	During the year ₹ 16.69 crores (March 31, 2019 : ₹ 3.70 Crores) was recognised as an expense for inventories carried at the net realisable value.		

12 CURRENT FINANCIAL ASSETS

(A) TRADE RECEIVABLES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Trade receivables - considered good	248.88	424.20
Trade receivables - credit impaired	44.87	26.64
Trade receivables (gross)	**293.75**	**450.84**
Less : Impairment allowance for trade receivables - credit impaired	44.87	26.64
Trade receivables (net)	**248.88**	**424.20**
Current portion	240.92	406.58
Non - current portion {refer note 8 (A)}	7.96	17.62

Notes:

(a) Trade receivables are usually non-interest bearing and are on trade terms of 30 to 60 days.

(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) The Company has availed Receivable Buyout facility from banks against which a sum of ₹ 404.31 crores (March 31, 2019: ₹ 649.15 crores) has been utilised as on the date of Balance Sheet. The Company has assigned all its rights and privileges to the bank and there is no recourse on the Company. Accordingly the amount of utilization has been reduced from trade receivables.

(d) The Company has arranged channel finance facility for its customers from banks against which a sum of ₹ 605.99 crores (March 31, 2019: ₹ 627.98 crores) has been utilised as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount as there is no recourse on the Company.

Notes to Financial Statements

for the year ended March 31, 2020

(B) CASH AND CASH EQUIVALENTS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
Current accounts	12.52	50.27
Cash credit accounts {refer note no.33(C)}	54.10	374.80
Fixed deposits account with a original maturity of less than three months {refer note (b)}	175.35	255.67
Cash on hand	0.12	0.13
(B)	**242.09**	**680.87**

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) Short-term deposits are made of varying periods between one date to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposits rates.

(c) Changes in liabilities arising from financing activities

	Long Term Borrowing		Short Term Borrowing		Lease Liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance	94.50	108.00	-	7.38	-	-
Transition impact on account of adoption of Ind AS 116 {refer Note 34(5)}	-	-	-	-	126.80	-
Addition on account of new leases during the year {refer Note 34(5)}	-	-	-	-	24.95	-
Deletion on account of termination of leases during the year {refer Note 34(5)}	-	-	-	-	(1.39)	-
Cash flows	(54.00)	(13.50)	-	(7.38)	(28.75)	-
Interest expense	5.17	13.19	-	0.24	10.92	-
Interest paid	(5.17)	(13.19)	-	(0.24)	(10.92)	-
Closing balance	**40.50**	**94.50**	**-**	**-**	**121.61**	**-**
Non-current Borrowing {refer note 16 (A)}	-	40.50	-	-		-
Non-current financial liability {refer note 16 (B)}	-	-	-	-	89.74	-
Current maturity of long term borrowing {refer note 20 (B}	40.50	54.00	-	-		-
Current maturity of long term lease liability {refer note 20 (B)}	-	-	-	-	31.87	-

(C) OTHER BANK BALANCES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Fixed deposits account with original maturity of more than three months but less than twelve months {refer note (a)}	625.58	483.16
Fixed deposits account with original maturity of more than twelve months {refer note (b)}	235.62	121.05
Unpaid dividend account {refer note (c)}	3.63	2.62
(C)	**864.83**	**606.83**
(B + C)	**1,106.92**	**1,287.70**

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.

Notes to Financial Statements

for the year ended March 31, 2020

(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) OTHER FINANCIAL ASSETS (valued at amortised cost)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Earnest money and security deposits	4.53	4.76
Retention money	1.67	0.89
Contractual claims and other receivables (refer note below)	23.24	24.40
	29.44	**30.05**

Note : Contractual claims and other receivables includes claims in accordance with contract with vendors.

13 OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	21.44	36.60
Others		
Prepaid expenses	8.77	12.96
Duty free licenses in hand	1.85	3.40
Insurance claim receivable	0.74	8.88
Government grant receivable	71.18	41.87
Balance with Statutory/ Government authorities	60.62	45.76
	164.60	**149.47**

Movement of Government grant receivable

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Opening balance	41.87	33.87
Accrual of Grant related to income (credited to statement of profit and loss account) (refer note 24)	33.16	38.92
Accrual of Grant related to assets	22.49	2.35
Grant realised during the year	(26.34)	(33.27)
Closing Balance	**71.18**	**41.87**

Note:- Government grant receivable includes export incentives, Budgetary support for refund of Goods and Service Tax and investment subsidy.

Notes to Financial Statements

for the year ended March 31, 2020

14 ASSETS HELD FOR SALE

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment		
Assets retired from active use {refer note (a) below}	0.95	0.59
Investment in joint venture		
Jiangsu Havells Sylvania Lighting Co., Limited {refer note 34(1)}	18.85	17.29
(50% contribution in paid in capital)		
	19.80	**17.88**

Note:

(a) The Company classified certain items of Property Plant and Equipment retired from active use and investment in joint venture under liquidation and are held for sale recognised and measured in accordance with Ind-AS 105 “Non Current Assets Held For Sale and Discontinued Operations” at lower of its carrying amount and fair value less cost to sell. The Company expects to complete the sale by September 2020 (previous year :-September 2019) by selling it in the open market/ as per contractual arrangement.

15 EQUITY

(A) Share capital

a) Authorized Share Capital (Refer Note below)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
1,032,000,000 equity shares of ₹ 1/- each (March 31,2019: 1,032,000,000 equity shares of ₹ 1/- each)	103.20	103.20
5,50,000 preference shares of ₹10/- each (March 31,2019: 5,50,000 preference shares of ₹10/- each)	0.55	0.55
	103.75	**103.75**

Note: Authorised share capital of the Company has been increased pursuant to the scheme of amalgamation approved by National Company Law Tribunal (“NCLT”) {Refer Note no 34(2)}. Consequently, the Company has filed form no INC-28 with the ROC on February 07, 2020 which is pending for its approval.

b) Issued, subscribed and fully paid-up

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
625,802,834 equity shares of ₹ 1/- each (March 31, 2019: 625,472,910 equity shares of ₹ 1/- each)	**62.58**	**62.55**

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

	March 31, 2020		March 31, 2019	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	625,472,910	62.55	625,148,473	62.51
Add: Exercise of employee stock purchase plan - proceeds received	329,924	0.03	324,437	0.04
	625,802,834	**62.58**	**625,472,910**	**62.55**

d) 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 31,2019 : ₹ 1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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for the year ended March 31, 2020

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.

e) **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, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.37	63,841,200	10.21
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	36,432,180	5.82	36,432,180	5.83
QRG Enterprises Limited	189,858,880	30.34	189,858,880	30.35
QRG Investments and Holdings Limited	68,741,660	10.98	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

f) **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 34 (9).

(B) OTHER EQUITY

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Capital reserve	7.63	7.63
Securities premium	80.58	56.40
Share option outstanding account	0.64	0.27
General reserve	722.72	722.72
Retained earnings	3,430.66	3,342.63
Total other equity	**4,242.23**	**4,129.65**
a) Capital reserve	**7.63**	**7.63**
b) Securities premium		
Opening balance	56.40	38.46
Add: Exercise of Employee stock purchase plan - proceeds received	24.18	17.94
Closing balance	**80.58**	**56.40**
c) Stock options outstanding account		
Opening balance	0.27	-
Add : Employee stock option expense	0.37	0.27
Closing balance	**0.64**	**0.27**
d) General reserve	**722.72**	**722.72**
e) Retained earnings		
Opening balance	3,342.63	2,875.30
Net profit for the year	733.03	787.34
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	(3.73)	(4.75)
Dividends		
Final Dividend of ₹ 4.5 per share of Re 1, for FY 2018-19 (₹ 4 per share for FY 2017-18)	(281.61)	250.19)
Dividend distribution tax on final dividend	(57.89)	(51.43)
Interim Dividend of ₹ 4 per share of Re 1 each, for FY 2019-20 (₹ Nil per share for FY 2018-19)	(250.32)	-
Dividend distribution tax on interim dividend	(51.45)	-
Transaction on account of acquisition of additional interest in subsidiary Company {Refer note 34(2)}	-	(13.64)
Closing balance	**3,430.66**	**3,342.63**

Notes to Financial Statements

for the year ended March 31, 2020

(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

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity - settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. 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. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. During the year on account of business combination as per Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control, the Company has utilised the reserve as at April 1,2018 i.e. Appointed date, in accordance with Scheme of Amalgamation as approved by NCLT.{Refer note 34(2)}

(d) Share options outstanding account

The fair value of the equity settled "share base payment transactions" is recognised in the statement of profit and loss account with the corresponding credit to share options outstanding account.

(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.

16 NON CURRENT FINANCIAL LIABILITIES

(A) BORROWINGS (valued at amortised cost)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Term loans from banks (secured)		
Term loans {refer note (a) and (b)}	40.50	94.50
	40.50	**94.50**
Non-current portion	-	40.50
Current maturity of long term borrowing {refer note 20 (B)}	40.50	54.00

Notes:

(a) The Company has availed a secured loan of ₹ 108 Crores against sanctioned amount of ₹ 300 crores from CITI bank N.A. during financial year 2017-18.The current outstanding and sanctioned amount against the loan is ₹ 40.50 Crores (March 31,2019; ₹ 94.50 Crores). The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the company during 12 months previous to sanction date. The loan was having 15 months moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum fixed assets coverage ratio of 1.1x. The Company has complied with all covenants throughout the reporting period.

Notes to Financial Statements

for the year ended March 31, 2020

(b) The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of term loan agreements

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

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Lease Liability {refer note 34 (5)}	89.74	-
Employee stock purchase plan compensation payable	1.13	0.92
	90.87	**0.92**

17 NON CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
i) **Provision for employee benefits**		
Gratuity {refer note no. 34(6)}	-	0.06
	-	**0.06**
ii) **Other provisions**		
Product warranties and E-waste {Refer note 22(a)}	35.57	32.62
	35.57	**32.62**
	35.57	**32.68**

18 INCOME TAXES

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(a) Income tax expense in the statement of profit and loss comprises :

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Current income tax charge	198.93	269.53
Deferred Tax charge / (credit)		
Relating to origination and reversal of temporary differences	(30.23)	89.23
Income tax expense reported in the statement of profit or loss	**168.70**	**358.76**

(b) Other Comprehensive Income

	As at March 31, 2020	As at March 31, 2019
Current income tax related to items recognised in OCI during the year:		
Current income tax expense on Re-measurement loss on defined benefit plans	1.25	2.55
Income tax related to items recognised in OCI during the year	**1.25**	**2.55**

Notes to Financial Statements

for the year ended March 31, 2020

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Accounting Profit before tax	901.73	1,146.10
Applicable tax rate	25.168%	34.944%
Computed Tax Expense	**226.95**	**400.49**
Increase due to transfer of investment property to property, plant and equipment	-	4.86
Adjustment of tax relating to earlier years	7.25	4.59
Difference in tax rate	-	0.82
Impact of adoption of new tax regime under section 115BAA on deferred tax liability including reversal of MAT credit entitlement	(72.35)	-
Utilisation of unrecognised unabsorbed depreciation and carried forward losses	-	(2.60)
Expense not allowed for tax purpose	6.94	7.54
Additional allowances for tax	(0.09)	(56.94)
Income tax charged to Statement of Profit and Loss at effective rate of 18.71% (March 31, 2019: 31.30%) {Refer Note (c) below}	**168.70**	**358.76**

(d) Deferred tax liabilities comprises :

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31,2019
Accelerated Depreciation for Tax purposes	315.47	370.70	(55.23)	103.76
Righ of Use as per Ind AS 116	29.45	-	29.45	-
Lease liability as per Ind AS 116	(30.61)	-	(30.61)	-
Expenses allowable on payment basis	(17.58)	(18.84)	1.26	(7.82)
Allowance for doubtful debts	(11.29)	(8.92)	(2.37)	(3.10)
Unabsorbed Depreciation and carried forwarded tax losses	-	(4.82)	4.82	(4.82)
Other Items giving rise to temporary differences	1.08	1.21	(0.13)	1.21
	286.52	**339.33**	**(52.81)**	**89.23**
MAT credit entitlement as at end of the year {refer note (d)}	-	(22.58)	22.58	-
	286.52	**316.75**	**(30.23)**	**89.23**

Reconciliation of deferred tax liabilities(net)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Opening balance as per last balance sheet	316.75	250.10
Deferred tax charged/(credited) to Profit and loss account during the year	(30.23)	89.23
	286.52	**339.33**
MAT credit entitlement as at end of the year {refer note (d)}	-	(22.58)
Closing balance	**286.52**	**316.75**

Notes:

a) There was unabsorbed capital loss of ₹ 368.55 crores as on March 31, 2020 (previous year 368.85 crores) out of which capital loss of ₹ 246.25 crores will expire in financial year 2023-24 and capital loss of ₹ 122.30 crores will expire in financial year 2025-26, 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 ₹ 85.86 crores (Previous year 85.92 Crore).

b) During the year the Company has paid Final dividend to its shareholders for the year ended March 31, 2019 and Interim Dividend for the year ended March 31,2020. This has resulted in payment of dividend distribution tax (DDT) amounting to ₹ 109.34 crores to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity

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for the year ended March 31, 2020

c) Effective tax rate has been calculated on profit before tax.

d) The Company has opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amendment) Ordinance, 2019). Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section and unutilised MAT credit entitlement has been written off.

19 OTHER NON CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Deferred capital goods credit {refer note 33(E)}	17.71	17.71
	17.71	**17.71**

20 CURRENT FINANCIAL LIABILITIES

(A) TRADE PAYABLES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Total outstanding dues of Micro Enterprises and Small Enterprises	106.28	55.66
Total outstanding dues of other than Micro Enterprises and Small Enterprises	1,307.79	1,504.39
Total	**1,414.07**	**1,560.05**

Notes:

(i) Trade Payables include due to related parties ₹ 4.95 crores (March 31, 2019 : ₹ 3.77 crores) {refer note 34(8)(D)}

(ii) The amounts are unsecured and non interest-bearing and are usually paid within 30 to 120 days of recognition.

(iii) For terms and conditions with related parties. {refer to note 34(8)}

(iv) Trade payables includes acceptances of ₹ 389.71 Crores (March 31, 2019: ₹ 281.76 crores)

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, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in crores)

		As at March 31, 2020	As at March 31,2019
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	106.28	55.66
	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, 2019 : ₹ Nil)		

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for the year ended March 31, 2020

(B) OTHER FINANCIAL LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Unpaid dividend {refer note (a)}	3.63	2.62
Other payables		
Current Maturity of Long term loan {refer note 16A)}	40.50	54.00
Current maturities of Lease liability {refer note 34 (5)}	31.87	-
Employee stock purchase plan compensation payable	3.78	2.89
Creditors for capital goods	39.41	40.43
Retention money	46.74	39.68
Other liabilities		
Payable for services	111.69	107.97
Payable to banks against receivable buyout facilities (refer note (b))	155.28	108.54
Sales incentives payable	113.29	241.85
Others {refer note (c)}	16.98	12.02
	563.17	**610.00**

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 ₹ 0.11 crores (March 31,2019: ₹ 0.07 crore) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act,2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Other includes amount against E-waste liability {refer note 22(a)(i)} and amount refundable to customers.

21 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Advances from customers	38.43	17.96
Others		
Goods and Service Tax Payable	29.79	57.06
Other statutory dues payable	36.85	38.39
	105.07	**113.41**

22 CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
i) Provision for employee benefits		
Gratuity {refer note no. 34(6)}	19.08	19.40
(A)	**19.08**	**19.40**
ii) Other provisions		
Product warranties and E-waste {refer note (a)}	176.94	176.12
Litigations {refer note (b)}	13.99	7.60
(B)	**190.93**	**183.72**
(A) + (B)	**210.01**	**203.12**

a) Provision for warranties and E-waste

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that

Notes to Financial Statements

for the year ended March 31, 2020

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.

(ii) E-waste

A provision is recognised for probable e-waste liability based on "Extended Producer Responsibility" as furnished by the Company to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as 'Other expenses' in the statement of profit and loss. As a part of acquisition of Lloyd business in earlier year, the seller company had agreed to ensure compliance with " extended producer responsibility" (EPR) in accordance with E- waste management rules, 2016 in respect of sales made by the seller company in respect of Lloyd consumer durable business prior to date of business acquisition i.e. May 08, 2017. Further management has assessed liability under E-Waste management rules on year to year basis and same has been accounted for accordingly. Towards this, the seller company has paid an amount of ₹ 9.46 crore (March 31,2019:12.02 crore).

(iii) The table below gives information about movement in Warranty and E-waste provisions:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	208.74	158.67
Arising during the year	192.61	201.65
Utilized during the year	(192.39)	(154.13)
Unwinding of discount {refer note no. 30}	3.55	2.55
At the end of the year	**212.51**	**208.74**
Current portion	176.94	176.12
Non-current portion {refer note no. 17}	35.57	32.62

b) Provision for litigations

Provision for litigation amounting to ₹ 13.99 Crores (March 31, 2019: ₹ 7.60 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, 2020	As at March 31, 2019
At the beginning of the year	7.60	7.70
Arising during the year	6.39	-
Utilized during the year	-	(0.10)
At the end of the year	**13.99**	**7.60**
Current portion	13.99	7.60
Non-current portion	-	-

23 CURRENT TAX LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Income Tax (net of advance tax and Tax Deducted at Source)	-	30.93
	-	**30.93**

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24 REVENUE FROM OPERATIONS:

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31,2019
Revenue from contract with customers:			
Sale of products		9,309.83	9,969.40
Sales of services		40.69	7.70
Scrap sales		45.52	51.69
	(A)	**9,396.04**	**10,028.79**
Other operating revenues			
Export Incentive		7.95	10.19
Government assistance for refund of Goods and Service Tax {refer note (a) below}		25.21	28.73
	(B)	**33.16**	**38.92**
Total revenue from operations	**(A) + (B)**	**9,429.20**	**10,067.71**

Note:

Government assistance for refund of Goods and Service Tax represents benefits provided by the Government to the Company in respect of its manufacturing units in the state of Assam, Himachal Pradesh and Uttarakhand in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 05, 2017 which were earlier eligible for excise duty exemption. The exemption in respect of its manufacturing unit at Himachal Pradesh and Uttarakhand has expired on December 11,2019 and January 17, 2020 respectively {refer accounting policy 2.16}

(i) Timing of revenue recognition

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Goods transferred at a point in time	9,351.42	9,940.57
Goods transferred over the time	3.93	80.52
Services transferred over the time	40.69	7.70
Total revenue from contract with customers	**9,396.04**	**10,028.79**

(ii) Disaggregation of revenue based on product or service

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Switchgears	1,480.18	1,656.27
Cables	2,993.30	3,232.72
Lighting and fixtures	1,130.99	1,302.76
Electrical consumer durables	2,201.30	1,981.48
Lloyd Consumer*	1,590.27	1,855.56
Total revenue from contract with customers	**9,396.04**	**10,028.79**

* Includes revenue from procurement services and service-type warranties.

(iii) Revenue by location of customers

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
India	9,079.01	9,707.06
Outside India	317.03	321.73
Total revenue from contract with customers	**9,396.04**	**10,028.79**

Notes to Financial Statements

for the year ended March 31, 2020

(iv) Reconciliation of revenue recognised in statement of profit and loss with contracted price

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Revenue as per contracted price	9,462.71	10,096.97
Less: Cash discount	(66.67)	(68.18)
Total revenue from contract with customers	**9,396.04**	**10,028.79**

(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 within 30 to 60 days from delivery. {refer accounting policy 2.13}

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 {refer accounting policy 2.13}.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2020 is as follows:-

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Within one year	15.74	4.76
More than one year	4.32	2.63
	20.06	**7.39**

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, 2020, revenue recognised from amount included in contract liability at the beginning of year is ₹ 1.32 crores (March 31, 2019: ₹ Nil)

25 OTHER INCOME

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Interest received on financial assets carried at amortised cost:		
Bank deposits	69.58	78.20
Others	7.02	1.86
Other non-operating income		
Exchange fluctuations (net)	19.53	22.85
Liabilities no longer required written back	4.33	4.51
Rental income	-	7.62
Profit on sale of non-current financial investments	-	0.07
Miscellaneous income	11.52	12.66
	111.98	**127.77**

Notes to Financial Statements

for the year ended March 31, 2020

26 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Copper	1,370.66	1,388.17
Aluminium	532.21	629.39
General plastic and Engineering Plastic	220.45	215.63
Paints and chemicals	292.04	327.15
Steel	162.24	177.81
Packing materials	193.64	197.38
Others	1,618.34	1,597.34
	4,389.58	**4,532.87**

27 PURCHASE OF TRADED GOODS

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Switchgears	63.15	66.30
Lighting and fixtures	256.60	266.05
Electrical consumer durables	423.80	357.58
Lloyd Consumer	528.72	1,309.81
Cables	0.55	-
	1,272.82	**1,999.74**

28 CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS ETC.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	836.99	623.31	(213.68)
Traded goods	459.30	851.66	392.36
Work in progress	100.52	98.77	(1.75)
Scrap materials	8.95	4.76	(4.19)
	1,405.76	**1,578.50**	**172.74**

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	623.31	532.88	(90.43)
Traded goods	851.66	711.00	(140.66)
Work in progress	98.77	85.35	(13.42)
Scrap materials	4.76	4.00	(0.76)
	1,578.50	**1,333.23**	**(245.27)**

Notes to Financial Statements

for the year ended March 31, 2020

29 EMPLOYEE BENEFITS EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Salaries, wages, bonus, commission and other benefits	818.89	763.15
Contribution towards PF, Family Pension and ESI	37.06	33.55
Employee stock purchase plan expense {refer note no. 34(9)}	17.06	12.83
Gratuity expense {refer note no. 34(6)}	14.11	12.10
Staff welfare expenses	12.46	15.63
	899.58	**837.26**

30 FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Interest expense	5.17	13.43
Interest on lease liability {refer note no. 34(5)}	10.92	-
Miscellaneous financial expenses	0.08	0.16
Total interest expense	**16.17**	**13.59**
Unwinding of discount on long term provisions {refer note no. 22(a)}	3.55	2.55
Total Finance cost	**19.72**	**16.14**

31 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Depreciation of property, plant and equipment {refer note 3}	153.68	123.69
Depreciation of Investment property {refer note 4}	-	1.43
Amortization of intangible assets {refer note 5}	25.54	24.24
Depreciation of Right of use assets (refer note 3)	38.69	-
	217.91	**149.36**

32 OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Consumption of stores and spares	45.21	45.72
Power and fuel	92.44	86.33
Job work and service charges	203.09	213.12
Rent	37.49	71.19
Repairs and maintenance:		
Plant and machinery	10.18	11.12
Buildings	2.31	3.30
Others	50.77	42.79

Notes to Financial Statements

for the year ended March 31, 2020

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Rates and taxes	1.55	1.93
Insurance	17.66	15.65
Trade mark fee and royalty	0.15	0.17
Travelling and conveyance	83.78	90.13
Communication expenses	10.27	12.52
Legal and professional charges	19.81	15.64
Payment to Auditors		
As Auditors:		
Audit fee	1.35	1.30
Tax audit fee	0.05	0.05
Other services	0.05	0.14
Reimbursement of expenses	0.09	0.09
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 34(10)}	20.32	17.44
Directors sitting fees	0.35	0.41
Selling and distribution expense	343.04	342.54
Advertisement and sales promotion	320.94	384.28
Secondary sales promotion expense	48.56	52.97
Commission on sales	73.22	68.31
Product warranties and after sales services (net of reversals)	192.61	201.65
Bank Charges	31.48	38.99
Loss on sale/ discard of property, plant and equipment (net)	6.73	4.63
Bad debts written off	0.82	2.19
Impairment allowance for trade receivables considered doubtful	18.23	8.81
Impairment of Investment in subsidiary company {refer note no. 34(1)}	0.03	0.10
Miscellaneous expenses	34.52	25.77
	1,667.10	**1,759.28**

Notes to Financial Statements

for the year ended March 31, 2020

33 COMMITMENTS AND CONTINGENCIES

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
a	Claims / Suits filed against the Company not acknowledged as debts (Refer point (i))	6.47	6.61
b	Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 30.96 crores (March 31, 2019: ₹ 29.02 crores)} {refer point (ii)} (Included in "deposit with statutory and government authorities" in note no. 9)	78.13	78.10
c	Demand raised by Uttarakhand Power Corporation Limited contested before Hon'ble High Court of Uttarakhand, Nainital {Amount deposited under protest ₹ Nil (March 31, 2019: ₹ 1.00 crore)}	-	1.00

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 31,2020	Period to which relates	Disputed amount As At March 31,2019
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2019-20	0.39	2007-08 to 2009-10	0.23
b)	**Income Tax**				
	Disallowances / additions made by the income tax department.	2003-04 to 2013-14	56.21	2003-04 to 2014-15	57.82
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 to 2019-20	1.26	-	-
c)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department.	2005-06 to 2015-16	20.12	2005-06 to 2015-16	19.90
d)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			78.13		**78.10**

(a) The Company is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for these tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations. Based on favourable decisions in similar cases, the Company does

Notes to Financial Statements

for the year ended March 31, 2020

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 22 (ii)}. Besides the above, show cause notices from various departments received by the Company have not been treated as contingent liabilities, since the Company has adequately represented to the concerned departments and does not expect any liability on this account.

B Commitments

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	103.16	193.08
b)	Corporate Social Responsibility commitment	28.16	4.54
		131.32	**197.62**

C Undrawn committed borrowing facility

(a) The Company has availed fund based and non fund based working capital limits amounting to ₹ 235 crores (March 31, 2019 : ₹ 275.00 crores) from banks under consortium of Canara Bank, IDBI Bank Limited, Standard Chartered Bank, Axis Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ 212.28 crores remain undrawn as at March 31, 2020 (March 31, 2019 : ₹ 256.26 crores). Further The limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire paid stocks consisting of raw material, work in progress, finished goods kept at Company's godown, factories and book debts along with receivables of the Company, both present and future.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with consortium banks by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which 1st charge is held with term lenders

(b) The Company has availed a secured loan of ₹ 108 Crores against sanctioned amount of ₹ 300 crores from CITI bank N.A. during financial year 2017-18.The current outstanding and sanctioned amount against the loan is ₹ 40.50 Crores (March 31,2019; ₹ 94.50 Crores). The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the company during 12 months previous to sanction date. The loan was having 15 months moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum fixed assets coverage ratio of 1.1x. The Company has complied with all covenants throughout the reporting period. The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of term loan agreements.

D Other Litigations

(a) The Company has some sales tax and other tax related litigation of ₹ 13.99 crores (March 31, 2019: ₹ 7.60 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E During the year ended March 31,2018, Land measuring 50 acres situated at Ghiloth District , General Zone Industrial Area RIICO in the state of Rajasthan has been allotted to the Company for a consideration of ₹ 71.21 crores. This consideration will be adjusted by way of rebate of ₹ 17.71 crores only after, the Company incurs a total investment of ₹ 260.00 crores by November 2019 and an additional amount of ₹192.00 crores by March 2022. Till March 31,2020, the Company has capitalised ₹ 375.63 crores (March 31,2019 : ₹ 177.95 crores) in property, plant and equipment and ₹ Nil (March 31,2019: ₹ 165.38 crores) in Capital work in progress. The Company has completed first phase of its capitalisation amounting to ₹ 260 crores. Till then the Company has considered the rebate as a separate liability as disclosed in note 19.

F The Company has given bonds amounting to ₹ 1.65 crores (March 31, 2019: 0.67 crores) to central tax department against import of goods without payment of basic custom duty.

Notes to Financial Statements

for the year ended March 31, 2020

34 OTHER NOTES ON ACCOUNTS

1 Change in interest in subsidiaries and joint venture

(a) (i) During the current year wholly owned subsidiary of the Company "Havells Exim Limited" has been liquidated w.e.f. September 13, 2019. Accordingly the Company has de-recognised the investment along with provision for impairment from its standalone financial statement. (Refer note 6)

(ii) Further step down wholly owned subsidiary Companies namely Havells International Limited and Havells Sylvania Iluminacion (Chile) Ltda have also been liquidated during the current year on July 22, 2019 and November 28, 2019 respectively.

(b) In the earlier year, the Company and its joint venture partner in respect of their joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", have applied for liquidation and formed a liquidation committee. The Company will receive an agreed consideration of USD 2.5 million. Accordingly, the investment in joint venture has been classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Company is not liable for losses incurred by the joint venture as the Company will receive agreed consideration upon completion of liquidation and accordingly the investment has been measured at lower of its carrying amount and fair value less cost to sell.

2 Scheme of Amalgamation

Havells India Limited ("the Company" or "Havells" or "Transferee Company) and its wholly owned subsidiary companies, namely Promptec Renewable Energy Solutions Private Limited. ("Promptec"), Standard Electrical Limited ("Standard") ,Lloyd Consumer Private Limited ("Lloyd") and Havells Global Limited ("HGL"), together referred as "Transferor Companies", had filed the Scheme of Amalgamation, ("the Scheme") under section 230 to 232 of Companies Act 2013 read with Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, (as amended from time to time) with National Company law tribunal ("NCLT"), which has been approved on January 31, 2020 and filed with Registrar of Companies on February 07, 2020, accordingly the same has become effective from appointed date as per scheme which is April 01, 2018. The Company has applied principles of Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control' w.e.f. April 01, 2018.

General nature of business of the combining entities

HGL: The Company is engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting, trading or otherwise dealing in all types of electrical goods and instruments

Standard: The Company is engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting, trading or otherwise dealing in all types of electrical goods, light engineering goods and instruments

Lloyd: The Company is engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting, trading or otherwise dealing in all types of electrical goods and instruments

Promptec: The Company is primarily engaged in the business of analysing, designing, developing, enhancing, testing, manufacturing, marketing, sales, servicing electrical and electronic products, solutions, components used in renewable energy, general lighting and any other areas of power and energy industry in domestic and international market

Havells: The Company is primarily engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting or otherwise dealing in all types of electrical goods and instruments and also other consumer durable and FMCG products

Rationale for Amalgamation

The scheme of amalgamation will enable optimisation of legal entity structure through rationalisation of number of subsidiaries, which will result in integration of business operations and consolidation of activities leading to operational synergies. The scheme will also result in reduction in multiplicity of legal and regulatory compliances

Accounting treatment

Below is the summary of accounting treatment which has been given effect to in these standalone financial statement, in accordance with accounting treatment prescribed in the scheme:

a) The Company has recorded the assets and liabilities of the transferor Companies at the respective book values as appearing in the books of transferor Companies, prepared in accordance with Indian Accounting Standard (Ind-AS).

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for the year ended March 31, 2020

b) Amounts lying in the balance of the “Profit and Loss Account” in the books of account of the Transferor Companies is taken by the Transferee Company to its balance in “Profit and Loss Account”.

c) The inter-company balances between the Transferee Company and the Transferor Company, appearing in the books of the Transferee Company have been cancelled.

d) Pursuant to amalgamation, the value of investments amounting to ₹ 39.79 crores in “Promptec”, ₹ 0.05 crores in “HGL”, ₹ 0.05 crores in “Standard” and ₹ 0.05 crores in “LLOYD” held by the Company on the Appointed date has been cancelled with equity share capital of transferor companies and the difference between the share-capital of the Transferor Companies and the book value of the investments cancelled has been transferred to General Reserve in accordance with Ind As 103 -Business Combinations and the scheme of amalagamation.

e) Subject to the above, the reserves of the Transferor Companies is incorporated in the books of the Transferee Company in the same form as they appeared in the financial statements, prepared in accordance with Indian Accounting Standards, of the Transferor Companies

f) During the previous year the Company has also acquired additional interest in one of the subsidiary company namely “Promptec Renewable Energy Solution Private Limited” at a consideration of ₹ 16.66 crores. The difference between the net book value of non-controlling interest and consideration paid is recognised directly in equity in accordance with Ind AS 103 “Business Combinations” amounting to ₹ 13.64 crores

g) The Company has restated the financial information as at and for year ended March 31, 2019 as if the business combination has occurred from the beginning of the preceding period i.e. April 01, 2018 in accordance with Appendix C to Ind-AS 103 - ‘Business Combinations of entities under Common Control’ and the schemes.

Summary of Accounting treatment pursuant to scheme of amalgamation on Appointed date i.e. April 01, 2018

(₹ in crores)

Particulars	Promptec	Standard	LLOYD	HGL
Assets taken over				
Property, plant and equipment	5.98	-	-	-
Other intangible assets	0.18	-	-	-
Inventories	11.89	-	-	-
Trade Receivable	4.21	-	-	-
Cash and cash equivalents	0.12	0.01	-	0.01
Other Bank Balance	0.02	0.04	0.05	0.04
Other financial assets	0.64			
Other current assets	3.47			
Total Assets (A)	**26.51**	**0.05**	**0.05**	**0.05**
Liabilities taken over				
Borrowings	7.38	-	-	-
Deferred tax liabilities (Net)	0.06	-	-	-
Trade payables	5.83	-	-	-
Provisions	1.24	-	-	-
Other financial liabilities	0.60	-	-	-
Other current liabilities	0.26			
Total Liabilities B)	**15.37**	**-**	**-**	**-**
Reserves of the Transferor Companies				
Capital Reserve	0.02	-	-	-
General reserve	0.02			
Retained earnings	(6.01)			
Total Reserves (C)	**(5.97)**	**-**	**-**	**-**
Net Assets taken over (D) = (A) - (B) - (C’)	**17.11**	**0.05**	**0.05**	**0.05**
Payable to minority shareholders of subsidiary (E)	(3.46)	-	-	-
Investment in the books of Havells India Limited as on April 01, 2018 (F)	(39.79)	(0.05)	(0.05)	(0.05)
Balance transferred to General Reserve (G) = (D) + (E) + (F)	**(26.14)**	**-**	**-**	**-**

Notes to Financial Statements

for the year ended March 31, 2020

h) Further in accordance with the scheme, the authorised share capital of the Company has been increased by merging the authorised share capital of transferor Companies, resulting in increase in authorised equity share capital by ₹ 3.15 crores and authorised preference share capital by ₹ 0.55 crores. Accordingly, the Authorised Capital of the Company post merger stands to ₹ 103.75 crores divided into 103,20,00,000 equity Shares of ₹ 1/- each and 5,50,000 Redeemable Preference Shares of ₹ 10/- each

3 Investment in subsidiaries and joint ventures

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 " Separate Financial Statements".

(b) The Company 's investments in subsidiaries are as under:

Name of the subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2020	Portion of ownership interest as at March 31, 2019	Method used to account for the investment
Havells Holdings Limited	Isle of Man	100%	100%	At cost
Havells Guangzhou International Limited	China	100%	100%	At cost
Havells Exim Limited {refer note 34(1)(a)}	Hong Kong	-	100%	At cost

(c) The Company's investment in Joint venture is as under:

Name of the Joint venture	Country of incorporation	Portion of ownership interest as at March 31, 2020	Portion of ownership interest as at March 31, 2019	Method used to account for the investment
Jiangsu Havells Sylvania Lighting Co. Limited { refer note 34(1) }	China	50%	50%	At cost

4 During the year, the Company has capitalised the following pre-operative 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)

	Year ended March 31, 2020	Year ended March 31,2019
Cost of material consumed	8.48	9.37
Employee benefits expense	5.12	5.04
Other expenses	2.42	1.99
	16.02	**16.40**

5 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. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

(ii) The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

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for the year ended March 31, 2020

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.

(e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 1, 2019			
Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 3)	-	126.80	126.80
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer Note 3)	176.98	-	176.98
Reclassified from Earnest money and Security Deposits (refer note below)	-	2.79	2.79
Total Right of Use on the date of transition	**176.98**	**129.59**	**306.57**
Additions during the year	40.82	24.95	65.77
Deletion during the year	-	(0.98)	(0.98)
Depreciation of Right of use assets (refer note 31)	(2.16)	(36.53)	(38.69)
Balance as at March 31, 2020	**215.64**	**117.03**	**332.67**

(iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

(₹ in crores)

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 "Leases"	126.80
Additions during the year	24.95
Finance cost accrued during the year	10.92
Deletions	(1.39)
Payment of lease liabilities	(39.67)
Balance as at March 31, 2020	**121.61**
Current maturities of Lease liability {refer note 20 (B)}	31.87
Non-Current Lease Liability {refer note 16 (B)}	89.74

(v) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 7.78 crores (Increase in Depreciation expense and finance cost by ₹ 36.53 crores and ₹ 10.92 crores respectively with corresponding decrease in other expense by ₹ 39.67 crores). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 39.67 crores each. Total Deferred tax expense and deferred tax liabilities are decreased by ₹ 1.96 crores.

(vi) The maturity analysis of lease liabilities are disclosed in Note 34(12).

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

(viii) Rental expense recorded for short-term leases was ₹ 37.49 crore for the year ended March 31,2020. (refer note 32)

(ix) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 (disclosed under Note 32(E) of annual standalone financial statements forming part of 2019 Annual Report) and the value of the lease liability as of April 1, 2019, is on account of use of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

(x) 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.

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for the year ended March 31, 2020

6 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, 2020	Year ended March 31,2019
Employer's Contribution towards Provident Fund (PF) and NPS	36.55	32.62
Employer's Contribution towards Employee State Insurance (ESI)	0.51	0.93
	37.06	**33.55**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Life Insurance Corporation of India (LIC). 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 usually gets a gratuity on departure @ 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 and the funded status and amounts recognised in the balance sheet for the respective plans:

a) Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Present value of Defined Benefit obligation at the beginning of the year	91.09	71.18
Opening obligation transferred to group companies	(0.08)	(0.10)
Interest Expense	6.65	5.30
Current Service Cost	13.36	11.59
Benefit paid	(8.03)	(4.99)
Remeasurement of (Gain)/loss recognised in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	4.66	(6.95)
Actuarial changes arising from changes in experience adjustments	0.61	15.06
Present value of Defined Benefit obligation at year end	**108.26**	**91.09**

b) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Fair value of plan assets at beginning of the year	71.63	58.33
Expected return on plan assets	5.90	4.79
Employer contribution	19.39	12.19
Remeasurement of Gain/(loss) in other comprehensive income		
Return on plan assets excluding interest income	0.29	0.81
Benefits paid	(8.03)	(4.49)
Fair value of plan assets at year end	**89.18**	**71.63**

Notes to Financial Statements

for the year ended March 31, 2020

c) Net defined benefit asset/ (liability) recognised in the balance sheet

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Fair value of plan assets	89.18	71.63
Present value of defined benefit obligation	(108.26)	(91.09)
Amount recognised in Balance Sheet- Asset / (Liability)	**(19.08)**	**(19.46)**
Current portion {refer note 22(i)}	(19.08)	(19.40)
Non-current portion {refer note 17(i)}	-	(0.06)

d) Net defined benefit expense (recognised in the Statement of profit and loss for the year)

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Current service cost	13.36	11.59
Net interest cost	0.75	0.51
Net defined benefit expense debited to statement of profit and loss	**14.11**	**12.10**

e) Remeasurement (gain)/ loss recognised in other comprehensive income

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Actuarial changes arising from changes in financial assumptions	4.66	(6.95)
Actuarial changes arising from changes in experience adjustments	0.61	15.06
Return on Plan assets excluding interest income	(0.29)	(0.81)
Recognised in other comprehensive income	**4.98**	**7.30**

f) Broad categories of plan assets as a percentage of total assets

	Year ended March 31, 2020	Year ended March 31,2019
Insurer managed funds	100%	100%

g) Principal assumptions used in determining defined benefit obligation

	Year ended March 31, 2020	Year ended March 31,2019
Mortality Table (LIC)	**2012-14 (Ultimate)**	**2012-14 (Ultimate)**
Discount rate (per annum)	6.75%	6.85% to 7.65%
Salary Escalation	8.50%	8.50% to 9.00%
Attrition Rate	7.00%	7.00% to 28.00%

Notes to Financial Statements

for the year ended March 31, 2020

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

	Year ended March 31, 2020	Year ended March 31,2019
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 0.50%	(3.71)	(3.11)
Decrease by 0.50%	4.25	3.55
Salary increase		
Increase by 0.50%	4.17	3.51
Decrease by 0.50%	(3.72)	(3.14)
Attrition rate		
Increase by 0.50%	(0.49)	(0.27)
Decrease by 0.50%	0.55	0.30

i) Maturity profile of defined benefit obligation

	Year ended March 31, 2020	Year ended March 31,2019
Within the next 12 months (next annual reporting period)	7.42	6.85
Between 2 and 5 years	50.45	45.00
More than 5 years	143.27	133.46
Total expected payments	**201.14**	**185.31**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 22.77 years (March 31, 2019: 23.36 to 24.27 years)

k) The plan assets are maintained with Life Insurance Corporation of India (LIC).

l) The Company expects to contribute ₹ 19.08 crores (March 31,2019 : ₹ 19.40 crores) to the plan during the next financial year.

m) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

n) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

o) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

7 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 five reportable segments as follows:

a) Operating Segments

Switchgears	:	Domestic and Industrial switchgears, electrical wiring accessories, industrial motors, and capacitors.
Cables	:	Domestic cables and Industrial underground cables.
Lighting and Fixtures	:	Energy Saving Lamps (LED, Fixtures), Solar and luminaries.
Electrical Consumer Durables	:	Fans, Water Heaters, Coolers, Personal Grooming, Water Purifier, Pumps and Domestic Appliances
Lloyd Consumer	:	Air Conditioner, Television, Refrigerator and Washing Machine

Notes to Financial Statements

for the year ended March 31, 2020

b) **Identification of Segments:**

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Others".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Others".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues

g) No operating segments have been aggregated to form the above reportable operating segments.

Summary of Segmental Information

A. Revenue

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Segment Revenue		
Switchgears	1,497.64	1,577.70
Cables	2,994.19	3,234.60
Lighting and fixtures	1,131.31	1,303.49
Electrical consumer durables	2,215.79	2,096.36
Lloyd Consumer	1,590.27	1,855.56
	9,429.20	**10,067.71**
Inter Segment Sale	-	-
Total revenue	**9,429.20**	**10,067.71**

B. Results

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Segment Profit		
Switchgears	576.61	628.68
Cables	488.67	521.71
Lighting and fixtures	323.30	366.82
Electrical consumer durables	574.18	552.62
Lloyd Consumer	168.71	317.57
Segment operating profit	**2,131.47**	**2,387.40**
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Employee benefits expense	(735.37)	(690.70)
Other unallocable expenses net of other unallocable income	(474.65)	(534.46)
Operating Profit	**921.45**	**1,162.24**
Finance Costs {refer note 30}	(19.72)	(16.14)
Profit before tax	**901.73**	**1,146.10**
Income tax expense {refer note 18}	(168.70)	(358.76)
Profit after tax	**733.03**	**787.34**

Notes to Financial Statements

for the year ended March 31, 2020

C. Reconciliations to amounts reflected in the financial statements

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Segment Assets		
Switchgears	640.86	657.94
Cables	909.28	798.71
Lighting and fixtures	518.33	585.98
Electrical consumer durables	929.96	788.26
Lloyd Consumer	2,402.54	2,631.61
Segment operating assets	**5,400.97**	**5,462.50**
Reconciliation of segment operating assets to total assets		
Cash and bank balance {refer note 8(B), 12(B) and (C)}	1,106.92	1,287.71
Investment {refer note 6}	1.63	1.66
Assets as held for sale {refer note 14}	19.80	17.88
Others	518.54	355.91
Total assets	**7,047.86**	**7,125.66**
Segment Liabilities		
Switchgears	272.05	289.09
Cables	521.89	513.33
Lighting and fixtures	234.40	226.97
Electrical consumer durables	492.01	481.22
Lloyd Consumer	381.76	504.31
Segment operating liabilities	**1,902.11**	**2,014.92**
Reconciliation of segment operating liabilities to total liabilities		
Borrowings {refer note 16(A) and 20(B) }	40.50	94.50
Deferred tax liability {refer note 18(d)}	286.52	316.75
Others	513.92	507.29
Total liabilities	**2,743.05**	**2,933.46**
Other non-current assets		
Switchgears	10.02	11.90
Cables	3.48	9.36
Lighting and fixtures	0.06	0.13
Electrical consumer durables	4.67	5.35
Lloyd Consumer	1.12	2.12
	19.35	**28.86**
Others	31.32	29.88
	50.67	**58.74**
Capital Expenditure		
Switchgears	60.80	41.02
Cables	104.72	79.14
Lighting and fixtures	3.14	8.22
Electrical consumer durables	129.35	22.71
Lloyd Consumer	32.09	270.12
	330.10	**421.21**
Others	41.20	56.24
	371.30	**477.45**

Notes to Financial Statements

for the year ended March 31, 2020

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Depreciation and Amortization Expenses		
Switchgears	51.09	38.29
Cables	61.15	43.05
Lighting and fixtures	21.48	16.84
Electrical consumer durables	47.09	30.81
Lloyd Consumer	37.10	20.37
	217.91	**149.36**
Non-cash expenses other than depreciation		
Switchgears	4.57	2.29
Cables	7.27	6.33
Lighting and fixtures	2.95	3.85
Electrical consumer durables	2.44	3.15
Lloyd Consumer	8.55	0.01
	25.78	**15.63**
Provision for diminution in value of investment	0.03	0.10
	25.81	**15.73**
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	9,112.17	9,745.98
Revenue-Overseas Market:	317.03	321.73
	9,429.20	**10,067.71**
Geographical Segment assets		
Within India	6,966.54	7,017.04
Outside India	81.32	108.62
	7,047.86	**7,125.66**
Geographical Non-current assets		
Within India	3,473,64	3,178.35
Outside India	12.58	16.88
	3,486.22	**3,195.23**
Note:- Non Current assets for this purpose excludes investment in subsidiaries, Contract assets, non current financial assets and non current tax assets		
Geographical Capital Expenditure		
Within India	371.30	477.45
Outside India	-	-
	371.30	**477.45**

Notes:

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets

(iv) The Company has re-organised its internal segment effective April 01, 2019 and accordingly, Pump business which was earlier clubbed under "Switchgear" segment is now being shown under "Electrical consumer durables" segment. The Comparative figures for the year ended March 31, 2019 have been accordingly restated.

Notes to Financial Statements

for the year ended March 31, 2020

8 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time), as disclosed below:-

(A) Names of related parties and description of relationship :

(i) Related party where control exists

Subsidiary Companies	Relationship
1 Havells Holdings Limited	Wholly Owned Subsidiary (WOS)
2 Havells Guangzhou International Limited	Wholly Owned Subsidiary (WOS)
3 Havells Exim Limited	Dissolved and ceased to be subsidiary with effect from September 13, 2019

Step Down Subsidiary Companies

1 Havells International Limited	Dissolved and ceased to be subsidiary w.e.f July 22, 2019
2 Havells Sylvania Iluminacion (Chile) Ltda	Dissolved and ceased to be subsidiary w.e.f November 28, 2019
3 Thai Lighting Asset Co. Ltd.#	49% held by Havells International Limited (Dissolved with effect from June 29, 2018)

Havells International Limited (WOS of Havells Holdings Limited) hold 49% equity interest in Thai Lighting Assets Co. Ltd. However the said Company has majority representation on Board of Directors of the entity and approval of the said Company is required for all major operational decisions and the operations are solely carried out for the benefit of the Group. Based on facts and circumstances, management determine that in substance the Group control this entity and therefore reported the same as controlled entities. The company has been liquidated on June 29, 2018

(ii) Joint Venture

Jiangsu Havells Sylvania Lighting Co. Limited
50% ownership interest held by Company.(Under Liquidation)

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises in which directors are interested

QRG Enterprises Limited
QRG Foundation
Guptajee & Company
QRG Central Hospital and Research Centre Ltd
QRG Medicare limited
The Vivekananda Ashrama

(ii) Post employee benefit plan for the benefitted employees

Havells India Limited Employees Gratuity Trust

iii) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Wholetime Director
Shri Siddhartha Pandit, Wholetime Director (appointed w.e.f May 29,2019)
Shri Sanjay Kumar Gupta, Company Secretary

Notes to Financial Statements

for the year ended March 31, 2020

iv) Non Executive Directors

Shri Vijay Kumar Chopra (retired w.e.f April 1 ,2020)
Dr. Adarsh Kishore (retired w.e.f April 1,2020)
Shri Surender Kumar Tuteja (retired w.e.f April 1,2020)
Smt. Pratima Ram
Shri Vellayan Subbiah
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani
Shri U K Sinha

(C) Transactions during the year

(i) Purchase of traded goods and stores and spares

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Subsidiaries / Step down Subsidiaries		
Havells Exim Ltd.	-	6.85
	-	**6.85**

(ii) Commission paid on purchase

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Subsidiaries / Step down Subsidiaries		
Havells Guangzhou International Ltd.	7.75	9.24
	7.75	**9.24**

(iii) Sale of products (Refer Note (c) below)

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
QRG Central Hospital and Research Centre Ltd	0.01	0.05
QRG Medicare limited	0.23	0.43
	0.24	**0.48**

(iv) Commission on sales

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
Guptajee and Company	**13.12**	**13.70**

(v) Rent / Usage Charges Paid

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
QRG Enterprises Limited	**22.83**	**22.83**

Notes to Financial Statements

for the year ended March 31, 2020

(vi) Miscellaneous Income (Service charges received)

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Subsidiaries / Step down Subsidiaries		
Havells Exim Ltd.	-	0.04

(vii) CSR Contribution

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
QRG Foundation	2.67	2.47
The Vivekananda Ashrama	0.05	-
	2.72	**2.47**

(viii) Contribution to post employee benefit plan

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Havells India Limited Employees Gratuity Trust	**19.38**	**12.19**

(ix) Managerial remuneration

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Key Management Personnel		
Salaries, wages, bonus, commission and other benefits	34.47	38.46
Contribution towards PF, Family Pension and ESI	1.54	1.37
ESPP expense	7.40	5.54
Non-Executive Directors		
Director sitting fees	0.35	0.41
Commission	0.90	0.90
	44.66	**46.68**

(D) Balances at the year end

(i) Amount Payables

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Enterprises in which directors are interested		
Guptajee & Company	3.79	2.68
Subsidiaries / Step down Subsidiaries		
Havells Guangzhou International Ltd.	1.16	1.09
	4.95	**3.77**

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 in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: ₹ 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.

Notes to Financial Statements

for the year ended March 31, 2020

b) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Company as a whole, accordingly the amount pertaining to Key management personnel are not included above.

c) Sale of goods to related party has been reported gross of Goods and Service Tax.

9 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) regulators, 2014 :

(a) **Havells Employee Long Term Incentive Plan 2014 :** In accordance with this scheme, 169,597 (March 31, 2019 : 167,861) share options of ₹ 1 each were granted, out of which 169,195 (March 31, 2019: 167,135) share options of ₹ 1 each were vested and allotted on May 28,2019 (March 31, 2019 : May 10, 2018) to eligible employees at ₹ 733.90 (March 31, 2019 : ₹ 553.90) 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 ₹ 4.89 crores (March 31, 2019 : ₹ 3.85 crores) has been recognised as employee stock purchase plan expense in note 29.

(b) **Havells Employee Stock Purchase Plan 2015 :** In accordance with this scheme, 150,000 (March 31, 2019: 150,000) share options of ₹ 1 each were granted, vested and allotted on May 28,2019 (March 31, 2019 : May 10, 2018) at ₹ 733.90 (March 31, 2019 : ₹ 553.90) 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 ₹ 11.01 crores (March 2019 :₹ 8.31 crores) has been recognised as employee stock purchase plan expenses in note 29.

(c) **Havells Employee Stock Purchase Plan 2016 :** In accordance with the said scheme, 16,273 (March 31, 2019: 11,533) share options of ₹ 1 each were granted to eligible employees with graded vesting in three years starting from 2018. During the year, 10729 equity shares of ₹ 1 each (March 31, 2019 : 7302 equity shares) were allotted at ₹ 733.90 (March 31, 2019 : ₹ 553.90) per share on May 28, 2019. Accordingly, a sum of ₹ 1.16 crores (March 31,2019: 0.67 crores) has been recognised as employee stock purchase plan expense in note 29 and balance outstanding of ₹ 0.64 crores (March 31,2019 : 0.27 crores) in note 15.

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

Summary of Stock Options	2019-20		2018-19	
	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	11,150	-	6,919	
Options granted during the year	335,870	733.90	329,394	553.90
Options vested and exercised during the year	329,924	733.90	324,437	553.90
Options lapsed during the year	6,066	733.90	726	
Options outstanding at the end of the year	**11,030**	**-**	**11,150**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was ₹ 733.90 per share (March 31, 2019 : ₹ 553.90)

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

Particulars	March 31, 2020		March 31, 2019	
Grant date	May 28, 2019	May 10, 2018	May 10, 2018	May 11, 2017
Expiry date	2021-22	2020-21	2020-21	2019-20
Outstanding share options	9001	2029	7,689	3,461
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	1 year	2 years	1 year

Notes to Financial Statements

for the year ended March 31, 2020

The fair value at grant date of options granted during the year ended March 31, 2020 was ₹ 723.44 per share (March 31, 2019 was ₹ 549.12 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:

Particulars	March 31, 2020	March 31,2019
Expected Price volatility of the company's share	28.72%	31.76%
Expected Dividend Yield	0.72%	0.52%
Share price at the grant date	₹ 733.90	₹ 553.90
Risk free interest rate	6.73%	7.34%

(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, 2020	March 31,2019
Havells Employees Long Term Incentive Plan 2014	4.89	3.85
Havells Employees Stock Purchase Plan 2015	11.01	8.31
Havells Employees Stock Purchase Plan 2016	1.16	0.67
Total expense recognised in the statement of profit and loss account as a part of employee benefit expense:	**17.06**	**12.83**

10 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of ₹ 20.32 crores (March 31, 2019: ₹ 17.44 crores) towards this cause and charged the same to the Statement of Profit And Loss. The funds are primary allocated to QRG foundation, a society registered under section 12A of the Income Tax Act, 1961 for undertaking Mid-Day meal scheme and Ashoka University and BML Munjal Foundation, engaged in education sector.

(₹ in crores)

Details of CSR Expenditure:	Year ended March 31, 2020	Year ended March 31,2019
a) Gross amount required to be spent by the Company during the year	20.29	17.29

b) Amount spent during year

(₹ in crores)

Particulars	Amount spent		Amount yet to be spent		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19 (Restated)
(i) Construction/ acquisition of assets	1.57	3.69	-	-	1.57	3.69
(ii) Contribution to Trust/Universities	14.72	12.12	-	-	14.72	12.12
(iii) On purpose other than above	4.03	1.63	-	-	4.03	1.63
Total Amount Spent	**20.32**	**17.44**	**-**	**-**	**20.32**	**17.44**

Notes to Financial Statements

for the year ended March 31, 2020

11 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, 2020	As at March 31,2019	As at March 31, 2020	As at March 31,2019
Financial instruments by category				
Financial assets valued at amortized cost				
Cash and bank balances (Current)	1,106.92	1,287.70	1,106.92	1,287.70
Trade Receivables	248.88	424.20	248.88	424.20
Other Bank balance (Non-current)	-	0.01	-	0.01
Other Financial assets (Current)	29.44	30.05	29.44	30.05
Other Financial assets (Non-current)	21.37	21.38	21.37	21.38
	1,406.61	**1,763.34**	**1,406.61**	**1,763.34**
Financial Liabilities valued at amortized cost				
Trade Payables	1,414.07	1,560.05	1,414.07	1,560.05
Borrowings (non-current)	-	40.50	-	40.50
Other financial liabilities (non-current)	90.87	0.92	90.87	0.92
Other financial liabilities (current)	563.17	610.00	563.17	610.00
	2,068.11	**2,211.47**	**2,068.11**	**2,211.47**

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, loans from banks, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. 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 effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 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: quoted (unadjusted) prices in active markets for identical assets or liabilities

   Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

   Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Notes to Financial Statements

for the year ended March 31, 2020

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2020

	Carrying Value	Fair Value		
	March 31, 2020	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Cash and bank balances (Current)	1,106.92	1,106.92	-	-
Other Financial assets (Non-current)	21.37	-	-	21.37
Other Financial assets (Current)	29.44	-	-	29.44
Trade Receivables	248.88	-	-	248.88
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	1,414.07	-	-	1,414.07
Other financial liabilities (non-current)	90.87	-	-	90.87
Other financial liabilities (current)	563.17	-	-	563.17

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019

	Carrying Value	Fair Value		
	March 31,2019	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Cash and bank balances (current)	1,287.70	1,287.70	-	-
Other bank balance (non-current)	0.01	0.01	-	-
Other Financial assets (non-current)	21.38	-	-	21.38
Other Financial assets (current)	30.05	-	-	30.05
Trade Receivables	424.20	-	-	424.20
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	1,560.05			1,560.05
Borrowings	40.50			40.50
Other financial liabilities (non-current)	0.92	-	-	0.92
Other financial liabilities (current)	610.00			610.00

12 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'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

Notes to Financial Statements

for the year ended March 31, 2020

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, 2020 and March 31, 2019

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, LKR ,EUR. AED, NPR, JPY,CNY, KES, CHF,MWK 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:

(₹ in crores)

Currency	Currency Symbol	March 31,2020		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Nepalese Rupee	NPR	(0.10)	(0.06)	(0.00)	0.00
Sri Lankan Rupee	LKR	(0.04)	(0.02)	(0.00)	0.00
Malwian Kwacha	MWK	(0.25)	(0.02)	(0.00)	0.00
United States Dollar	USD	(1.31)	(99.10)	(0.99)	0.99
EURO	EUR	(0.17)	(14.51)	(0.15)	0.15
Arab Emirates Dirham	AED	0.02	0.37	0.00	(0.00)
Kenyan Shilling	KES	(0.01)	(0.01)	(0.00)	0.00
Japanese Yen	JPY	(4.39)	(3.06)	(0.03)	0.03
Chinese RMB\CNY	CNY	(5.28)	(55.85)	(0.56)	0.56
Swiss Franc	CHF	(0.00)	(0.00)	(0.00)	0.00

(₹ in crores)

Currency	Currency Symbol	March 31,2019		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Nepalese Rupee	NPR	(0.20)	(0.12)	(0.00)	0.00
United States Dollar	USD	(1.83)	(126.63)	(1.27)	1.27
EURO	EUR	(0.05)	(3.56)	(0.04)	0.04
Arab Emirates Dirham	AED	(0.01)	(0.26)	(0.00)	0.00
Kenyan Shilling	KES	(0.01)	(0.00)	(0.00)	0.00
Japanese Yen	JPY	(12.84)	(8.03)	(0.08)	0.08
Chinese RMB\CNY	CNY	(12.55)	(129.56)	(1.30)	1.30
Swiss Franc	CHF	(0.00)	(0.08)	(0.00)	0.00
Great Britain Pound	GBP	(0.15)	(13.58)	(0.14)	0.14

Note:

Figures in bracket represents payables

Notes to Financial Statements

for the year ended March 31, 2020

(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, 2020 comprise of term loan.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

	March 31, 2020		March 31,2019	
	Increase/ decrease in basis points	Impact on profit before tax	Increase/ decrease in basis points	Impact on profit before tax
Term Loan/External Commercial Borrowing	+0.50	(0.20)	+0.50	(0.47)
	-0.50	0.20	-0.50	0.47

(iii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the copper and aluminium, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company mitigated the risk of price volatility by entering into the contract for the purchase of these material considering quantity discounts based on annual achievement of quantity targets.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security. As at March 31, 2020, the Company had 57.92% (March 31,2019: 59.01%) of its trade receivable discounted from banks under Trade Receivable buyout facility. Out of the remaining debtors, the Company has 10 customers that owed the Company approx. ₹ 141.01 crores (March 31,2019 : 198.23 crores) and accounted for 56.66% (March 31,2019 : 43.97%) of remaining trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to 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 31 March 2020 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.

Notes to Financial Statements

for the year ended March 31, 2020

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash and cash equivalents (Current)	242.09	680.87
Bank balances other than above (Current)	864.83	606.83
Other bank balances (Non-current)	-	0.01
Others Non Current financial assets	21.37	21.38
Others Current financial assets	29.44	30.05
	1,157.73	**1,339.14**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	248.88	424.20
	248.88	**424.20**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

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

(₹ in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Neither past due nor impaired	84.99	233.49
0 to 180 days due past due date	141.36	131.20
More than 180 days past due date	22.53	59.51
Total Trade Receivables	**248.88**	**424.20**
The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-		
As at the beginning of year	26.64	17.83
Provision during the year	18.23	8.81
As at the end of year	**44.87**	**26.64**

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	40.50	-	-	40.50
Other non current financial liabilities	-	1.13	-	1.13
Trade payables	1,414.07	-	-	1,414.07
Lease Liability undiscounted	42.07	99.68	4.63	146.38
Other current financial liabilities	490.80	-	-	490.80

As at March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	54.00	40.50	-	94.50
Other non current financial liabilities	-	0.92	-	0.92
Trade payables	1,560.05	-	-	1,560.05
Other current financial liabilities	556.00	-	-	556.00

Notes to Financial Statements
for the year ended March 31, 2020

13 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, 2020 and March 31, 2019 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

(₹ in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans and borrowings {refer note 16(A) and 20(B)}	40.50	94.50
Cash and cash equivalents {refer note 12(B)}	(242.09)	(680.87)
Net Debt	**(201.59)**	**(586.37)**
Equity / Net Worth	4,304.81	4,192.20
Total Capital	**4,304.81**	**4,192.20**
Capital and Net Debt	**4,103.22**	**3,605.83**
Gearing ratio (Net Debt/Capital and Net Debt)	**(4.91%)**	**(16.26%)**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019

14 Earnings per share

a) Basic Earnings per share

		Year ended March 31, 2020	Year ended March 31,2019
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	**733.03**	**787.34**
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	625,731,426	625,414,245
Earnings per share-Basic (one equity share of ₹ 1/- each)	₹	**11.71**	**12.59**

b) Diluted Earnings per share

		Year ended March 31, 2020	Year ended March 31,2019
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	**733.03**	**787.34**
Denominator for earnings per share			
Weighted average number of equity shares for basic earning per share	(Numbers)	625,731,426	625,414,245
Effect of dilution			
Share options	(Numbers)	14,929	11,258
Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	**625,746,355**	**625,425,503**
Earnings per share- Diluted (one equity share of ₹ 1/- each)	₹	**11.71**	**12.59**

15 Dividend Paid And Proposed

Dividend declared and paid during the year:

	Year ended March 31, 2020	Year ended March 31,2019
Final Dividend paid for the year ended March 31,2019 of ₹ 4.5 per share of ₹ 1, (₹ 4 per share for the year ended March 31,2018)	281.61	250.19
Dividend distribution tax on final dividend	57.89	51.43
Interim Dividend for the year ended March 31,2020 of ₹ 4 per share of ₹ 1 each (₹ Nil per share for the year ended March 31,2019)	250.32	-
Dividend distribution tax on interim dividend	51.45	-
	641.27	**301.62**

Notes to Financial Statements

for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31,2019
Proposed Dividends on equity shares:		
Final Dividend recommended by the board of directors for the year ended March 31, 2020 ₹ Nil (March 31,2019: ₹ 4.50/- per share) subject to approval of shareholders in the ensuing annual general meeting.	-	281.46
Dividend distribution tax on above	-	57.86
	-	**339.32**

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

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

Particulars of Investments made:

Sr. No	Name of the Investee	As at March 31, 2020		As at March 31, 2019	
		Investment made	Outstanding Balance	Investment made	Outstanding Balance
1	Havells Holdings Limited	-	1.18	-	1.18
2	Jiangsu Havells Sylvania Lighting Co. Limited {refer note no. 34(1) and note 14}	-	18.85	-	17.29
3	Havells Guangzhou International Limited	-	0.45	-	0.45
4	Havells Exim Limited	-	-	-	0.03

Particulars of Loans given:

Sr. No	Name of the Entity	2019-20			2018-19		
		Loan given	Outstanding Balance	Maximum amount outstanding	Loan given	Outstanding Balance	Maximum amount outstanding
1	Havells Employees Welfare Trust	-	-	-	-	0.57	0.57

17 'World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on 24-03-2020 which has impacted the business activities of the Company. On account of this, the Company has prepared cash flow projections and also, assessed the recoverability of receivables, contract assets, factored assumptions used in annual impairment testing of goodwill and intangible assets having indefinite useful life, using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The Company will continue to closely monitor any material changes to future economic conditions.'

18 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

19 Note No.1 to 34 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Registration No. 301003E /E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Independent Auditor's Report

To the Members of Havells India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Havells India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the subsidiary company, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS Financial Statements' section of our report. We are independent of the Group, 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 consolidated Ind AS 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 audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impact of Corona Virus Disease (COVID-19) on the assessment of impairment of goodwill and intangible assets with indefinite useful life *(as described in note 33(16) of the consolidated Ind AS financial statements)*	
On account of prevalent financial, economic and health crises caused due to global pandemic – COVID-19, having impact the assumptions used for the continuity of operations and thus having further impact on the assessment of impairment of goodwill having carrying value of ₹ 310.47 crores and intangible assets having indefinite useful life having carrying value of ₹ 1,029 crores as at March 31, 2020.	As a part of our audit we have, carried out the following procedures: a) Obtained an understanding of the process and testing the operating effectiveness of internal controls over the impairment and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows.

Key audit matters	How our audit addressed the key audit matter
Assessment of impact of Corona Virus Disease (COVID-19) on the assessment of impairment of goodwill and intangible assets with indefinite useful life ***(as described in note 33(16) of the consolidated Ind AS financial statements)***	
The Group has prepared cash flow projections and believes it has sufficient liquidity based on the available liquid cash and available credit facilities as disclosed in note 33(16) and the expected cash to be generated from operations to meet its financial obligations as they fall due for the following twelve months. Further in accordance with Indian Accounting Standards (Ind-AS), the management has allocated goodwill and intangible assets having indefinite life to their respective cash generating units (CGU) and tested these for annual impairment using a discounted cash flow model. The impairment test model also includes sensitivity testing of key assumptions. Further, management has factored impact of COVID-19 on these CGU's. The above assessment factoring impact of COVID-19 on continuity of its operations and thereupon on annual impairment of goodwill and intangible assets having indefinite useful life is considered as significant accounting judgement and estimate (Note 33 (16) to the consolidated Ind-AS financial statements) and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the consolidated Ind AS financial statements as a whole.	b) We assessed the Group's methodology applied in determining the CGUs to which these assets are allocated. c) We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used; d) Compared the cash flow forecasts to approved budget and other relevant market and economic information, as well as testing the underlying calculations. e) We discussed the potential changes in key drivers as compared to previous year / actual performance with management and considering impact of COVID-19 in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; f) We engaged expert to assess the assumption and methodology used by the management to determine the recoverable amount and also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. g) We tested the arithmetical accuracy of the models. h) We evaluated disclosures related to management assessment on impact of COVID-19 for the continuity of operations and on the annual impairment tests and as required under Indian Accounting Standard (Ind-AS) -36 Impairment of Assets.

Other Information

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS 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 for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS 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.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 of which we are the independent auditors, to express an opinion on the consolidated Ind AS 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 Ind AS 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of ₹ 5.63 crores as at March 31, 2020, and total revenues of ₹ 21.00 crores and total net profit / (loss) of ₹1.78 crores and total comprehensive income / (loss) of ₹1.99 crores and net cash inflows of ₹ 1.26 crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on report of such auditor.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditor under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries (of which 3 subsidiaries were liquidated during the year) whose financial statements and other financial information reflect total assets of active subsidiary of ₹ 22.72 crores as at March 31, 2020, and total revenues of ₹ Nil crores and total net profit/ (loss) of ₹(1.16) crores and total comprehensive income / (loss) of ₹(0.90) crores and net cash inflows of ₹ 0.69 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in “Annexure 1” to this report. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

(h) 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 and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiaries, as noted in the ‘Other matter’ paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 32 (A) to the consolidated Ind AS financial statements;

ii. The Group did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2020. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABN5105
Place of Signature: New Delhi
Date: May 12, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF HAVELLS INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated IND AS financial statements of Havells India Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Havells India Limited (hereinafter referred to as the "Holding Company"). There is no Company other than the Holding Company which is incorporated in India and hence reporting about adequacy and the operating effectiveness of the internal financial controls over financial reporting is not applicable for Company other than holding company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company are responsible for establishing and maintaining internal financial controls based on, "the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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.

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 over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated Ind AS 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 Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABN5105

Place of Signature: New Delhi
Date: May 12, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in crores)

	Notes	As at March 31, 2020	As at March 31, 2019 (Restated #)
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	1,899.59	1,433.66
Capital work in progress	3	82.77	232.15
Investment property	4	-	-
Goodwill	5	310.47	310.47
Other Intangible assets	5	1,139.51	1,159.86
Intangible assets under development	5	3.36	0.51
Contract assets	6	60.58	69.84
Financial assets	7		
(i) Trade receivables		7.96	17.62
(ii) Other bank balances		-	0.01
(iii) Other financial assets		21.37	21.38
Other non-current assets	8	50.67	58.74
Non current tax asset (net)	9	16.53	-
		3,592.81	**3,304.24**
2 Current assets			
Inventories	10	1,871.88	1,918.97
Contract assets	6	20.01	9.27
Financial assets	11		
(i) Trade receivables		241.66	406.58
(ii) Cash and cash equivalents		267.70	704.54
(iii) Bank balances other than (ii) above		864.83	606.83
(iv) Others financial assets		29.44	30.05
Other current assets	12	165.32	149.99
		3,460.84	**3,826.23**
Assets held for sale	13	19.80	17.88
		3,480.64	**3,844.11**
Total Assets		**7,073.45**	**7,148.35**
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	14	62.58	62.55
Other equity		4,248.98	4,135.03
Total equity		**4,311.56**	**4,197.58**
2 Liabilities			
Non-current liabilities			
Contract liability	6	4.32	2.63
Financial liabilities	15		
(i) Borrowings		-	40.50
(ii) Other financial liabilities		90.87	0.92
Provisions	16	35.57	32.68
Deferred tax liabilities (Net)	17	286.52	316.75
Other non-current liabilities	18	17.71	17.71
		434.99	**411.19**
Current liabilities			
Contract liability	6	15.74	4.76
Financial liabilities	19		
(i) Trade Payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises		106.28	55.66
b) Total outstanding due of other than Micro Enterprises and Small Enterprises		1,307.54	1,504.14
(ii) Other financial liabilities		581.70	627.27
Other current liabilities	20	105.63	113.70
Provisions	21	210.01	203.12
Current tax liabilities (net)	22	-	30.93
		2,326.90	**2,539.58**
Total liabilities		**2,761.89**	**2,950.77**
Total equity and liabilities		**7,073.45**	**7,148.35**
Summary of significant accounting policies	2		
Commitments and contingencies	32		
Other notes on accounts	33		
# Due to merger of wholly owned subsidiaries	33(2)		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E
/E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in crores)

		Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated #)
CONTINUING OPERATIONS				
I	**INCOME**			
	Revenue from operations	23	9,440.26	10,073.43
	Other income	24	113.41	128.65
	Total income		**9,553.67**	**10,202.08**
II	**EXPENSES**			
	Cost of raw materials and components consumed	25	4,379.64	4,524.15
	Purchase of traded goods	26	1,280.81	2,003.75
	Change in inventories of finished goods, traded goods and work in progress etc	27	172.74	(245.37)
	Employee benefits expense	28	906.71	841.72
	Finance costs	29	19.72	16.25
	Depreciation and amortisation expenses	30	217.97	149.38
	Other expenses	31	1,671.71	1,764.86
	Total expenses		**8,649.30**	**9,054.74**
III	**Profit before tax from continuing operations**		**904.37**	**1,147.34**
IV	**Income tax expenses**	17		
	Current tax		198.99	270.16
	Deferred tax (credit)/charge		(30.23)	89.24
	Total Income tax expense		**168.76**	**359.40**
V	**Profit for the year from continuing operations**		**735.61**	**787.94**
	Discontinued Operations			
	Profit/ (loss) before tax from discontinued operations {refer note 33(3)}		(0.26)	(0.33)
	Tax expense on profit/(loss) form discontinued operations		-	-
VI	**Profit/ (loss) for the year from discontinued operations net of tax**		**(0.26)**	**(0.33)**
VII	**Profit for the year**		**735.35**	**787.61**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss in subsequent periods			
	(i) Re-measurement gains/(losses) on defined benefit plans {refer note 33(6)}		(4.98)	(7.30)
	(ii) Income tax effect on above {refer note no 17(b)}		1.25	2.55
			(3.73)	**(4.75)**
	Items will be reclassified to profit or loss in subsequent periods			
	(i) Exchange difference on translation of financial statements of foreign operations		0.50	(0.02)
	(ii) Income tax effect on above		-	-
			0.50	**(0.02)**
	Other comprehensive income/(loss) for the year, net of tax		**(3.23)**	**(4.77)**
IX	**Total comprehensive income for the year, net of tax**		**732.12**	**782.84**
	Profit for the year attributable to			
	Equity holders of the parent company		735.35	787.61
	Non controlling interests		-	-
			735.35	**787.61**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in crores)

		Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated #)
	Other comprehensive income / (loss) for the year attributable to			
	Equity holders of the parent company		(3.23)	(4.77)
	Non controlling interests		-	-
			(3.23)	**(4.77)**
	Total Comprehensive income for the year attributable to			
	Equity holders of the parent company		732.12	782.84
	Non controlling interests		-	-
			732.12	**782.84**
X	**Earnings per equity share (EPS) for continuing operations attributable to equity holders of the parent company {refer note no. 33(14)}**			
	(nominal value of share ₹ 1/-)			
	Basic EPS (₹)		11.76	12.60
	Diluted EPS (₹)		11.76	12.60
	Earnings per equity share (EPS) for discontinued operations attributable to equity holders of the parent company {refer note no. 33(14)}			
	(nominal value of share ₹ 1/-)			
	Basic EPS (₹)		(0.00)	(0.01)
	Diluted EPS (₹)		(0.00)	(0.01)
	Earnings per equity share (EPS) for continuing and discontinued operations attributable to equity holders of the parent company {refer note no. 33(14)}			
	(nominal value of share ₹ 1/-)		11.76	12.59
	Basic EPS (₹)		11.76	12.59
	Diluted EPS (₹)			
	Summary of significant accounting policies	2		
	Commitments and contingencies	32		
	Other notes on accounts	33		
	# Due to merger of wholly owned subsidiaries	33(2)		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E
/E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A) Equity Share Capital

(₹ in crores)

Particulars	Numbers	Amount
As at April 1, 2018	**625,148,473**	**62.51**
Add: Exercise of employee stock purchase plan - proceeds received	324,437	0.04
As at March 31, 2019	**625,472,910**	**62.55**
Add: Exercise of employee stock purchase plan - proceeds received	329,924	0.03
As at March 31, 2020	**625,802,834**	**62.58**

Note: The closing amount is rounded off to the nearest crore of rupees upto two decimal places.

B) Other Equity

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company						
	Reserves and surplus					Items of OCI	Total
	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding account	Retained earnings	Foreign currency translation reserve	
As at April 1, 2018 (Restated #)	**7.63**	**38.46**	**722.72**	**-**	**2,879.65**	**0.33**	**3,648.79**
Profit for the year	-	-	-	-	787.61	-	787.61
Other comprehensive income for the year							
Re-measurement gains / (losses) on defined benefit plans net of tax {refer note 33(6)}	-	-	-	-	(4.75)	-	(4.75)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	-	(0.02)	(0.02)
Total Comprehensive income for the year							**782.74**
Transaction with owners in their capacity as owners:							
Final Dividend paid for financial year ended March 31,2018	-	-	-	-	(250.19)	-	(250.19)
Dividend distribution tax on Final Dividend	-	-	-	-	(51.43)	-	(51.43)
Employee stock option expense	-	-	-	0.27	-	-	0.27
Transfer to statement of profit and loss account on account of liquidation of group companies	-	-	-	-	-	0.45	0.45
Addition on equity shares issued under Employee stock purchase plan	-	17.94	-	-	-	-	17.94
Transaction on account of acquisition of additional interest in subsidiary Company merged with the Group {Refer note 33(2)}	-	-	-	-	(13.64)	-	(13.64)
As at March 31, 2019 (Restated #)	**7.63**	**56.40**	**722.72**	**0.27**	**3,347.25**	**0.76**	**4,135.03**
Profit for the year	-	-	-	-	735.35	-	735.35
Other comprehensive income for the year							
Re-measurement gains / (losses) on defined benefit plans net of tax {refer note 33(6)}	-	-	-	-	(3.73)	-	(3.73)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	-	0.50	0.50
Total Comprehensive income for the year							**732.12**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company						Total
	Reserves and surplus					Items of OCI	
	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding account	Retained earnings	Foreign currency translation reserve	
Transaction with owners in their capacity as owners:							
Final Dividend paid for the financial year ended March 31,2019	-	-	-	-	(281.61)	-	(281.61)
Dividend distribution tax on final dividend	-	-	-	-	(57.89)	-	(57.89)
Interim Dividend paid during the year	-	-	-	-	(250.32)	-	(250.32)
Dividend distribution tax on interim dividend	-	-	-	-	(51.45)	-	(51.45)
Employee stock option expense	-	-	-	0.37	-	-	0.37
Addition on equity shares issued under employee stock purchase plan	-	24.18	-	-	-	-	24.18
Transfer to statement of profit and loss account on account of liquidation of group companies	-	-	-	-	-	(1.45)	(1.45)
As at March 31, 2020	**7.63**	**80.58**	**722.72**	**0.64**	**3,437.60**	**(0.19)**	**4,248.98**

Summary of significant accounting policies	2
Commitments and contingencies	32
Other notes on accounts	33
# Due to merger of wholly owned subsidiaries	33(2)

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E
/E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

HAVELLS

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		**(Restated #)**
	Profit before tax from continued operations	904.37	1,147.34
	Profit before tax from discontinued operations	(0.26)	(0.33)
	Profit before tax for the year	**904.11**	**1,147.01**
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	217.97	149.38
	Loss on disposal of Property, plant and equipment	6.73	4.57
	Unrealized foreign exchange (gain) / loss (net)	(1.31)	(9.42)
	Exchange difference on translation of financial statements foreign operations	(0.50)	0.02
	Impairment allowance for trade receivables considered doubtful	18.23	8.81
	Profit on sale of non-current financial investments	-	(0.07)
	Bad debts written off	0.82	2.21
	Unwinding of discount on long term provisions	3.55	2.55
	Discounting of long term warranty provision	(4.21)	(3.55)
	Interest income on bank deposits	(69.58)	(78.20)
	Interest income on others	-	(0.44)
	Interest expenses	5.17	13.54
	Interest on lease liability	10.92	-
	Liabilities no longer required written back	(4.33)	(9.24)
	Employee stock option expense	0.37	0.27
	Rental Income	-	(7.62)
	Operating Profit before working capital changes	**1,087.94**	**1,219.82**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables and contract assets	156.58	(187.68)
	(Increase)/ Decrease in financial assets	(1.88)	(5.45)
	(Increase)/ Decrease in non-financial assets	(20.73)	(18.57)
	(Increase)/ Decrease in inventories	47.09	(285.94)
	Increase/ (Decrease) in trade payables	(148.76)	(67.05)
	Increase/ (Decrease) in financial liabilities	(45.71)	33.66
	Increase/ (Decrease) in non-financial liabilities and contract liabilities	(8.08)	9.70
	Increase/ (Decrease) in provisions	0.11	50.28
	Cash generated from in operations	**1,066.56**	**748.77**
	Income tax paid (net of refunds)	(239.85)	(247.49)
	Net Cash flow from Operating Activities (A)	**826.71**	**501.28**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(360.93)	(501.42)
	Proceeds from sale of property, plant and equipment	1.69	1.81
	Fixed deposits made / (matured) during the year	(250.87)	616.96
	Transaction on account of acquisition of additional interest in subsidiary company merged with the Group {Refer note 33(2)}	-	(16.66)
	Rental income	-	7.62
	Interest received	62.46	79.99
	Net Cash flow from from/ (used) in Investing Activities (B)	**(547.65)**	**188.30**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employee stock purchase plan - share capital	0.03	0.04
Proceeds from exercise of employee stock purchase plan - security premium received	24.18	17.94
Payment of principal portion of lease liabilities	(28.75)	-
Payment of interest portion of lease liabilities	(10.92)	-
Repayment of short term borrowings	-	(7.38)
Repayment of long term borrowings	(54.00)	(13.50)
Interest paid	(5.17)	(13.54)
Final Dividend paid to equity shareholders of the Parent Company (including Dividend Distribution Tax)	(339.50)	(301.62)
Interim Dividend paid to equity shareholders of the Parent Company (including Dividend Distribution Tax)	(301.77)	-
Net Cash flow used in Financing Activities (C)	**(715.90)**	**(318.06)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(436.84)**	**371.52**
Cash and cash equivalents at the beginning of the year	704.54	336.46
Net foreign exchange differences on cash and cash equivalents held in foreign currency	-	(3.44)
Cash and Cash Equivalents at the end of the year	**267.70**	**704.54**

Notes :

1. The above Cash flow statement has been prepared under the “Indirect Method” as set out in Indian Accounting Standard-7, “Statement of Cash Flows”.
2. Components of cash and cash equivalents :-

(₹ in crores)

	AS AT March 31, 2020	AS AT March 31, 2019 (Restated #)
Cash and cash equivalents		
Balances with banks:		
Current accounts	38.13	73.94
Cash credit accounts	54.10	374.80
Fixed deposits account with a original maturity of less than three months	175.35	255.67
Cash on hand	0.12	0.13
	267.70	**704.54**

3. # Due to merger of wholly owned subsidiaries - Refer note 33(2)

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

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Registration No. 301003E /E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance) and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Havells India Limited ("the Parent company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2020. Havells India Limited ('the parent 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 parent company is listed on BSE Limited and National Stock Exchange of India Limited.

The Group is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Domestic Appliances, 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 and Guwahati in Assam. The research and development facilities are located in Noida (Uttar Pradesh) and Bangalore.

During the year, the Group has received approval from the National Group Law Tribunal (NCLT) on January 31, 2020 (filed with Registrar of Companies on February 07, 2020) in respect of merger of the Group with 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 Group has applied principles of Appendix C to Ind-AS 103 on 'Business Combinations of entities under Common Control' w.e.f. April 01, 2018 and restated the previous year comparatives.(Refer note 33 (2) for detailed disclosures in this regard).

The Group along with its subsidiaries and its joint venture has been collectively hereinafter referred to as "the Group". These consolidated financial statements were approved for issue in accordance with a resolution of the directors on 12th May 2020.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

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 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.03 Basis of Consolidation

The consolidated financial statements comprises the financial statement of the Havells India Limited ('the Parent Company') and subsidiaries (collectively "the Group) as at March 31, 2020. 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 is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

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

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

(iii) Derecognises the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration received

(v) Recognises the fair value of any investment retained

(vi) Recognises any surplus or deficit in profit or loss

(vii) Reclassifies the parent’s share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(B) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group’s investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group’s share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If Group’s share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group’s net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group’s share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(D) Change in ownership interest

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(E) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.05 Business Combinations - common control transactions

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:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies

(iii) The financial information in the financial statements in respect of prior periods is 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, where the business combination had occurred after that date, the prior period information is restated only from that date.

(iv) 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(v) 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.

(vi) 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.

2.06 Property ,Plant and Equipment

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 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 recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is 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 machinery	15
Moulds and Dies	6
Furniture and Fixtures	10
Vehicles	8 and 10
R &D Equipment's	5 and 15
Office Equipment's	3 and 5
Mobile Phones	3
Computers	3
Electric Fans and Installations	3 and 10
Laptops	4

The useful lives have been determined based on technical evaluation done by the management's expert. In respect of moulds and dies and mobile phones and laptops, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years and 4 years respectively, in order to reflect the actual usage of assets. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period.

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

2.07 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both , and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalized to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 " Fair value measurement".

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Investment properties are depreciated using straight line method over their estimated useful life. Investment properties comprising of factory building is depreciated over useful life of 30 years and leasehold land is amortized on a straight line basis over the unexpired period of the lease.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

2.08 Goodwill and Other 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 economic 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 in the expense category consistent with the function of the intangible assets.

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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) 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 are amortized on a straight line basis over their estimated useful life as under:

Assets	Useful life (in years)
Computer Software	6
Technical Know-how	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7
Brand and Trademarks	Indefinite

Research and Development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual

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for the year ended March 31, 2020

project is recognised as an intangible asset when the Group can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated 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. During the period of development, the asset is tested for impairment annually.

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. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.09 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.

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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 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 as at March 31 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.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

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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 for selling financial assets.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

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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 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 "Financial Instrument", the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

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

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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;
- 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 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's financial liabilities includes loans and borrowings, trade payables, trade deposits, retention money, liability 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 recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are 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

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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 within 30 to 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

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.

2.11 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

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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.

2.12 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.

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b) Method of Valuation

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.13 Non-current assets held for sale and discontinued operations

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. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell . Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Group treats sale of the asset to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset

ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to 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.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations,

ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 33(3). All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

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2.14 Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense for the year comprises of current tax and deferred tax.

a) Current 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.

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of reduction from deferred tax liability. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where any unit of the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.15 Revenue from operations and other non-operating income

(A) 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 at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, and there are no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products are shipped to specific location and control has been transferred to the customers. 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) 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 goods bases on its relative standalone prices and also considers the following:-

(i) Variable consideration

The Group recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If 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.

(ii) Warranty obligations

The Group generally provides for warranties for general repair of defects that existed at the sale . These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. However, in certain non-standard contracts in respect of sale of consumer durable goods, the Group provides extended warranties 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 for service-type warranties is recognised over the period of time in which the service is provided based on the time elapsed.

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(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 Group has used the incremental borrowing rate to discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Group and its customer.

(iv) Schemes

The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented deducting cost of all these schemes.

(b) Sale of service

The Group provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. Contracts for bundled sales of equipment and above mentioned services are comprised of two performance obligations because the equipment and these services are both sold on a stand-alone basis and are distinct within the context of contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and these services The Group recognizes revenue from sales of services over the period of 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. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivables represents the Group's right to an amount of consideration that is unconditional.

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.

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).

(B) Other operating income

(a) Export benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(C) 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.

2.16 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

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when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Life insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. the Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

c) Other employee benefits

The parent company (''Havells India Limited") provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(i) Employees Stock option plan: The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments 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.

(ii) Employee Stock Purchase 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.

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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 Groups lease asset classes primarily comprise of lease for land and building. the Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:.

i) Right-of-use assets

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 underlying assets (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'.

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.

The Group's lease liabilities are included in other current and non-current financial liabilities {see Note 15(B) & 19(B)}.

(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

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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.

“Lease liability” and “Right of Use” asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

Group as a lessor

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.18 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.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue.

2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

3. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

4. Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

5. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

6. Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

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2.21 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.

2.22 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets etc.

2.23 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.

2.24 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.

2.25 Provisions and Contingent Liabilities

a) 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.

b) 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 five years.

c) Provision for E-Waste

Provision for E-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 timing of outflow is expected to be with in one to ten years.

d) 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.

2.26 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.

2.27 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 a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are 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.

2.28 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the consolidated financial statements of the Group.

(i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

Refer note 33 (5) for detailed impact on adoption of Ind AS 116 "Leases" on the Consolidated financials statements of the Group.

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties

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associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Group has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the consolidated financial statements of the Group.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group is in compliance with the said amendment.

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Annual Improvements to Ind AS 2018

(i) Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

(ii) Ind AS 111 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

(iii) Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

(iv) Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

2.29 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

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

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for the year ended March 31, 2020

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) Revenue from contract with customers

The Group applied judgements that affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Group sell goods and maintenance/ warranty services separately or bundled together with sales of goods. In certain non-standard contracts, where the Group provides warranties in respect of sale of consumer durable goods, the Group allocates the portion of the transaction price to goods based on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Group has used a combination of most likely amount method and expected value method. Further, as the case may be, in respect of long term contracts, the Group has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Group and its customer.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of 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 audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity 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 33(6).

c) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Impairment of non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the 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.

f) Provision for warranty and e- waste

Provisions for warranties and e-waste are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. In respect of e-waste, management calculates the obligation in accordance with E-Waste management Rules, 2016 and accounts/ fulfil the obligation on its own account or on 3rd party service provider. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. It is very unlikely that actual warranty/e-waste claims will exactly match the historical warranty/e-waste percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

g) Provision for expected credit losses 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 33(12)

h) Property, Plant and Equipment

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.

2.30 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2020.

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Note 3 : Property, plant and equipment

(₹ in crores)

Particulars	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Moulds and Dies	Furniture and Fixtures	Vehicles	R & D Equipment's	Office Equipment's	Electrical Installations	Right of use asset Leasehold Land	Right of use asset Leasehold Building	Total	Capital Work in progress	Grand Total
Gross carrying amount (at cost)																
At April 01, 2018	**27.28**	**163.55**	**589.03**	**13.12**	**501.81**	**120.22**	**35.17**	**10.11**	**18.03**	**63.43**	**29.07**	**-**	**-**	**1,570.82**	**24.05**	**1,594.87**
Additions during the year	-	12.97	65.28	3.69	86.57	29.20	4.60	2.08	9.68	29.87	13.77	-	-	**257.71**	227.54	**485.25**
Transfer from Investment Property (Refer note (vi) below)	-	8.86	52.01	-	-	-	-	-	-	-	-	-	-	**60.87**	-	**60.87**
Disposals/adjustments	-	-	-	-	(1.79)	(4.66)	(0.34)	(0.08)	(2.15)	(0.99)	(0.07)	-	-	**(10.08)**	(19.44)	**(29.52)**
Transfers to assets classified as held for sale (refer note 13)	-	-	(0.28)	-	(6.29)	(1.51)	(0.41)	-	(0.22)	(0.22)	(0.24)	-	-	**(9.17)**	-	**(9.17)**
At March 31, 2019	**27.28**	**185.38**	**706.04**	**16.81**	**580.30**	**143.25**	**39.02**	**12.11**	**25.34**	**92.09**	**42.53**	**-**	**-**	**1,870.15**	**232.15**	**2,102.30**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer Note 33(5) and (vii) below}	-	(185.38)	-	-	-	-	-	-	-	-	-	176.98	-	**(8.40)**	-	**(8.40)**
Transition impact on account of adoption of Ind AS 116 "Leases" {refer Note 33(5)}	-	-	-	-	-	-	-	-	-	-	-	-	129.59	**129.59**	-	**129.59**
Additions during the year	-	-	85.37	0.77	254.19	83.67	8.45	1.38	14.09	19.18	4.72	40.82	24.95	**537.59**	58.66	**596.25**
Disposals/adjustments (Refer note (viii) below)	-	-	1.50	(4.20)	(0.73)	(0.31)	(0.39)	(0.67)	(0.10)	(2.40)	(1.02)	-	(1.36)	**(9.68)**	(208.04)	**(217.72)**
Transfers to assets classified as held for sale (refer note 13)	-	-	(1.17)	-	(4.15)	(0.98)	(0.44)	-	(1.28)	(0.87)	(0.11)	-	-	**(9.00)**	-	**(9.00)**
At March 31, 2020	**27.28**	**-**	**791.74**	**13.38**	**829.61**	**225.63**	**46.64**	**12.82**	**38.05**	**108.00**	**46.12**	**217.80**	**153.18**	**2,510.25**	**82.77**	**2,593.02**
Accumulated Depreciation																
At April 01, 2018	**-**	**5.86**	**68.26**	**3.08**	**137.08**	**46.94**	**8.78**	**4.04**	**5.07**	**27.54**	**10.15**	**-**	**-**	**316.80**	**-**	**316.80**
Depreciation Charge for the year	-	1.87	24.11	1.84	49.81	19.00	3.89	1.61	2.63	15.55	3.40	-	-	**123.71**	-	**123.71**
Transfer from Investment Property (Refer note (vi) below)	-	0.67	7.84	-	-	-	-	-	-	-	-	-	-	**8.51**	-	**8.51**
Disposals/adjustments	-	-	-	-	(0.65)	(3.40)	(0.21)	(0.05)	(1.37)	(0.92)	(0.03)	-	-	**(6.63)**	-	**(6.63)**
Transfers to assets classified as held for sale (refer note 13)	-	-	(0.02)	-	(4.31)	(0.82)	(0.21)	-	(0.13)	(0.22)	(0.19)	-	-	**(5.90)**	-	**(5.90)**
At March 31, 2019	**-**	**8.40**	**100.19**	**4.92**	**181.93**	**61.72**	**12.25**	**5.60**	**6.20**	**41.95**	**13.33**	**-**	**-**	**436.49**	**-**	**436.49**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer Note 33(5) and (vii) below}	-	(8.40)	-	-	-	-	-	-	-	-	-	-	-	**(8.40)**	-	**(8.40)**
Depreciation Charge for the year	-	-	28.78	2.57	62.11	24.77	4.57	1.71	5.12	19.57	4.54	2.16	36.53	**192.43**	-	**192.43**
Disposals/adjustments (Refer note (viii) below)	-	-	0.82	(1.52)	(0.52)	(0.14)	(0.28)	(0.60)	(0.08)	(2.03)	(0.24)	-	(0.38)	**(4.97)**	-	**(4.97)**
Transfers to assets classified as held for sale (refer note 13)	-	-	(0.10)	-	(2.12)	(0.76)	(0.23)	-	(0.89)	(0.75)	(0.04)	-	-	**(4.89)**	-	**(4.89)**
At March 31, 2020	**-**	**-**	**129.69**	**5.97**	**241.40**	**85.59**	**16.31**	**6.71**	**10.35**	**58.74**	**17.59**	**2.16**	**36.15**	**610.66**	**-**	**610.66**
Net carrying amount																
At March 31, 2019	**27.28**	**176.98**	**605.85**	**11.89**	**398.37**	**81.53**	**26.77**	**6.51**	**19.14**	**50.14**	**29.20**	**-**	**-**	**1,433.66**	**232.15**	**1,665.81**
At March 31, 2020	**27.28**	**-**	**662.05**	**7.41**	**588.21**	**140.04**	**30.33**	**6.11**	**27.70**	**49.26**	**28.53**	**215.64**	**117.03**	**1,899.59**	**82.77**	**1,982.36**

Notes: -

(i) All property, plant and equipment (excluding "Right of Use" created on account of adoption of Ind AS 116) are held in name of the Group, except:

(a) Building situated, at Sahibabad, net block amounting to ₹ 14.20 Crores (March 31, 2019: ₹ 14.49 Crores) constructed on the land taken on lease by the Group from its related party for which lease deed is yet to be registered with the appropriate authority.

(b) Freehold land, located at Samaypur Badli, Delhi, net block amounting to ₹ 15.89 Crores (March 31, 2019: ₹ 15.89 Crores) and building constructed on such land, net block amounting to ₹ 1.28 Crores (March 31, 2019: ₹ 1.51 Crores) which is pending for registration with appropriate authority.

(ii) Right of Use asset includes:-

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

(b) Leasehold Building represents properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases' . Refer Note 33(5)

(iii) Capital work in progress as at March 31, 2020 includes assets under construction at various plants including water heater, cable and wires and switch gears, etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iv) Plant and machinery, generators, furniture and fixtures, electric fans and installations has been pledged/hypothecated as security by the Group {refer note 32(C)}

(v) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 32(B).

(vi) During the financial year 2018-19, property at Greater Noida, Uttar Pradesh was transferred from Investment property to Property, Plant and Equipment upon termination of lease. This property is now held for its own use for normal business purpose {refer note 4}.

(vii) The net block of Leasehold land of ₹ 176.98 crores (Gross block - ₹ 185.28 crores and accumulated depreciation - ₹ 8.40 crores) has been reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases".

(viii) Disposals/ Adjustments include an adjustment on account of purchase of building in the current year which was earlier taken on rent, leasehold improvement amounting to ₹ 0.56 crores (Gross block of ₹ 1.53 crores and Accumulated Depreciation of ₹ 0.97 crores) has been transferred from the block of "Leasehold Improvement" to block of "Building"

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4 INVESTMENT PROPERTY (At cost)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Gross Carrying Amount		
Opening balance	-	60.87
Less :- Transferred to Property, plant and equipment (Refer note 3)	-	(60.87)
Closing balance	-	-
Accumulated depreciation		
Opening balance	-	7.08
Depreciation for the period till the date of transfer to property, plant & equipment	-	1.43
Less :- Transferred to Property, plant and equipment (Refer note 3)	-	(8.51)
Closing balance	-	-
Net Carrying Amount	**-**	**-**
Amount recognised in statement of profit and loss for Investment property		
Rental income derived from investment property	-	7.62
Profit arising from investment property before depreciation	**-**	**7.62**
Less: Depreciation for the period till the date of transfer to property, plant & equipment	-	1.43
Profit arising from investment property	**-**	**6.19**
Fair value of Investment Property	**-**	**-**

Note:

Investment property represented, land and building being a premise in Greater Noida, Uttar Pradesh given on lease w.e.f May 12, 2016 on a long term basis. During the previous year Investment property was transferred to property, plant and equipment on premature termination of lease on November 29, 2018. The Group decided to use the said property for normal business purpose and accordingly the same was transferred to property, plant and equipment in the previous year.

5 INTANGIBLE ASSETS

(₹ in crores)

Particulars	Computer Software	Technical Knowhow	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Intangibles assets under development	Total Intangible Asset
Gross carrying amount (at cost)										
At April 01, 2018	**38.34**	**0.51**	**6.24**	**1,029.00**	**82.40**	**58.50**	**1,214.99**	**310.47**	**-**	**1,525.46**
Additions	9.56	-	1.60	-	-	-	**11.16**	-	0.51	**11.67**
Disposals/adjustments	(2.64)	(0.51)	(0.57)	-	-	-	**(3.72)**	-	-	**(3.72)**
At March 31, 2019	**45.26**	**-**	**7.27**	**1,029.00**	**82.40**	**58.50**	**1,222.43**	**310.47**	**0.51**	**1,533.41**
Additions	3.88	-	1.31	-	-	-	**5.19**	-	3.30	**8.49**
Disposals/adjustments	(0.05)	-	-	-	-	-	**(0.05)**	-	(0.45)	**(0.50)**
At March 31, 2020	**49.09**	**-**	**8.58**	**1,029.00**	**82.40**	**58.50**	**1,227.57**	**310.47**	**3.36**	**1,541.40**
Amortization										
At April 01, 2018	**21.73**	**0.50**	**2.78**	**-**	**9.30**	**7.50**	**41.81**	**-**	**-**	**41.81**
Charge for the year	4.70	-	0.88	-	10.30	8.36	**24.24**	-	-	**24.24**
Disposals/adjustments	(2.44)	(0.50)	(0.54)	-	-	-	**(3.48)**			**(3.48)**
At March 31, 2019	**23.99**	**-**	**3.12**	**-**	**19.60**	**15.86**	**62.57**	**-**	**-**	**62.57**
Charge for the year	5.71	-	1.17	-	10.30	8.36	**25.54**	-	-	**25.54**
Disposals/adjustments	(0.05)	-	-	-	-	-	**(0.05)**	-	-	**(0.05)**
At March 31, 2020	**29.65**	**-**	**4.29**	**-**	**29.90**	**24.22**	**88.06**	**-**	**-**	**88.06**
Net carrying amount										
At March 31, 2019	**21.27**	**-**	**4.15**	**1,029.00**	**62.80**	**42.64**	**1,159.86**	**310.47**	**0.51**	**1,470.84**
At March 31, 2020	**19.44**	**-**	**4.29**	**1,029.00**	**52.50**	**34.28**	**1,139.51**	**310.47**	**3.36**	**1,453.34**

Note:-

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and Brand and Trademarks acquired on acquisition of Lloyd business having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumer which is also an operating and reportable segment, for impairment testing. The Group has performed an annual impairment test to ascertain the recoverable amount of CGU. The recoverable amount is determined based on value in use calculation. These calculations uses management's 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. Further the management have

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factored the impact of COVID-19 on the cash flow projections used in assessment of recoverable amount of CGU as at March 31, 2020. Management has determined following assumptions for impairment testing of CGU as stated below.

Assumption	March 31, 2020	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax(discount rate)	12.50%	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 financial budgets and projections approved by management which is in line with industry growth rate

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 CGU 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.

6 CONTRACT BALANCES

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(A)	**Trade Receivables {refer note (a) below and note 11(A)}**	249.62	424.20
		249.62	**424.20**
(B)	**Contract Assets (Unsecured, considered good) {refer note (b)}**	80.59	79.11
		80.59	**79.11**
	Non-current portion	60.58	69.84
	Current portion	20.01	9.27
(C)	**Contract Liability {refer note (c)}**	20.06	7.39
		20.06	**7.39**
	Non-current portion	4.32	2.63
	Current portion	15.74	4.76

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 previous year the Group had entered in to an agreement with customer wherein the Group had identified two performance obligations in contract as per Ind AS 115 "Revenue from contract with customers" . The Group's right to receive consideration is conditional upon satisfaction of both performance obligation. Accordingly, the Group has recognised contract asset in respect of performance obligation satisfied during the year. 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.

(c) The Group has entered into the agreements with customers for sales of goods and services. The Group has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the Group has obligation to deliver the goods and perform specified services to a customer for which the Group has received consideration.

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7 NON-CURRENT FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(A) Trade Receivables		
(Unsecured) {refer note 11(A)}		
Trade receivables - Considered good	7.96	17.62
	7.96	**17.62**
(B) Other bank balance (valued at amortised cost)		
Fixed deposits with banks having maturity period of more than twelve months	-	0.01
	-	**0.01**
(C) Others financial assets (valued at amortised cost)		
(Unsecured, considered good)		
Earnest money and security deposits	21.37	21.38
	21.37	**21.38**

8 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Capital advances	10.16	23.13
Others		
Prepaid expenses	5.84	1.90
Deposits with Statutory and Government authorities	34.67	33.71
	50.67	**58.74**

9 NON CURRENT TAX ASSET (NET)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Income Tax (net of provision for income tax)	16.53	-
	16.53	**-**

10 INVENTORIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(Valued at lower of cost and net realisable value unless otherwise stated) {refer accounting policy 2.12}		
Raw materials and components	427.67	307.08
Work-in-progress	100.52	98.77
Finished goods	836.99	623.31
Traded goods	459.30	851.66
Stores and spares	21.02	18.43
Loose Tools	2.02	1.85
Packing materials	15.41	13.11
Scrap materials	8.95	4.76
	1,871.88	**1,918.97**

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Notes:

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	The above includes goods in transit as under:		
	Raw materials	81.64	58.97
	Finished goods	44.86	43.42
	Traded goods	63.62	192.37
(b)	The stock of scrap materials have been taken at net realisable value.		
(c)	Inventories are hypothecated with the bankers against working capital limits. {Refer note 32(C)}		
(d)	During the year ₹ 16.69 crores (March 31, 2019 : ₹ 3.70 Crores) was recognised as an expense for inventories carried at the net realisable value		

11 CURRENT FINANCIAL ASSETS

(A) TRADE RECEIVABLES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Trade receivables considered good	249.62	424.20
Trade receivables - credit impaired	44.87	26.64
Trade receivables (gross)	**294.49**	**450.84**
Less: Impairment allowance for trade receivables -credit impaired	44.87	26.64
Trade receivables (net) (A)	**249.62**	**424.20**
Current portion	241.66	406.58
Non-current portion {refer note 7 (A)}	7.96	17.62

Notes:

(a) Trade receivables are usually non-interest bearing and are on trade terms of 30 to 60 days.

(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.

(c) The Group has availed Receivable Buyout facility from banks against which a sum of ₹ 404.31 crores (March 31, 2019: ₹ 649.15 crores) has been utilised as on the date of Balance Sheet. The Group has assigned all its rights and privileges to the bank and there is no recourse on the Group. Accordingly the amount of utilization has been reduced from trade receivables.

(d) The Group has arranged channel finance facility for its customers from banks against which a sum of ₹ 605.99 crores (March 31, 2019: ₹ 627.98 crores) has been utilised as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount as there is no recourse on the Group.

B) CASH AND CASH EQUIVALENTS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
Current accounts	38.13	73.94
Cash credit accounts {refer note no.32(C)}	54.10	374.80
Fixed deposits account with a original maturity of less than three months {refer note (b)}	175.35	255.67
Cash on hand	0.12	0.13
(B)	**267.70**	**704.54**

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) Short-term deposits are made of varying periods between one date to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

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(c) Changes in liabilities arising from financing activities

	Long Term Borrowing		Short Term Borrowing		Lease Liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance	94.50	108.00	-	7.38	-	-
Transition impact on account of adoption of Ind AS 116 {refer Note 33(5)}	-	-	-	-	126.80	-
Addition on account of new leases during the year {refer Note 33(5)}	-	-	-	-	24.95	-
Deletion on account of termination of leases during the year {refer Note 33(5)}	-	-	-	-	(1.39)	-
Cash flows	(54.00)	(13.50)	-	(7.38)	(28.75)	-
Interest expense	5.17	13.30	-	0.24	10.92	-
Interest paid	(5.17)	(13.30)	-	(0.24)	(10.92)	-
Closing balance	**40.50**	**94.50**	**-**	**-**	**121.61**	**-**
Non-current Borrowing {refer note 15 (A)}	-	40.50	-	-	-	-
Non-current financial liability {refer note 15 (B)}	-	-	-	-	89.74	-
Current maturity of long term borrowing {refer note 19 (B}	40.50	54.00	-	-	-	-
Current maturity of long term lease liability {refer note 19 (B)}	-	-	-	-	31.87	-

(C) OTHER BANK BALANCES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Fixed deposits account with original maturity of more than three months but less than twelve months {refer note (a)}	625.58	483.16
Fixed deposits account with original maturity of more than twelve months {refer note (b)}	235.62	121.05
Unpaid dividend account {refer note (c)}	3.63	2.62
(C)	**864.83**	**606.83**
(B + C)	**1,132.53**	**1,311.37**

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) OTHER FINANCIAL ASSETS (valued at amortised cost)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good		
Earnest money and security deposits	4.53	4.76
Retention money	1.67	0.89
Contractual claims and other receivables (refer note below)	23.24	24.40
	29.44	**30.05**

Note : Contractual claims and other receivables includes claims in accordance with contract with vendor.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

12 OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	21.44	36.63
Others		
Prepaid expenses	9.49	13.11
Duty free licenses in hand	1.85	3.39
Insurance claim receivable	0.74	8.88
Government grant receivable	71.18	41.87
Balance with Statutory/ Government authorities	60.62	46.11
	165.32	**149.99**

Movement of Government grant receivable

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Opening balance	41.87	33.87
Accrual of Grant related to income (credited to statement of profit and loss account) (refer note 23)	33.16	38.92
Accrual of Grant related to assets	22.49	2.35
Grant realised during the year	(26.34)	(33.27)
Closing Balance	**71.18**	**41.87**

Note:- Government grant receivable includes export incentives, budgetary support for refund of Goods and Service Tax and investment subsidy.

13 ASSETS HELD FOR SALE

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment		
Assets retired from active use {refer note (a) below}	0.95	0.59
Investment in joint venture		
Jiangsu Havells Sylvania Lighting Co., Limited {refer note 33(1)}	18.85	17.29
(50% contribution in paid in capital)		
	19.80	**17.88**

Note:

(a) The Group classified certain items of Property Plant and Equipment retired from active use and investment in joint venture under liquidation and are held for sale recognised and measured in accordance with Ind-AS 105 “Non Current Assets Held For Sale and Discontinued Operations” at lower of its carrying amount and fair value less cost to sell. The Group expects to complete the sale by September 2020 (previous year :-September 2019) by selling it in the open market/ as per contractual arrangement.

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14 EQUITY

(A) SHARE CAPITAL

a) Authorized Share Capital (Refer Note below)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
1,032,000,000 equity shares of ₹ 1/- each (March 31,2019 :1,032,000,000 equity shares of ₹ 1/- each)	103.20	103.20
5,50,000 preference shares of ₹ 10/- each (March 31,2019: 5,50,000 preference shares of ₹ 10/- each)	0.55	0.55
	103.75	**103.75**

Note: Authorised share capital of the parent company has been increased pursuant to the scheme of amalgamation approved by National Company Law Tribunal ("NCLT"). {Refer Note no 33(2)}. Consequently the parent company has filed form no INC-28 with the ROC on February 07, 2020 which is pending for its approval.

b) Issued, subscribed and fully paid-up

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
625,802,834 equity shares of ₹ 1/- each (March 31, 2019: 625,472,910 equity shares of ₹ 1/- each)	**62.58**	**62.55**

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

	March 31, 2020		March 31, 2019	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	625,472,910	62.55	625,148,473	62.51
Add: Exercise of Employee stock purchase plan - proceeds received	329,924	0.03	324,437	0.04
	625,802,834	**62.58**	**625,472,910**	**62.55**

d) 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, 2019 : ₹ 1/- per share). Each holder of equity shares is entitled to one vote per share. 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.

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

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.37	63,841,200	10.21
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	36,432,180	5.82	36,432,180	5.83
QRG Enterprises Limited	189,858,880	30.34	189,858,880	30.35
QRG Investments and Holdings Limited	68,741,660	10.98	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

f) 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 33 (9).

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(B) OTHER EQUITY

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
Capital reserve		7.63	7.63
Securities premium		80.58	56.40
Share option outstanding account		0.64	0.27
General reserve		722.72	722.72
Retained Earnings		3,437.60	3,347.25
Foreign currency translation reserve		(0.19)	0.76
Total other equity		**4,248.98**	**4,135.03**
a)	**Capital reserve**	**7.63**	**7.63**
b)	**Securities premium account**		
	Opening balance	56.40	38.46
	Add: Exercise of Employee stock purchase plan - proceeds received	24.18	17.94
	Closing balance	**80.58**	**56.40**
c)	**Stock options outstanding account**		
	Opening balance	0.27	-
	Add : Employee stock purchase plan expense	0.37	0.27
	Closing balance	**0.64**	**0.27**
d)	**General Reserve**	**722.72**	**722.72**
e)	**Retained Earnings**		
	Opening balance	3,347.25	2879.65
	Net profit for the year	735.35	787.61
	Items of other comprehensive income recognised directly in retained earnings		
	Re-measurement gains / (losses) on defined benefit plans (net of tax)	(3.73)	(4.75)
	Dividends		
	Final Dividend of ₹ 4.5 per share of Re 1, for FY 2018-19 (₹ 4 per share for FY 2017-18)	(281.61)	(250.19)
	Dividend distribution tax on final dividend	(57.89)	(51.43)
	Interim Dividend of ₹ 4 per share of Re 1 each, for FY 2019-20 (₹ Nil per share for FY 2018-19)	(250.32)	-
	Dividend distribution tax on interim dividend	(51.45)	-
	Transaction on account of acquisition of additional interest in subsidiary Company merged with the Group {Refer note 33(2)}	-	(13.64)
	Closing balance	**3,437.60**	**3,347.25**
f)	**Currency translation reserves**		
	Opening balance	0.76	0.33
	Exchange difference on translation of financial statements of foreign operations	0.50	(0.02)
	Transfer to statement of profit and loss account on account of sale/ liquidation of group companies	(1.45)	0.45
	Closing balance	**(0.19)**	**0.76**

(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

The amount received in excess of face value of the equity shares is recognised in securities premium. In case equity - settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. 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.

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(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. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. During the year on account of business combination as per Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control, the Group has utilised the reserve as at April 1,2018 i.e. Appointed date, in accordance with Scheme of Amalgamation as approved by NCLT. {Refer note 33(2)}

(d) Stock options outstanding account

The fair value of the equity settled "share base payment transactions" is recognised in the statement of profit and loss account with the corresponding credit to share options outstanding account.

(e) Foreign currency translation reserve

Exchange differences arising on translation of financial statements foreign operations are recognised 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 off / liquidated or classified as held for sale.

(f) 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.

15 NON CURRENT FINANCIAL LIABILITIES

(A) BORROWINGS (valued at amortised cost)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Term loans from banks (secured)		
Term loans {refer note (a) and (b)}	40.50	94.50
	40.50	**94.50**
Non-current portion	-	40.50
Current maturity of long term borrowing {refer note 19(B) }	40.50	54.00

Notes:

(a) The Group has availed a secured loan of ₹ 108.00 Crores against sanctioned amount of ₹ 300.00 crores from CITI bank N.A. during the financial year 2017-18. The current outstanding and sanctioned amount against the loan is ₹ 40.50 Crores (March 31, 2019; ₹ 94.50 Crores). The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the Group during 12 months previous to sanction date. The loan was having 15 months moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum fixed assets coverage ratio of 1.1x. The Group has complied with these covenants throughout the reporting period.

(b) The Group has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of term loan agreements.

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

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Lease Liability {refer note 33 (5)}	89.74	-
Employee stock purchase plan compensation payable	1.13	0.92
	90.87	**0.92**

16 NON CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
i) Provision for employee benefits		
Gratuity {refer note no. 33 (6)}	-	0.06
	-	**0.06**
ii) Other provisions		
Product warranties and e-waste {Refer note 21(a)}	35.57	32.62
	35.57	**32.62**
	35.57	**32.68**

17 INCOME TAXES

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(a) Income tax expense in the statement of profit and loss comprises :

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Continuing Operation		
Current income tax charge	198.99	270.16
Deferred Tax charge / (credit)		
Relating to origination and reversal of temporary differences	(30.23)	89.24
Income tax expense reported in the statement of profit or loss	**168.76**	**359.40**

(b) Other Comprehensive Income

	As at March 31, 2020	As at March 31, 2019
Current income tax related to items recognised in OCI during the year:		
Current income tax expense on Re-measurement loss on defined benefit plans	1.25	2.55
Income tax related to items recognised in OCI during the year	**1.25**	**2.55**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Accounting Profit before tax from continuing operations	904.37	1,147.34
Accounting Profit before tax from discontinued operations	(0.26)	(0.33)
Accounting profit before tax	**904.11**	**1,147.01**
Applicable tax rate	25.168%	34.944%

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(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Computed Tax Expense	**227.55**	**400.81**
Increase due to transfer of investment property to property, plant and equipment	-	4.86
Adjustment of tax relating to earlier years	7.25	4.59
Impact of adoption of new tax regime under section 115BAA on deferred tax liability including reversal of MAT credit entitlement	(72.35)	-
Difference in tax rate	-	0.82
Tax exempt jurisdictions	-	(1.16)
Utilisation of unabsorbed depreciation and carried forward losses	-	(2.60)
Expense not allowed for tax purpose	6.94	9.58
Additional allowances for tax purpose	(0.63)	(57.50)
Income tax charged to Statement of Profit and Loss at effective rate of 18.66% (March 31, 2019: 31.33%) {Refer point (e) below}	**168.76**	**359.40**

(d) Deferred tax liabilities comprises :

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Accelerated depreciation for tax purposes	315.47	370.70	(55.23)	103.76
Right of Use as per Ind AS 116	29.45	-	29.45	-
Lease liability as per Ind AS 116	(30.61)	-	(30.61)	-
Expenses allowable on payment basis	(17.58)	(18.84)	1.26	(7.82)
Allowance for doubtful debts	(11.29)	(8.92)	(2.37)	(3.10)
Unabsorbed depreciation and carry forward tax losses	-	(4.82)	4.82	(4.81)
Other Items giving rise to temporary differences	1.08	1.21	(0.13)	1.21
	286.52	**339.33**	**(52.81)**	**89.24**
MAT credit entitlement as at end of the year {refer note (d)}	-	(22.58)	22.58	-
	286.52	**316.75**	**(30.23)**	**89.24**

Reconciliation of deferred tax liabilities (net)

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Opening balance as per last balance sheet	316.75	250.09
Deferred tax charged/(credited) to Profit and loss account during the year	(30.23)	89.24
	286.52	**339.33**
MAT credit entitlement as at end of the year {refer note (d)}	-	(22.58)
Closing balance	**286.52**	**316.75**

Note:

a) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

b) There was unabsorbed capital loss of ₹ 368.55 crores as on March 31, 2020 (previous year 368.85 crores) out of which capital loss of ₹ 246.25 crores will expire in financial year 2023-24 and capital loss of ₹ 122.30 crores will expire in financial year 2025-26, on which no deferred tax asset has been created by the management due to lack of probability

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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 ₹ 85.86 crores (Previous year 85.92 Crore).

c) During the year the parent company has paid Final dividend to its shareholders for the year ended March 31, 2019 and Interim Dividend for the year ended March 31, 2020. This has resulted in payment of dividend distribution tax (DDT) amounting to ₹ 109.34 crores to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

d) The Group has opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amendment) Ordinance, 2019). Accordingly, the Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section and unutilised MAT credit entitlement has been written off.

e) Effective tax rate has been calculated on profit before tax.

18 OTHER NON CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Deferred capital goods credit {refer note 32(E)}	17.71	17.71
	17.71	**17.71**

19 CURRENT FINANCIAL LIABILITIES

(A) TRADE PAYABLES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Total outstanding dues of Micro Enterprises and Small Enterprises	106.28	55.66
Total outstanding due of other than Micro Enterprises and Small Enterprises	1,307.54	1,504.14
	1,413.82	**1,559.80**

Notes

(i) Trade Payables include due to related parties ₹ 3.79 crores (March 31, 2019 : ₹ 2.68 crores) {refer note 33(8)(D)}

(ii) The amounts are unsecured and non interest-bearing and are usually paid within 30 to 120 days of recognition.

(iii) For terms and conditions with related parties, refer to Note 33(8)

(iv) Trade payables includes acceptances of ₹ 389.71 Crores (March 31, 2019: ₹ 281.76 Crores)

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, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

(₹ in crores)

		As at March 31, 2020	As at March 31,2019
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	106.28	55.66
	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	-	-

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(₹ in crores)

	As at March 31, 2020	As at March 31,2019
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, 2019 : ₹ Nil)		

(B) OTHER FINANCIAL LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Unpaid dividend {refer point (a)}	3.63	2.62
Other payables		
Current Maturity of long term loan {refer note 15(A) }	40.50	54.00
Current maturities of Lease liability {refer note 33 (5)}	31.87	-
Employee stock purchase plan compensation payable	3.78	2.89
Creditors for capital goods	39.41	40.43
Retention money	46.74	39.68
Other liabilities		
Payable for services	111.69	107.97
Payable to banks against receivable buyout facilities (refer point (b))	155.28	108.54
Sales incentives payable	113.29	241.85
Claims Payable {refer note (c) below}	18.53	17.27
Others {refer note (d) below}	16.98	12.02
	581.70	**627.27**

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 ₹ 0.11 crores (March 31,2019: ₹ 0.07 crore) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act,2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Claims payable includes an amount of ₹ 18.53 crores (March 31, 2019 : ₹ 17.27 crores) crores payable by Group under its global Sylvania business closure process.

d) Other includes amount against E-waste liability {refer note 21(a)(ii)} and amount refundable to customers.

20 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Advances from customers	38.90	18.00
Others		
Goods and service tax payable	29.79	57.06
Other statutory dues payable	36.94	38.64
	105.63	**113.70**

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21 CURRENT PROVISIONS

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
i)	**Provision for employee benefits**		
	Gratuity {refer note no. 33(6)}	19.08	19.40
	(A)	**19.08**	**19.40**
ii)	**Other provisions**		
	Product warranties and E-waste {refer point (a)}	176.94	176.12
	Litigations {refer point (b)}	13.99	7.60
	(B)	**190.93**	**183.72**
	(A) + (B)	**210.01**	**203.12**

a) Provision for warranties and E-waste

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within seven years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on one to seven years warranty period for all products sold.

(ii) E-waste

A provision is recognised for probable e-waste liability based on “Extended Producer Responsibility” as furnished by the Group to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as ‘Other expenses’ in the statement of profit and loss. As a part of acquisition of Lloyd business in earlier year, the seller Group had agreed to ensure compliance with “ extended producer responsibility” (EPR) in accordance with E- waste management rules, 2016 in respect of sales made by the seller Group in respect of Lloyd consumer durable business prior to date of business acquisition i.e. May 08, 2017. Further, management has assessed liability under E-Waste management rules on year to year basis and same has been accounted for accordingly. Towards this, the seller Group has paid an amount of ₹ 9.46 crore (March 31,2019:12.02 crore).

(iii) The table below gives information about movement in Warranty and E-waste provisions:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	208.74	158.67
Arising during the year	192.61	201.65
Utilized during the year	(192.39)	(154.13)
Unwinding of discount {refer note no. 29}	3.55	2.55
At the end of the year	**212.51**	**208.74**
Current portion	176.94	176.12
Non-current portion (refer note no. 16)	35.57	32.62

b) Provision for litigations

Provision for litigation amounting to ₹ 13.99 Crores (March 31, 2019: ₹ 7.60 Crores) is created against demands raised in various ongoing litigations in various cases 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, 2020

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	7.60	7.70
Arising during the year	6.39	-
Utilized during the year	-	(0.10)
At the end of the year	**13.99**	**7.60**
Current portion	13.99	7.60
Non-current portion	-	-

22 CURRENT TAX LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Income Tax (net of advance tax and Tax Deducted at Source)	-	30.93
	-	**30.93**

23 REVENUE FROM OPERATIONS

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31,2019
Revenue from contract with customers			
Sale of products		9,320.89	9,975.12
Sales of services		40.69	7.70
Scrap sales		45.52	51.69
	(A)	**9,407.10**	**10,034.51**
Other operating revenues			
Export Incentive		7.95	10.19
Government assistance for refund of Goods and Service Tax {refer note (a) below}		25.21	28.73
	(B)	**33.16**	**38.92**
Total revenue from operations	**(A) + (B)**	**9,440.26**	**10,073.43**

Note:

Government assistance for refund of Goods and Service Tax represents benefits provided by the Government to the Group in respect of its manufacturing units in the state of Assam, Himachal Pradesh and Uttarakhand in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 05, 2017 which were earlier eligible for excise duty exemption. The exemption in respect of its manufacturing unit at Himachal Pradesh and Uttarakhand has expired on December 11,2019 and January 17,2020 respectively {refer accounting policy 2.18}

(i) Timing of revenue recognition

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Goods transferred at a point in time	9,362.48	9,946.29
Goods transferred over time	3.93	80.52
Services transferred over time	40.69	7.70
Total revenue from contract with customers	**9,407.10**	**10,034.51**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(ii) Disaggregation of revenue based on product or service

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Switchgears	1,480.18	1,656.27
Cables	2,993.30	3,232.72
Lighting and fixtures	1,142.05	1,308.48
Electrical consumer durables	2,201.30	1,981.48
Lloyd Consumer*	1,590.27	1,855.56
Total revenue from contract with customers	**9,407.10**	**10,034.51**

* Includes revenue from procurement services and service-type warranties.

(iii) Revenue by location of customers

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
India	9,079.01	9,707.08
Outside India	328.09	327.43
Total revenue from contract with customers	**9,407.10**	**10,034.51**

(iv) Reconciliation of revenue recognised in statement of profit and loss with contracted price

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Revenue as per contracted price	9,473.77	10,103.23
Less: Cash discount	(66.67)	(68.72)
Total revenue from contract with customers	**9,407.10**	**10,034.51**

(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 and payment is generally due within 30 to 60 days from delivery. {refer accounting policy 2.15}

Sales of services: 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 bases on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed {refer accounting policy 2.15}.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2020 is as follows:-

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Within one year	15.74	4.76
More than one year	4.32	2.63
	20.06	**7.39**

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, 2020, revenue recognised from amount included in contract liability at the beginning of year is ₹ 1.32 crores (March 31, 2019: ₹ Nil)

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

24 OTHER INCOME

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Interest received on financial assets carried at amortised cost :		
Bank deposits	69.58	78.20
Others	7.02	1.42
Other non-operating income		
Exchange fluctuations (net)	20.94	19.49
Liabilities no longer required written back	4.33	9.24
Rental Income	-	7.62
Profit on sale of non-current financial investments	-	0.07
Miscellaneous income	11.54	12.61
	113.41	**128.65**

25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Copper	1,370.66	1,388.17
Aluminium	532.21	629.39
General plastic & Engineering Plastic	220.45	215.63
Paints and chemicals	292.04	327.15
Steel	162.24	177.81
Packing materials	193.64	197.38
Others	1,608.40	1,588.62
	4,379.64	**4,524.15**

26 PURCHASE OF TRADED GOODS

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Switchgears	63.15	66.30
Lighting and fixtures	264.59	270.06
Electrical consumer durables	423.80	357.58
Lloyd Consumer	528.72	1,309.81
Cables	0.55	-
	1,280.81	**2,003.75**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

27 CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS ETC.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	836.99	623.31	(213.68)
Traded goods	459.30	851.66	392.36
Work in progress	100.52	98.77	(1.75)
Scrap materials	8.95	4.76	(4.19)
	1,405.76	**1,578.50**	**172.74**

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	623.31	532.88	(90.43)
Traded goods	851.66	710.90	(140.76)
Work in progress	98.77	85.35	(13.42)
Scrap materials	4.76	4.00	(0.76)
	1,578.50	**1,333.13**	**(245.37)**

28 EMPLOYEE BENEFITS EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Salaries, wages, bonus, commission and other benefits	826.02	767.61
Contribution towards PF, Family Pension and ESI	37.06	33.55
Employee stock purchase plan expense {refer note no. 33(9)}	17.06	12.83
Gratuity expense {refer note no. 33(6)}	14.11	12.10
Staff welfare expenses	12.46	15.63
	906.71	**841.72**

29 FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Interest expense	5.17	13.54
Interest on lease liability {refer note no. 33(5)}	10.92	-
Miscellaneous financial expenses	0.08	0.16
Total interest expense	**16.17**	**13.70**
Unwinding of discount on long term provisions {refer note no. 21(a)}	3.55	2.55
Total Finance cost	**19.72**	**16.25**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

30 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Depreciation of property, plant and equipment {refer note 3}	153.74	123.71
Depreciation of Investment property {refer note 4}	-	1.43
Amortization of intangible assets {refer note 5}	25.54	24.24
Depreciation of Right of use assets {refer note 3}	38.69	-
	217.97	**149.38**

31 OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Consumption of stores and spares	45.21	45.72
Power and fuel	92.44	86.33
Job work and service charges	203.09	213.12
Rent	38.00	71.61
Repairs and maintenance:		
Plant and machinery	10.18	11.12
Buildings	2.31	3.30
Others	50.84	42.79
Rates and taxes	2.42	1.93
Insurance	17.66	16.23
Trade mark fee and royalty	0.15	0.17
Travelling and conveyance	84.69	91.32
Communication expenses	10.35	12.60
Legal and professional charges	20.53	16.96
Payment to Auditors		
As Auditors:		
Audit fee	1.35	1.30
Tax audit fee	0.05	0.05
In other capacity	0.05	0.14
Reimbursement of expenses	0.09	0.09
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 33(10)}	20.32	17.44
Directors sitting fees	0.35	0.41
Selling and distribution expense	343.04	342.54
Advertisement and sales promotion	320.94	384.30
Secondary Sales Promotion expense	48.56	52.97
Commission on sales	73.22	68.31
Product warranties and after sales services (net of reversals)	192.61	201.65
Bank Charges	31.64	39.01
Loss on sale/ discard of Property, plant and equipment (net)	6.73	4.57
Bad debts written off	0.82	2.21
Impairment allowance for trade receivables considered doubtful	18.23	8.81
Miscellaneous expenses	35.84	27.86
	1,671.71	**1,764.86**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

32 COMMITMENTS AND CONTINGENCIES

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
a	Claims / Suits filed against the Group not acknowledged as debts { Refer point (i) }	6.47	6.61
b	Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 30.96 crores (March 31, 2019: ₹ 29.02 crores)} {refer point (ii)} (Included in "deposit with statutory and government authorities" in note no. 8)	78.13	78.10
c	Demand raised by Uttarakhand Power Corporation Limited contested before Hon'ble High Court of Uttarakhand, Nainital {Amount deposited under protest ₹ Nil (March 31, 2019: ₹ 1.00 crore)}	-	1.00

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 31,2020	Period to which relates	Disputed amount As At March 31,2019
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2019-20	0.39	2007-08 to 2009-10	0.23
b)	**Income Tax**				
	Disallowances / additions made by the income tax department.	2003-04 to 2013-14	56.21	2003-04 to 2014-15	57.82
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 to 2019-20	1.26	-	-
d)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department.	2005-06 to 2015-16	20.12	2005-06 to 2015-16	19.90
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
			78.13		**78.10**

(a) The Group is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for these tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations. Based on favourable decisions in similar cases, the Group does not expect any liability against these matters in accordance with principles of Ind AS -12 'Income taxes' read with Ind AS -37 ;Provisions, Contingent Liabilities and Contingent Assets' and hence no provision has been considered in the books of accounts except for provision created in respect of few years {refer note 21 (ii)}. Besides the above, show cause notices from various departments received by the Group have not been treated as contingent liabilities, since the Group has adequately represented to the concerned departments and does not expect any liability on this account.

Notes to Consolidated Financial Statements

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B Commitments

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	103.16	193.08
b)	Corporate Social Responsibility commitment	28.16	4.54
		131.32	**197.62**

C Undrawn committed borrowing facility

(a) The Group has availed fund based and non fund based working capital limits amounting to ₹ 235 crores (March 31, 2019 : ₹ 275 crores) from banks under consortium of Canara Bank, IDBI Bank Limited, Standard Chartered Bank, Axis Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ 212.28 crores remain undrawn as at March 31, 2020 (March 31, 2019 : ₹ 256.26 crores). Further The limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire paid stocks consisting of raw material, work in progress, finished goods kept at parent company's godown, factories and book debts along with receivables of the parent Group, both present and future.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with consortium banks by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which 1st charge is held with term lenders.

(b) The Group has availed a secured loan of ₹ 108 Crores against sanctioned amount of ₹ 300 crores from CITI bank N.A. during financial year 2017-18.The current outstanding and sanctioned amount against the loan is ₹ 40.50 Crores (March 31,2019; ₹ 94.50 Crores). The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the Group during 12 months previous to sanction date. The loan was having 15 months moratorium period and repayable in 8 quarterly instalments thereafter. This loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India with an minimum fixed assets coverage ratio of 1.1x. The Group has complied with all covenants throughout the reporting period. The Group has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of term loan agreements.

D Other Litigations

The Group has some sales tax and other tax related litigation of ₹ 13.99 crores (March 31, 2019: ₹ 7.60 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E During the year ended March 31,2018, Land measuring 50 acres situated at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan has been allotted to the Group for a consideration of ₹ 71.21 crores. This consideration will be adjusted by way of rebate of ₹ 17.71 crores only after, the Group incurs a total investment of ₹ 260.00 crores by November 2019 and an additional amount of ₹ 192.00 crores by March 2022, till March 31,2020, the Group has capitalised ₹ 375.63 crores (March 31,2019 : ₹ 177.95 crores) in property, plant and equipment and ₹ Nil (March 31,2019: ₹ 165.38 crores) in Capital work in progress. The Group has completed first phase of its capitalisation amounting to ₹ 260 crores Till then the Group has considered the rebate as a separate liability as disclosed in note 18.

F The Group has given bonds amounting to ₹ 1.65 crores (March 31, 2019: 0.67 crores) to central tax department against purchase of goods without payment of duty.

33 OTHER NOTES ON ACCOUNTS

1 Change in interest in subsidiaries and joint venture

(a) (i) During the current year wholly owned subsidiary of the Group "Havells Exim Limited" has been liquidated w.e.f. September 13, 2019.

(ii) Further step down wholly owned subsidiary Companies namely Havells International Limited and Havells Sylvania Iluminacion (Chile) Ltda have also been liquidated during the current year on July 22, 2019 and November 28, 2019 respectively.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(b) In the earlier year, the Group and its joint venture partner in respect of their joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", have applied for liquidation and formed a liquidation committee. The Group will receive an agreed consideration of USD 2.5 million. Accordingly, the investment in joint venture has been classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Group is not liable for losses incurred by the joint venture as the Group will receive agreed consideration upon completion of liquidation and accordingly the investment has been measured at lower of its carrying amount and fair value less cost to sell.

2 Business Combination

(A) Scheme of Amalgamation

Havells India Limited ("the parent company" or "Havells" or "Transferee Group) and its wholly owned subsidiary companies, namely Promptec Renewable Energy Solutions Private Limited. ("Promptec"), Standard Electrical Limited ("Standard"), Lloyd Consumer Private Limited ("Lloyd") and Havells Global Limited ("HGL"), together referred as "Transferor Companies", had filed the Scheme of Amalgamation, ("the Scheme") under section 230 to 232 of Companies Act 2013 read with Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, (as amended from time to time) with National Group law tribunal ("NCLT"), which has been approved on January 31, 2020 and filed with Registrar of Companies on February 07, 2020, accordingly the same has become effective from appointed date as per scheme which is April 01, 2018. The Group has applied principles of Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control' w.e.f. April 01, 2018.

General nature of business of the combining entities

HGL: The Company is engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting, trading or otherwise dealing in all types of electrical goods and instruments

Standard: The Company is engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting, trading or otherwise dealing in all types of electrical goods, light engineering goods and instruments

Lloyd: The Company is engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting, trading or otherwise dealing in all types of electrical goods and instruments

Promptec: The Company is primarily engaged in the business of analysing, designing, developing, enhancing, testing, manufacturing, marketing, sales, servicing electrical and electronic products, solutions, components used in renewable energy, general lighting and any other areas of power and energy industry in domestic and international market

Havells: The Company is primarily engaged in the business of manufacturing, assembling, altering, exchanging, buying, selling, importing, exporting or otherwise dealing in all types of electrical goods and instruments also other consumer durable and FMCG products

Rationale for Amalgamation

The scheme of amalgamation will enable optimisation of legal entity structure through rationalisation of number of subsidiaries, which will result in integration of business operations and consolidation of activities leading to operational synergies. The scheme will also result in reduction in multiplicity of legal and regulatory compliances

Accounting treatment

Below is the summary of accounting treatment which has been given effect to in these special purpose financial statement, in accordance with accounting treatment prescribed in the scheme:

a) The parent company has recorded the assets and liabilities of the transferor Companies at the respective book values as appearing in the books of transferor Companies, prepared in accordance with Indian Accounting Standard (Ind-AS).

b) Amounts lying in the balance of the "Profit and Loss Account" in the books of account of the Transferor Companies is taken by the Transferee Group to its balance in "Profit and Loss Account".

c) The inter-Group balances between the Transferee Group and the Transferor Group, appearing in the books of the Transferee Group have been cancelled.

d) Pursuant to amalgamation, the value of investments amounting to ₹ 39.79 crores in "Promptec", ₹ 0.05 crores in "HGL", ₹ 0.05 crores in "Standard" and ₹ 0.05 crores in "LLOYD" held by the parent company on the Appointed date has been cancelled with equity shared capital of transferor companies and the difference between the share-capital of the Transferor Companies and the book value of the investments cancelled has been transferred to General Reserve in accordance with Ind As 103 -Business Combinations and the scheme of amalgamation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

e) Subject to the above, the reserves of the Transferor Companies is incorporated in the books of the Transferee Group in the same form as they appeared in the financial statements, prepared in accordance with Indian Accounting Standards, of the Transferor Companies

f) During the previous year, the Group has also acquired additional interest in one of the subsidiary Company namely "Promptec Renewable Energy Solution Private Limited" at a consideration of ₹ 16.66 crores. The difference between the net book value of non-controlling interest and consideration paid is recognised directly in equity in accordance with Ind AS 103 "Business Combinations" amounting to ₹ 13.64 crores

g) The Group has restated the financial information as at and for year ended March 31, 2019 as if the business combination has occurred from the beginning of the preceding period i.e. April 01, 2018 in accordance with Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control'.

Summary of Accounting treatment pursuant to scheme of amalgamation on Appointed date i.e. April 01, 2018

(₹ in crores)

Particulars	Promptec	Standard	LLOYD	HGL
Assets taken over				
Property, plant and equipment	5.98	-	-	-
Other intangible assets	0.18	-	-	-
Inventories	11.89	-	-	-
Trade Receivable	4.21	-	-	-
Cash and cash equivalents	0.12	0.01	-	0.01
Other Bank Balance	0.02	0.04	0.05	0.04
Other financial assets	0.64	-	-	-
Other current assets	3.47	-	-	-
Total Assets (A)	**26.51**	**0.05**	**0.05**	**0.05**
Liabilities taken over				
Borrowings	7.38	-	-	-
Deferred tax liabilities (Net)	0.06	-	-	-
Trade payables	5.83	-	-	-
Provisions	1.24	-	-	-
Other financial liabilities	0.60	-	-	-
Other current liabilities	0.26	-	-	-
Total Liabilities (B)	**15.37**	**-**	**-**	**-**
Reserves of the Transferor Companies				
Capital Reserve	0.02	-	-	-
General reserve	0.02	-	-	-
Retained earnings	(6.01)	-	-	-
Total Reserves (C)	**(5.97)**	**-**	**-**	**-**
Net Assets taken over (D) = (A) - (B) - (C)	**17.11**	**0.05**	**0.05**	**0.05**
Payable to minority shareholders of subsidiary (E)	(3.46)	-	-	-
Investment in the books of Havells India Limited as on April 01, 2018 (F)	(39.79)	(0.05)	(0.05)	(0.05)
Balance transferred to General Reserve (G) = (D) + (E) + (F)	**(26.14)**	**-**	**-**	**-**

h) Further in accordance with the scheme, the authorised share capital of the Holding company has been increased by merging the authorised share capital of transferor Companies, resulting in increase in authorised equity share capital by ₹ 3.15 crores and authorised preference share capital by ₹ 0.55 crores. Accordingly, the Authorised Capital of the Holding company post merger stands to ₹ 103.75 crores divided into 103,20,00,000 equity Shares of ₹ 1/- each and 5,50,000 Redeemable Preference Shares of ₹ 10/- each

(B) Individually Immaterial joint ventures

Group has interest in the following individually immaterial Joint Venture:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Aggregate carrying amount of individually immaterial joint venture {refer note 33(1)(b)}	18.85	17.29

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

(C) Group information

(i) The Consolidated financial statement of the group includes subsidiaries and joint venture are mentioned below :-

S. No	Name of the entity	Country of incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive income	
						As % of consolidated Net Assets	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated other comprehensive Income	Amount (₹ In crores)	As % of consolidated comprehensive Income	Amount (₹ In crores)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	Havells India Limited	India	Parent Company		Mar 31, 2020	99.81%	4,304.81	99.92%	733.03	115.48%	(3.73)	99.85%	729.30
					Mar 31, 2019	99.86%	4,192.20	99.83%	787.34	99.58%	(4.75)	99.79%	782.59
(II)	**Foreign Subsidiaries having no non-Controlling interest**												
1	Havells Holdings Limited	Isle of Man	Wholly Owned Subsidiary	100.00%	Mar 31, 2020	0.09%	3.81	(0.12%)	(0.90)	-8.98%	0.29	(0.08%)	(0.61)
				100.00%	Mar 31, 2019	0.10%	4.20	0.42%	3.32	3.56%	(0.17)	0.40%	3.15
2	Havells International Limited (Ceased to be subsidiary w.e.f July 22, 2019)	Malta	Wholly Owned Subsidiary	100.00%	Mar 31, 2020	0.00%	-	(0.03%)	(0.22)	0.00%	-	(0.03%)	(0.22)
				100.00%	Mar 31, 2019	0.01%	0.23	(0.42%)	(3.32)	0.00%	-	(0.42%)	(3.32)
3	Havells Sylvania Iluminacion (Chile) Ltda (Ceased to be subsidiary w.e.f November 28, 2019)	Chile	Wholly Owned Subsidiary of Havells Holdings Limited	100.00%	Mar 31, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
				100.00%	Mar 31, 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
4	Havells Guangzhou International Limited	China	Wholly Owned Subsidiary	100.00%	Mar 31, 2020	0.11%	4.54	0.24%	1.78	(6.50%)	0.21	0.27%	1.99
				100.00%	Mar 31, 2019	0.04%	1.58	0.25%	1.94	0.00%	-	0.25%	1.94
5	Havells Exim Limited (Dissolved with effect from September 13, 2019)	Hong Kong	Wholly Owned Subsidiary	100.00%	Mar 31, 2020	0.00%	-	(0.01%)	(0.04)	(0.00%)	-	(0.01%)	(0.04)
					Mar 31, 2019	0.00%	0.04	(0.03%)	(0.27)	(2.94%)	0.14	(0.02%)	(0.13)
(III)	**Foreign Subsidiaries having non-controlling interests**												
1	Thai Lighting Asset Co. Ltd. (Dissolved with effect from June 29, 2018)	Thailand	49% held by Havells International Limited	49.00%	Mar 31, 2019	0.00%	-	(0.04%)	(0.32)	(0.21%)	0.01	(0.04%)	(0.31)
			Total - March 31, 2020			100%	4,313.16	100%	733.65	100%	(3.23)	100%	730.42
			Total - March 31, 2019			100%	4,198.25	100%	788.69	100%	(4.77)	100%	784.23

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

3 Discontinued operations

(a) During the year, subsidiaries of Group namely “Havells Exim Limited”, “Havells International Limited” and “Havells Sylvania Iluminacion (Chile) Ltda” have been liquidated w.e.f. September 13, 2019, July 22, 2019 and November 28, 2019 respectively.

(b) (i) The financial performance and cash flow information for Disposal Group is given as below :-

(₹ in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue	-	-
Expenses	0.26	0.33
Profit/ (loss) before tax from discontinued operations	**(0.26)**	**(0.33)**
Tax expense on profit/(loss) form discontinued operations	-	-
Profit/ (loss) for the year from discontinued operations	**(0.26)**	**(0.33)**
Re-measurement (gains)/ losses on defined benefit plans	-	-
Exchange difference on translation of financial statement of foreign operations	-	-
Other comprehensive income from discontinued operation	**-**	**-**
Total comprehensive income from discontinued operation	**(0.26)**	**(0.33)**
Cash flows from discontinued operations		
Net Cash inflow / (outflow) from Operating activities	(0.26)	(0.33)
Net Cash inflow / (outflow) from Investing activities	-	-
Net Cash inflow / (outflow) from Financing activities	-	-
Net Cash used in discontinued operations	**(0.26)**	**(0.33)**
Earnings per equity share (EPS) for discontinued operations attributable to equity holders of the parent company {refer note no. 33(14)}		
(nominal value of share ₹ 1/-)		
Basic EPS (₹)	(0.00)	(0.01)
Diluted EPS (₹)	(0.00)	(0.01)

4 During the year, the Group has capitalised the following pre-operative expenses directly relatable to the cost of tangible fixed assets, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Cost of material consumed	8.48	9.37
Employee benefits expense	5.12	5.04
Other expenses	2.42	1.99
	16.02	**16.40**

5 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 Effective April 1, 2019, the Group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(ii) The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.

(e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 1, 2019			
Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 3)	-	126.80	126.80
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer Note 3)	176.98	-	176.98
Reclassified from Earnest money and Security Deposits (refer note below)	-	2.79	2.79
Total Right of Use on the date of transition	**176.98**	**129.59**	**306.57**
Additions during the year	40.82	24.95	65.77
Deletion during the year	-	(0.98)	(0.98)
Depreciation of Right of use assets (refer note 30)	(2.16)	(36.53)	(38.69)
Balance as at March 31, 2020	**215.64**	**117.03**	**332.67**

(iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

(₹ in crores)

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 "Leases"	126.80
Additions during the year	24.95
Finance cost accrued during the year	10.92
Deletions	(1.39)
Payment of lease liabilities	(39.67)
Balance as at March 31, 2020	**121.61**
Current maturities of Lease liability {refer note 19 (B)}	31.87
Non-Current Lease Liability {refer note 15 (B)}	89.74
	121.61

(v) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 7.78 crores (Increase in Depreciation expense and finance cost by ₹ 36.53 crores and ₹ 10.92 crores respectively with corresponding decrease in other expense by ₹ 39.67 crores). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 39.67 crores each. Total Deferred tax expense and deferred tax liabilities are decreased by ₹ 1.96 crores.

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

(vi) The maturity analysis of lease liabilities are disclosed in Note 33(12).

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

(viii) Rental expense recorded for short-term leases was ₹ 38.00 crore for the year ended March 31,2020. (refer note 31)

(ix) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 (disclosed under Note 32(E) of annual standalone financial statements forming part of 2019 Annual Report) and the value of the lease liability as of April 1, 2019, is on account of use of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

(x) 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.

6 Gratuity and other post-employment benefit plans

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

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

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Employer's Contribution towards Provident Fund (PF) and NPS	36.55	32.62
Employer's Contribution towards Employee State Insurance (ESI)	0.51	0.93
	37.06	**33.55**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Life Insurance Corporation of India (LIC). 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 usually gets a gratuity on departure @ 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 summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

a) Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Present value of Defined Benefit obligation at the beginning of the year	91.09	71.18
Opening obligation transferred to group companies	(0.08)	(0.10)
Interest expense	6.65	5.30
Current service cost	13.36	11.59
Benefit paid	(8.03)	(4.99)
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	4.66	(6.95)
Actuarial changes arising from changes in experience adjustments	0.61	15.06
Present value of Defined Benefit obligation at year end	**108.26**	**91.09**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

b) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Fair value of plan assets at beginning of the year	71.63	58.33
Expected return on plan assets	5.91	4.79
Employer contribution	19.38	12.19
Remeasurement of (Gain)/loss in other comprehensive income		
Return on plan assets excluding interest income	0.29	0.81
Benefits paid	(8.03)	(4.49)
Fair value of plan assets at year end	**89.18**	**71.63**

c) Net defined benefit asset/ (liability) recognised in the balance sheet

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Fair value of plan assets	89.18	71.63
Present value of defined benefit obligation	(108.26)	(91.09)
Amount recognised in Balance Sheet- Asset / (Liability)	**(19.08)**	**(19.46)**
Current portion { refer note 21(i) }	(19.08)	(19.40)
Non-current portion { refer note 16(i) }	-	(0.06)

d) Net defined benefit expense (recognised in the Statement of profit and loss for the year)

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Current Service Cost	13.36	11.59
Net Interest Cost	0.75	0.51
Net defined benefit expense debited to statement of profit and loss	**14.11**	**12.10**

e) Remeasurement (gain)/ loss recognised in other comprehensive income

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Actuarial changes arising from changes in financial assumptions	4.66	(6.95)
Actuarial changes arising from changes in experience adjustments	0.61	15.06
Return on Plan assets excluding interest income	(0.29)	(0.81)
Recognised in other comprehensive income	**4.98**	**7.30**

f) Broad categories of plan assets as a percentage of total assets

	Year ended March 31, 2020	Year ended March 31,2019
Insurer managed funds	100%	100%

g) Principal assumptions used in determining defined benefit obligation

	Year ended March 31, 2020	Year ended March 31,2019
Mortality Table (LIC)	**2012-14 (Ultimate)**	**2012-14 (Ultimate)**
Discount rate (per annum)	6.75%	6.85 to 7.65%
Salary Escalation	8.50%	8.50% to 9.00%
Attrition Rate	7.00%	7.00% to 28.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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

	Year ended March 31, 2020	Year ended March 31,2019
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 0.50%	(3.71)	(3.11)
Decrease by 0.50%	4.25	3.55
Salary increase		
Increase by 0.50%	4.17	3.51
Decrease by 0.50%	(3.72)	(3.14)
Attrition rate		
Increase by 0.50%	(0.49)	(0.27)
Decrease by 0.50%	0.55	0.30

i) Maturity profile of defined benefit obligation

	Year ended March 31, 2020	Year ended March 31,2019
Within the next 12 months (next annual reporting period)	7.42	6.85
Between 2 and 5 years	50.45	45.00
Between 5 and 10 years	143.27	133.46
Total expected payments	**201.14**	**185.31**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 22.77 years (March 31,2019: 23.36 to 24.27 years)

k) The plan assets of parent company are maintained with Life Insurance Corporation of India (LIC).

l) The Group expects to contribute ₹ 19.08 Crores (March 31,2019 : ₹ 19.40 crores) to the plan during the next financial year.

m) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

n) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

o) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

7 Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Group is organised into business units based on its products and services and has five reportable segments as follows:

a) Operating Segments

Switchgears	:	Domestic and Industrial switchgears, electrical wiring accessories, industrial motors, and capacitors.
Cables	:	Domestic cables and Industrial underground cables.
Lighting and Fixtures	:	Energy Saving Lamps (LED, Fixtures), Solar and luminaries.
Electrical Consumer Durables	:	Fans, Water Heaters, Coolers, Personal Grooming, Water Purifier, Pumps and Domestic Appliances
Lloyd Consumer	:	Air Conditioner, Television and Washing Machine

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

b) Identification of Segments:

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Others".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Others".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues.

g) No operating segments have been aggregated to form the above reportable operating segments.

Summary of Segmental Information

A. Revenue

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Segment Revenue		
Switchgears	1,497.64	1,577.70
Cables	2,994.19	3,234.60
Lighting and fixtures	1,142.37	1,309.21
Electrical consumer durables	2,215.79	2,096.36
Lloyd Consumer	1,590.27	1,855.56
	9,440.26	**10,073.43**
Inter Segment Sale	-	-
Total revenue	**9,440.26**	**10,073.43**

B. Results

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Segment Results		
Switchgears	576.61	628.68
Cables	488.67	521.71
Lighting and fixtures	325.14	369.13
Electrical consumer durables	574.18	552.62
Lloyd Consumer	168.71	317.57
Segment operating profit	**2,133.31**	**2,389.71**
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Employee benefits expense	(735.37)	(690.70)
Other unallocable expenses net of other unallocable income	(473.85)	(535.42)
Operating Profit	**924.09**	**1,163.59**
Finance costs {refer note 29}	(19.72)	(16.25)
Profit before tax	**904.37**	**1,147.34**
Income tax expense {refer note 17}	(168.76)	(359.40)
Profit for the year from continuing operations	**735.61**	**787.94**
Profit/ (loss) for the year from discontinued operations	**(0.26)**	**(0.33)**
Profit after tax	**735.35**	**787.61**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

C. Reconciliations to amounts reflected in the financial statements

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Segment Assets		
Switchgears	640.86	657.94
Cables	909.28	798.71
Lighting and fixtures	519.91	586.63
Electrical consumer durables	929.96	788.26
Lloyd Consumer	2,402.54	2,631.61
Segment operating assets	**5,402.55**	**5,463.15**
Reconciliation of segment operating assets to total assets		
Cash and bank balance {refer note 7(B),11(B) and (C)}	1,132.53	1,311.38
Assets as held for sale {refer note 13}	19.80	17.88
Others	518.57	355.94
Total assets	**7,073.45**	**7,148.35**
Segment Liabilities		
Switchgears	272.05	289.09
Cables	521.89	513.33
Lighting and fixtures	234.33	226.44
Electrical consumer durables	492.01	481.22
Lloyd Consumer	381.76	504.31
Segment operating liabilities	**1,902.04**	**2,014.39**
Reconciliation of segment operating liabilities to total liabilities		
Deferred tax liability {refer note 17(d)}	286.52	320.30
Borrowings {refer note 15(A) and 19(B)}	40.50	94.50
Others	532.83	521.58
Total liabilities	**2,761.89**	**2,950.77**
Other non-current assets		
Switchgears	10.02	11.90
Cables	3.48	9.36
Lighting and fixtures	0.06	0.13
Electrical consumer durables	4.67	5.35
Lloyd Consumer	1.12	2.12
	19.35	**28.86**
Others	31.32	29.88
	50.67	**58.74**

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Capital Expenditure		
Switchgears	60.80	41.02
Cables	104.72	79.14
Lighting and fixtures	3.14	8.22
Electrical consumer durables	129.35	22.71
Lloyd Consumer	32.09	270.12
	330.10	**421.21**
Others	41.20	56.27
	371.30	**477.48**
Depreciation and Amortisation Expenses		
Switchgears	51.09	38.29
Cables	61.15	43.05
Lighting and fixtures	21.54	16.86
Electrical consumer durables	47.09	30.81
Lloyd Consumer	37.10	20.37
	217.97	**149.38**

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for the year ended March 31, 2020

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Non-cash expenses other than depreciation		
Switchgears	4.57	2.29
Cables	7.27	6.33
Lighting and fixtures	2.95	3.81
Electrical consumer durables	2.44	3.15
Lloyd Consumer	8.55	0.01
	25.78	**15.59**
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	9,112.17	9,745.98
Revenue-Overseas Market	328.09	327.45
	9,440.26	**10,073.43**

(₹ in crores)

	As at March 31, 2020	As at March 31,2019
Geographical Segment assets		
Within India	6,966.54	7,017.04
Outside India	106.91	131.31
	7,073.45	**7,148.35**
Geographical Non-current operating assets		
Within India	3,473.64	3,178.35
Outside India	12.73	17.04
	3,486.37	**3,195.39**

Note:- Non Current assets for this purpose excludes Contract assets, Non-current financial assets & Non-current tax assets.

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Geographical Capital Expenditure		
Within India	371.30	477.48
Outside India	-	-
	371.30	**477.48**

Notes

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets

(iv) The Company has re-organised its internal segment effective April 01, 2019 and accordingly, Pump business which was earlier clubbed under "Switchgear" segment is now being shown under "Electrical consumer durables" segment. The Comparative figures for the year ended March 31, 2019 have been accordingly restated.

8 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time), as disclosed below:-

(A) Names of related parties and description of relationship:

(i) Joint Venture

Jiangsu Havells Sylvania Lighting Co. Ltd. — 50% ownership interest held by the Group (Under Liquidation)

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises in which directors are interested

QRG Enterprises Limited
QRG Foundation
Guptajee & Company
QRG Central Hospital and Research Centre Ltd
QRG Medicare limited
The Vivekananda Ashrama

(ii) Post employee benefit plan for the benefitted employees

Havells India Limited Employees Gratuity Trust

(iii) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Wholetime Director
Shri Siddhartha Pandit, Wholetime Director (appointed w.e.f May 29,2019)
Shri Sanjay Kumar Gupta, Company Secretary

(iv) Non Executive Directors

Shri Vijay Kumar Chopra (retired w.e.f April 1, 2020)
Dr. Adarsh Kishore (retired w.e.f April 1,2020)
Shri Surender Kumar Tuteja (retired w.e.f April 1,2020)
Smt. Pratima Ram
Shri Vellayan Subbiah
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani
Shri U K Sinha

(C) Transactions during the year

(i) Sale of products (Refer note (c) below)

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
QRG Central Hospital and Research Centre Ltd	0.01	0.05
QRG Medicare limited	0.23	0.43
	0.24	**0.48**

(ii) Commission on sales

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
Guptajee & Company	**13.12**	**13.70**

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(iii) Rent / Usage Charges Paid

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
QRG Enterprises Limited	**22.83**	**22.83**

(iv) CSR Contribution

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Enterprises in which directors are interested		
QRG Foundation	2.67	2.47
The Vivekananda Ashrama	0.05	-
	2.72	**2.47**

(v) Contribution to post employee benefit plan

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Havells India Limited Employees Gratuity Trust	**19.38**	**12.19**

(vi) Managerial remuneration

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31,2019
Key Management Personnel		
Salaries, wages, bonus, commission and other benefits	34.47	38.46
Contribution towards PF, Family Pension and ESI	1.54	1.37
ESPP expense	7.40	5.54
Non Executive Directors		
Director sitting fees	0.35	0.41
Commission	0.90	0.90
	44.66	**46.68**

(D) Balances payable at the year end

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Enterprises in which directors are interested		
Guptajee & Company	3.79	2.68
	3.79	**2.68**

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 in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: ₹ 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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

b) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

c) Sale of goods to related party has been reported gross of Goods and Service Tax.

9 Share based payments

The Group has in place following employee stock purchase plan approved by shareholder of the parent company in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) regulators, 2014 :

(a) Havells Employee Long Term Incentive Plan 2014 : In accordance with this scheme, 169,597 (March 31, 2019 : 167,861) share options of Re. 1 each were granted, out of which 169,195 (March 31, 2019: 167,135) share options of Re. 1 each were vested and allotted on May 28,2019 (March 31, 2019 : May 10, 2018) to eligible employees at ₹ 733.90 (March 31, 2019 : ₹ 553.90) 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 ₹ 4.89 crores (March 31, 2019 : ₹ 3.85 crores) has been recognised as employee stock purchase plan expense in note 28.

(b) Havells Employee Stock Purchase Plan 2015 : In accordance with this scheme, 150,000 (March 31, 2019: 150,000) share options of ₹ 1 each were granted, vested and allotted on May 28,2019 (March 31, 2019 : May 10, 2018) at ₹ 733.90 (March 31, 2019 : ₹ 553.90) 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 ₹ 11.01 crores (March 2019 :₹ 8.31 crores) has been recognised as employee stock purchase plan expenses in note 28.

(c) Havells Employee Stock Purchase Plan 2016 : In accordance with the said scheme, 16,273 (March 31, 2019: 11,533) share options of ₹ 1 each were granted to eligible employees with graded vesting in three years starting from 2018. During the year, 10729 equity shares of ₹ 1 each (March 31, 2019 : 7302 equity shares) were allotted at ₹ 733.90 (March 31, 2019 : ₹ 553.90) per share on May 28, 2019. Accordingly, a sum of ₹ 1.16 crores (March 31,2019: 0.67 crores) has been recognised as employee stock purchase plan expense in note 28 and balance outstanding of ₹ 0.64 crores (March 31,2019 : 0.27 crores) in note 14.

(i) Set out below is a summary of options granted under the Havells Employee Stock Purchase Plan 2016:

Summary of Stock Purchase Plan	2019-20		2018-19	
	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	11,150	-	6,919	
Options granted during the year	335,870	733.90	328,668	553.90
Options vested and exercised during the year	329,924	733.90	324,437	553.90
Options lapsed during the year	6,066	733.90		-
Options outstanding at the end of the year	**11,030**	**-**	**11,150**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was ₹ 733.90 per share (March 31, 2019 : ₹ 553.90)

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

Particulars	As at March 31, 2020		As at March 31, 2019	
Grant date	May 28, 2019	May 10, 2018	May 10, 2018	May 11, 2017
Expiry date	2021-22	2020-21	2020-21	2019-20
Outstanding share options	9001	2029	7,689	3,461
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	1 year	2 years	1 year

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The fair value at grant date of options granted during the year ended March 31, 2020 was ₹ 723.44 per share (March 31, 2019 was ₹ 549.12 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:

Particulars	March 31, 2020	March 31,2019
Expected Price volatility of the Group's share	28.72%	31.76%
Expected Dividend Yield	0.72%	0.52%
Share price at the grant date	₹ 733.90	₹ 553.90
Risk free interest rate	6.73%	7.34%

(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, 2020	March 31,2019
Havells Employees Long Term Incentive Plan 2014	4.89	3.85
Havells Employees Stock Purchase Plan 2015	11.01	8.31
Havells Employees Stock Purchase Plan 2016	1.16	0.67
Total expense recognised in the statement of profit and loss account as a part of employee benefit expense	**17.06**	**12.83**

10 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. The Group has contributed a sum of ₹ 20.32 crores (March 31, 2019: ₹ 17.44 crores) towards this cause and charged the same to the Statement of Profit And Loss. The funds are primary allocated to QRG foundation, a society registered under section 12A of the Income Tax Act, 1961 for undertaking Mid-Day meal scheme and Ashoka University and BML Munjal Foundation, engaged in education sector.

(₹ in crores)

Details of CSR Expenditure:	Year ended March 31, 2020	Year ended March 31,2019
a) Gross amount required to be spent by the Group during the year	20.29	17.29

b) Amount spent during the year

(₹ in crores)

Particulars	Amount spent		Amount yet to be spent		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Construction/ acquisition of assets	1.57	3.69	-	-	1.57	3.69
(ii) Contribution to Trust/Universities	14.72	12.12	-	-	14.72	12.12
(iii) On Purpose other than above	4.03	1.63	-	-	4.03	1.63
Total Amount Spent	**20.32**	**17.44**	**-**	**-**	**20.32**	**17.44**

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11 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, 2020	As at March 31,2019	As at March 31, 2020	As at March 31,2019
Financial instruments by category				
Financial assets valued at amortised cost				
Cash and bank balances (current)	1,132.53	1,311.37	1,132.53	1,311.37
Trade receivables	249.62	424.20	249.62	424.20
Other bank balance (non-current)	-	0.01	-	0.01
Other financial assets (current)	29.44	30.05	29.44	30.05
Other financial assets (non-current)	21.37	21.38	21.37	21.38
	1,432.96	**1,787.01**	**1,432.96**	**1,787.01**
Financial Liabilities valued at amortised cost				
Trade payables	1,413.82	1,559.80	1,413.82	1,559.80
Borrowings (non-current)	-	40.50	-	40.50
Other financial liabilities (non-current)	90.87	0.92	90.87	0.92
Other financial liabilities (current)	581.70	627.27	581.70	627.27
	2,086.39	**2,228.49**	**2,086.39**	**2,228.49**

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 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, loans from banks other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. 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 and loans are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 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 credit worthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

4) **Fair value hierarchy**

   The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

   Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

   Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

   Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2020

	Carrying Value	Fair Value		
	As at March 31, 2020	Level 1	Level 2	Level 3
Assets carried at amortised cost for which fair values are disclosed				
Cash and bank balances (Current)	1,132.53	1,132.53	-	-
Other Financial Assets(Current)	29.44	-	-	29.44
Trade Receivables	249.62	-	-	249.62
Other financial assets (non-current)	21.37	-	-	21.37
Liabilities carried at amortised cost for which fair values are disclosed				
Trade Payables	1,413.82	-	-	1,413.82
Other financial liabilities (non-current)	90.87	-	-	90.87
Other financial liabilities (current)	581.70	-	-	581.70

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019

	Carrying Value	Fair Value		
	As at March 31, 2019	Level 1	Level 2	Level 3
Assets carried at amortised cost for which fair values are disclosed				
Cash and bank balances	1,311.37	1,311.37	-	-
Other bank balances (non-current)	0.01	0.01	-	-
Other Financial assets (Current)	30.05	-	-	30.05
Other financial assets (non-current)	21.38	-	-	21.38
Trade Receivables	424.20	-		424.20
Liabilities carried at amortised cost for which fair values are disclosed				
Trade Payables	1,559.80	-	-	1,559.80
Borrowings	40.50	-	-	40.50
Other financial liabilities (non-current)	0.92	-	-	0.92
Other financial liabilities (current)	627.27	-	-	627.27

12 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 loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed market risk, credit risk and liquidity risk.

The parent company 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 for their respective Group companies. 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.

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The Board of Directors reviews and agrees policies for managing each of these risks which are summarised as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020 and March 31, 2019

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency and the Group's net investment in foreign subsidiaries). Foreign currency exchange rate exposure is party balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, LKR, EUR. AED, NPR, JPY,CNY, KES, CHF,MWK and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in crores)

Currency	Currency Symbol	March 31,2020		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Nepalese Rupee	NPR	(0.10)	(0.06)	(0.00)	0.00
Sri Lankan Rupee	LKR	(0.04)	(0.02)	(0.00)	0.00
Malwian Kwacha	MWK	(0.25)	(0.02)	(0.00)	0.00
United States Dollar	USD	(1.57)	(117.99)	(1.18)	1.18
Great Britain Pounds	GBP	(0.00)	(0.22)	(0.00)	0.00
EURO	EUR	(0.17)	(14.51)	(0.15)	0.15
Arab Emirates Dirham	AED	0.02	0.37	0.00	(0.00)
Kenyan Shilling	KES	(0.01)	(0.01)	(0.00)	0.00
Japanese Yen	JPY	(4.39)	(3.06)	(0.03)	0.03
Chinese RMB\CNY	CNY	(5.28)	(55.85)	(0.56)	0.56

(₹ in crores)

Currency	Currency Symbol	March 31,2019		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Nepalese Rupee	NPR	(0.20)	(0.12)	(0.00)	0.00
United States Dollar	USD	(2.08)	(143.90)	(1.44)	1.44
EURO	EUR	(0.05)	(3.56)	(0.04)	0.04
Arab Emirates Dirham	AED	(0.01)	(0.26)	(0.00)	0.00
Kenyan Shilling	KES	(0.01)	(0.00)	(0.00)	0.00
Japanese Yen	JPY	(12.84)	(8.03)	(0.08)	0.08
Chinese RMB\CNY	CNY	(12.55)	(129.56)	(1.30)	1.30
Swiss Franc	CHF	(0.00)	(0.08)	(0.00)	0.00
Great Britain Pound	GBP	(0.15)	(13.58)	(0.14)	0.14

Note:

Figures in bracket represents payables

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(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, 2020 comprise of term loan.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings after considering the impact of interest rate swaps

	March 31, 2020		March 31,2019	
	Increase/ decrease in basis points	Impact on profit before tax	Increase/ decrease in basis points	Impact on profit before tax
Term Loan/External Commercial Borrowing	+0.50	(0.20)	+0.50	(0.47)
	-0.50	0.20	-0.50	0.47

(iii) Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the copper and aluminium, the Group has entered into various purchase contracts for these material for which there is an active market The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group mitigated the risk of price volatility by entering into the contract for the purchase of these material considering quantity discounts based on annual achievement of quantity targets.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security. As at March 31, 2020, the Group had 57.86% (March 31,2019: 59.01%) of its trade receivable discounted from banks under Trade Receivable buyout facility. Out of the remaining debtors, the Group has 10 customers that owed the Group approx. ₹ 141.01 crores(March 31,2019 : 198.23 crores) and accounted for 56.49% (March 31,2019 : 43.97%) of remaining trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 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, 2020	As at March 31, 2019
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash and cash equivalents (current)	267.70	704.54
Bank balances other than above (current)	864.83	606.83
Other bank balances (non-current)	-	0.01
Others Non-Current financial assets	21.37	21.38
Others Current Financial assets	29.44	30.05
	1,183.34	**1,362.81**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade receivables	249.62	424.20
	249.62	**424.20**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

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

(₹ in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Neither past due nor impaired	85.73	233.49
0 to 180 days due past due date	141.36	131.20
More than 180 days past due date	22.53	59.51
Total Trade Receivables	**249.62**	**424.20**
The following table summarises the change in loss allowance measured using the life time expected credit loss model:-		
As at the beginning of year	26.64	17.83
Provision during the year	18.23	8.81
As at the end of year	**44.87**	**26.64**

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

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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, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	40.50	-	-	40.50
Other non-current financial liabilities	-	1.13	-	1.13
Trade payables	1,413.82	-	-	1,413.82
Lease Liability (undiscounted)	42.07	99.68	4.63	146.38
Other current financial liabilities	509.33	-	-	509.33

As at March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	54.00	40.50	-	94.50
Other non-current financial liabilities	-	0.92	-	0.92
Trade payables	1,559.80	-	-	1,559.80
Other current financial liabilities	573.27	-	-	573.27

13 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, 2020 and March 31, 2019 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19.. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

(₹ in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans and borrowings {refer note 15(A) and 19(B)}	40.50	94.50
Cash and cash equivalents {refer note 11(B)}	(267.70)	(704.54)
Net Debt	**(227.20)**	**(610.04)**
Equity / Net Worth	4,311.56	4,197.58
Total Capital	**4,311.56**	**4,197.58**
Total Capital and Net Debt	**4,084.36**	**3,587.54**
Gearing ratio (Net Debt/ Capital and Net Debt)	**(5.56%)**	**(17.00%)**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019

Notes to Consolidated Financial Statements

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14 Earnings per share

a) Basic and Diluted Earnings per share

		Year ended March 31, 2020	Year ended March 31,2019
Numerator for earnings per share			
Profit attributable to equity holders of the parent company			
Continuing operations	(₹ in crores)	735.61	787.94
Discontinued operations	(₹ in crores)	(0.26)	(0.33)
		735.35	**787.61**
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year for basic earning per share	(Numbers)	625,731,426	625,414,245
Effect of dilution			
Share options	(Numbers)	14,929	11,258
Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	**625,746,355**	**625,425,503**
Earnings per equity share(EPS) from continuing operations			
(nominal value of share ₹ 1/-)			
Basic EPS (₹)	₹	11.76	12.60
Diluted (EPS) (₹)	₹	11.76	12.60
Earnings per equity share(EPS) from discontinued operations			
(nominal value of share ₹ 1/-)			
Basic EPS (₹)	₹	(0.00)	(0.01)
Diluted (EPS) (₹)	₹	(0.00)	(0.01)
Earnings per equity share (EPS) from continuing and discontinued operations			
(nominal value of share ₹ 1/-)			
Basic EPS (₹)	₹	11.76	12.59
Diluted (EPS) (₹)	₹	11.76	12.59

15 Dividend Paid And Proposed

	Year ended March 31, 2020	Year ended March 31,2019
Dividend declared and paid during the year:		
Final Dividend paid for the year ended March 31,2019 of ₹ 4.5 per share of ₹ 1, (₹ 4 per share for the year ended March 31,2018)	281.61	250.19
Dividend distribution tax on final dividend	57.89	51.43
Interim Dividend for the year ended March 31,2020 of ₹ 4 per share of ₹ 1 each (₹ Nil per share for the year ended March 31,2019)	250.32	-
Dividend distribution tax on interim dividend	51.45	-
	641.27	**301.62**
Proposed Dividends on equity shares:		
Final Dividend recommended by the board of directors for the year ended March 31, 2020 ₹ Nil per share (March 31,2019: ₹ 4.50/- per share) subject to approval of shareholders in the ensuing annual general meeting.	-	281.46
Dividend distribution tax on above	-	57.86
	-	**339.32**

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

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for the year ended March 31, 2020

16 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on 24-03-2020 which has impacted the business activities of the Group. On account of this, the Group has prepared cash flow projections and also, assessed the recoverability of receivables, contract assets, factored assumptions used in annual impairment testing of goodwill and intangible assets having indefinite useful life, using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The Group will continue to closely monitor any material changes to future economic conditions.

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 33 form integral part of the balance sheet and statement of profit and loss.

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E
/E300005

Per **Vikas Mehra**
Partner
Membership No. 094421

Date: May 12, 2020
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Surjit Kumar Gupta
Director
DIN: 00002810

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Form AOC -1

Salient features of Financial Statements of Subsidiaries / Joint Ventures pusuant section 129 (3) read with Rule 5 of companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(₹ in crores)

SL No.	Name of Subsidiary Company	Country	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on last date of financial year in case of foreign subsidiaries		Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Assets-Liabilities	Investment other than Subsidiaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	OCI	Total OCI	Proposed Dividend	% of Shareholding
				Currency	Exchange Rate														
1	Havells Holdings Limited	Isle of Man	31/03/2020	EURO	83.05	13.65	(9.84)	22.72	18.91	3.81	-	-	(0.90)	-	(0.90)	0.29	(0.61)	-	100%
2	Havells Guanzhou International Limited	China	31/03/2020	CNY	10.64	0.45	4.09	5.63	1.09	4.54	-	21.00	1.84	0.06	1.78	0.21	1.99	-	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:
   (i) Havells International Limited
   (ii) Havells Sylvania Iluminacion (Chile) Ltda
   (iii) Havells Exim Limited

Part "B" : Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

1	**Name of Joint Ventures**	Jiangsu Havells Sylvania Lighting Co. Ltd.
2	**Latest audited Balance Sheet Date**	December 31, 2019
3	**Shares of Joint Ventures held by the company on the year end**	50% in paid in capital
	Amount of Investment in Joint Venture	₹ 30.87 crores (Fair Value of ₹ 18.85 crores) {Refer note no. 34(3)(c) of Standalone Financial Statements}
	Extend of Holding %	50%
4	**Description of how there is significant influence**	Havells India Ltd. holds 50% of total capital contribution in Jiangsu Havells Sylvania Lighting Co. Ltd.
5	**Reason why the associate/joint venture is not consolidated**	Held for Sale {Refer note no. 34(3)(c) of Standalone Financial Statements}
6	**Net worth attributable to shareholding as per latest audited Balance Sheet**	₹ 15.67 crores
7	**Profit / (Loss) for the year**	
	i. Considered in Consolidation	0
	ii. Not Considered in Consolidation	(₹ 0.15 crores)

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Surjit Kumar Gupta
Director
DIN: 00002810

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Head- Accounts

Date: May 12, 2020
Place: Delhi

Progress at a Glance of Last 10 Years- Havells India Limited (Standalone)

(₹ in crores)

Performance for the Year	2011	2012	2013	2014	2015	2016	2017	2018	2019**	2020
Turnover (Gross)*	3,045.60	3,830.56	4,506.37	5,031.11	5,557.79	5,775.42	6,585.96	8,260.27	10,067.71	9,429.20
Less: Excise Duty	163.95	214.95	281.38	311.42	319.10	397.10	450.70	121.70	-	-
Turnover (Net)	2,881.65	3,615.61	4,224.99	4,719.69	5,238.69	5,378.32	6,135.26	8,138.57	10,067.71	9,429.20
Profitability										
Earnings Before Interest, Depreciation, Taxes and Amortisation	337.30	459.07	534.86	641.60	699.10	754.93	824.14	1,049.29	1,183.83	1,027.38
Profit before Tax	309.87	373.81	457.18	595.10	646.25	909.03	768.83	1,014.70	1,146.10	901.73
Profit After Tax	242.05	305.43	371.39	478.69	464.94	712.03	539.04	712.52	787.34	733.03
Financial Position										
Share Capital	62.39	62.39	62.39	62.39	62.44	62.46	62.49	62.51	62.55	62.58
Other Equity	1,278.42	1,545.93	1,807.83	2,067.46	2,313.35	2,891.21	3,211.09	3,676.64	4,129.65	4,242.23
Loan funds	133.62	128.58	108.78	195.52	83.46	44.40	198.05	108.00	94.50	40.50
Other Liabilities	642.13	854.44	817.38	1,020.99	1,146.23	1,004.65	1,374.60	2,487.31	2,468.27	2,267.56
Gross Block	829.91	975.32	1,108.91	1,188.23	1,349.03	1,328.52	1,452.27	3,111.48	3,635.37	4,142.81
Net Block	730.30	833.95	913.54	934.06	1,007.32	1,208.56	1,221.74	2,755.42	3,136.49	3,435.55
Total investments	715.47	775.07	791.92	882.52	1,011.76	309.61	227.41	41.70	1.66	1.63
Cash and Bank Balance	49.18	136.21	246.54	626.16	522.34	1,365.21	1,937.53	1,526.17	1,287.71	1,106.92
Other Assets	675.23	901.72	906.28	955.36	1,107.43	1,205.60	1,573.31	2,218.12	2,699.80	2,503.76
Earning per share										
EPS-as reported	19.40	24.48	29.76	38.36	7.45	11.40	8.63	11.40	12.59	11.71
EPS-adjusted for bonus issue/split	3.88	4.90	5.95	7.67	7.45	11.40	8.63	11.40	12.59	11.71

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.

HAVELLS

Havells India Limited

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