V-GUARD

Onwards & Upwards

ANNUAL REPORT
2021-22

What lies ahead...

01 Corporate Overview

02 Statutory Reports

03 Financial Statements

To view or download this report, please visit:
www.vguard.in

Cautionary Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

At V-Guard, we do not believe in merely negotiating the challenges of today. We believe in looking beyond - into the opportunities of tomorrow, to drive long-term sustainable growth. We see ahead of us, hope of a better future and the potential of greater value creation, and continue to move strategically onwards along the journey we have mapped for the future.

As we traversed through the tests and trials of FY22, we kept our eyes firmly on tomorrow's roadmap. We harnessed our inherent resilience to overcome the persisting problems triggered by the pandemic, the rising input costs, and the inflationary pressures that suppressed demand and impacted margins.

Led by the inherent ability of our portfolio to absorb the shocks, we, at V-Guard, bounced back with dynamism in the second half of the year after a muted six months. We ended the year with a creditable performance that stands out in the backdrop of the highly negative macro environment.

And we exited FY22 with a cautious optimism that inspires us to look onwards and upwards, with confidence and expectation of a new dawn – brighter and better than before.

Onwards and Upwards - The way to go!

The V-Guard value proposition is rooted in our forward-looking approach. As one of India's leading manufacturer and marketer of innovative products in the electronics, electrical and consumer durables segments, we continue to power aggressively ahead to deliver diversified and experiential offerings to our customers and value-driven growth to our stakeholders.

CORPORATE SNAPSHOT

From a single-product company to a multi-product corporate, V-Guard has come a long way from being a manufacturer and marketer of voltage stabilizers. Equipped with best-in-class manufacturing facilities and aided by a well-entrenched distribution network, the Company's name is today synonymous with quality products designed to meet the evolving aspirations of a growing customer base.

OUR VISION

"Be India's Leading Brand, Driving Market Leadership with Thoughtful Products and Experiences to Enrich Consumer Lives and Enhance Stakeholder Value."

A COMBINATION OF IN-HOUSE MANUFACTURING EXCELLENCE AND QUALITY-CONTROLLED OUTSOURCED PRODUCTION MAKES US THE PREFERRED CHOICE, FOR CUSTOMERS PAN INDIA, IN THE FAST MOVING ELECTRICAL GOODS (FMEG) SECTOR.

DIVERSIFIED PRODUCT SUITE

ELECTRONICS

- Stabilizers
- Inverters
- Batteries
- Solar Power System

ELECTRICAL

- House Wiring Cables
- Switchgears
- Modular Switches
- Pumps

CONSUMER DURABLES

- Solar & Electric Water Heaters
- Fans
- Air Coolers
- Kitchen Appliances

MANUFACTURING FACILITIES

Our state-of-the-art manufacturing units are strategically located and embedded with a quality culture that enables us to deliver best-in-class products across our segments of presence.

Coimbatore, TAMIL NADU

PRODUCTS MANUFACTURED
House Wiring Cables, Solar Inverter, Pump and Motors, PVC Compounding

Perundurai, TAMIL NADU

PRODUCTS MANUFACTURED
Solar Water Heater

Kashipur, UTTARAKHAND

PRODUCTS MANUFACTURED
House Wiring Cables

Roorkee, UTTARAKHAND

PRODUCTS MANUFACTURED
Ceiling Fan

Kala Amb, HIMACHAL PRADESH

PRODUCTS MANUFACTURED
Electric Water Heater

SIKKIM

PRODUCTS MANUFACTURED
Stabilizer, Electric Water Heater

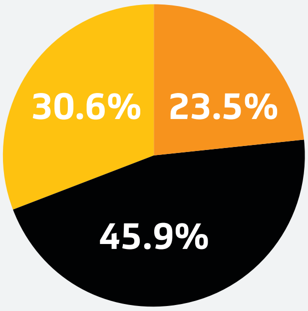
DISTRIBUTION STRENGTH

Our extensive network of channel partners enables us to serve a diversified client base across India. It helps propel our strategy to consolidate our presence pan India, with a view to further enhance our product reach and growth potential.

32
BRANCHES

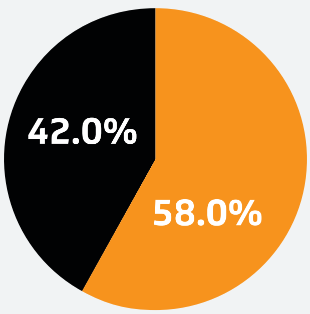
50,000+
CHANNEL PARTNERS

SEGMENT-WISE REVENUE BREAK-UP

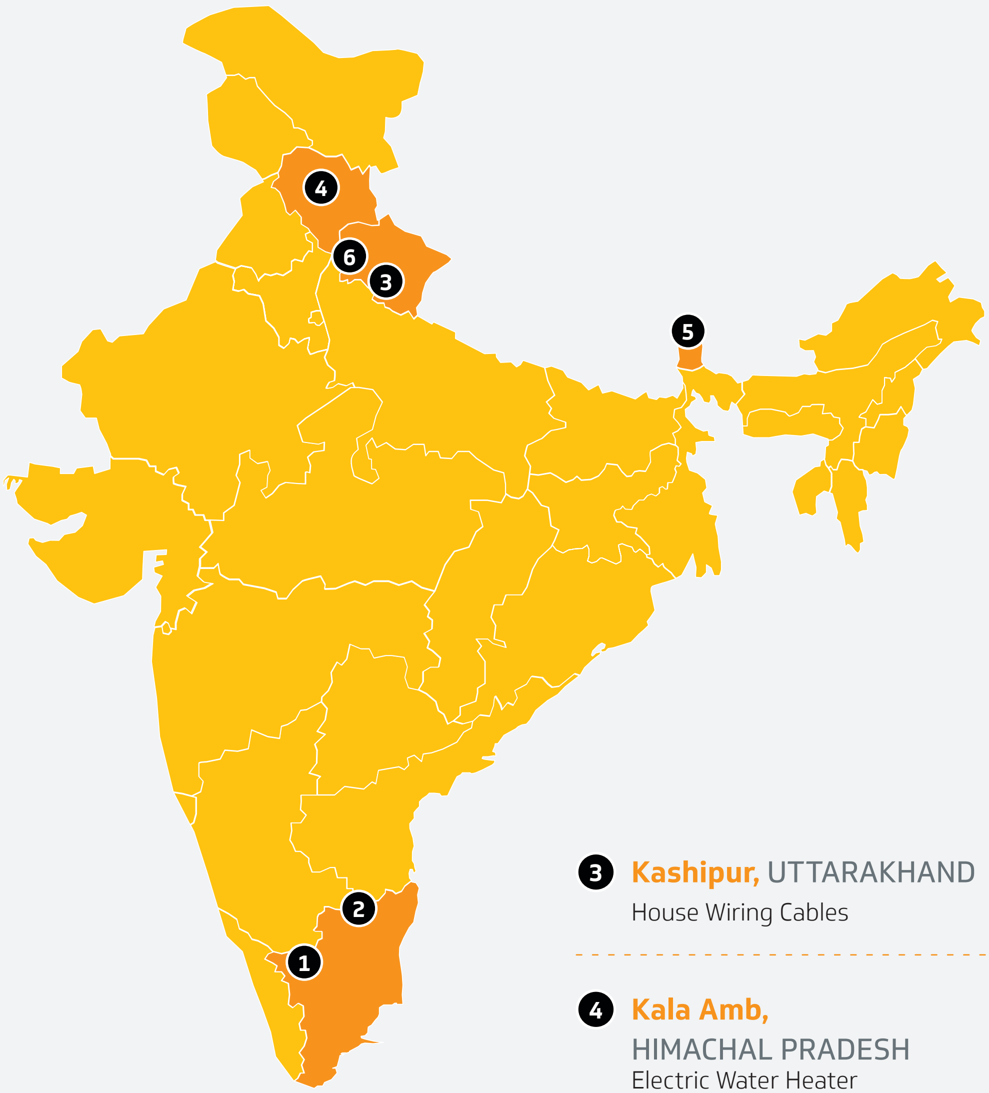


- Electronics
- Electricals
- Consumer Durables

GEOGRAPHY-WISE REVENUE BREAK-UP



- South India
- Non-South India



1 **Coimbatore,** TAMIL NADU
House Wiring Cables, Solar Inverter, Pump and Motors, PVC Compounding

2 **Perundurai,** TAMIL NADU
Solar Water Heater

3 **Kashipur,** UTTARAKHAND
House Wiring Cables

4 **Kala Amb,** HIMACHAL PRADESH
Electric Water Heater

5 SIKKIM
Stabilizer, Electric Water Heater

6 **Roorkee,** UTTARAKHAND
Ceiling Fan

On Upwards Trajectory

₹3,474.65 Crores
Net Revenue

28.7%
Revenue Growth

₹332.14 Crores
EBITDA (excluding other income)

14.0%
Increase in
PAT to ₹226.80 Crores

₹43.88 Crores
Net Cash Balance

130% per equity share
Recommended final dividend

Moving Ahead...
At the back of our Core Strengths

The V-Guard 'Onwards & Upwards' journey is driven by our nucleus of strengths, which we are continually and strategically sharpening through focused initiatives across the organization.

01

Diversified & Innovative Product Portfolio

- Innovating superior products relevant to the consumers by meeting their transforming aspirations and needs
- Products that delight customers and help us harness the emerging growth opportunities
- A diverse portfolio catering to discerning needs of the consumer

02

Robust Brand & Marketing Focus

- Continual investments in nurturing brand equity
- Focused marketing strategy aligned to capturing future growth across segments & regions
- Investing in marketing & advertising to enhance brand recall
- Strengthening digital marketing play in alignment with changing consumer behavior
- Increasing engagement with channel partners and influencers to strengthen relationships and drive business value
- Growing distribution reach pan India

03

Manufacturing Prowess

- Strategic shift towards in-house manufacturing to enhance competitiveness and efficiency
- State-of-the-art manufacturing facilities
- World-class systems, backed by, quality-driven processes to deliver distinctive and differentiated products
- A balanced mix of in-house and outsourced manufacturing, optimizing investments

04

Innovation & Design Capabilities

- Deep insights into consumer needs enabling strategic innovation and product designs
- Research & Development excellence, driven by a deeper understanding of the evolving market trends

05

Quality & Safety

- Stringent quality control measures and strict adherence to the safety quotient at every stage of the product lifecycle

06

Automation & Digitalization

- Focus on enterprise-wide digitalization to stay ahead in an increasingly dynamic business environment
- Adoption of advanced technologies and automation platforms to build a future-ready organization
- Enhancing efficiency and productivity through digital systems and processes

07

Financial Stability

- In-built cost efficiencies
- Healthy balance sheet with minimal debt
- Strong cash flow generation
- High credit ratings

08

Experienced Management & Skilled Teams

- Experienced management with a futuristic vision empowered to identify and capitalize on future growth opportunities
- Skilled & motivated workforce aligned with Company's vision and goals
- Investments in promoting wellbeing & welfare of the workforce
- Ensuring talent retention, empowerment & engagement to realize organizational goals

Message from the Chairman

Dear Shareholders,

I write to you at the end of an extremely satisfying year for V-Guard, which stayed well on track with its futuristic journey and delivered a strong performance during FY22. In a challenging and competitive environment marked by high commodity costs and margin pressures, your Company set new benchmarks to report its highest ever revenues. Our conscious strategy of focusing on future opportunities in line with evolving consumer and market trends continued to yield positive results, enabling us to move steadfastly onwards and upwards along our growth trajectory.

OUR DEEP-ROOTED RESILIENCE, AIDED BY THE COMMITMENT AND HARD WORK OF OUR EMPLOYEES, GUIDED OUR RESPONSE AND ENABLED US TO SURGE FORWARD TOWARDS ENHANCED PERFORMANCE AND HIGHER RETURNS TO OUR STAKEHOLDERS

The year in review

Our Electricals and Consumer Durables segments showed robust growth, though the Electronics segment was somewhat muted during the year. In line with our diversified strategy, we reported balanced growth in terms of geographies, with both our South and Non-South markets delivering healthy growth revenue. Our core strengths, coupled with the cost optimization measures we undertook across our operations, helped us recover from the tribulations of the year, positioning us ideally to meet customer demand. Our deep-rooted resilience, aided by the commitment and hard work of our employees, guided our response and enabled us to surge forward towards enhanced performance and higher returns to our stakeholders. We are grateful to our people for supporting us in these difficult times and remain committed to standing by them at all times.

Strengthening the core

A key propeller of our successful journey has been our sustained thrust on strengthening the strategic pillars on which we had carved our strategic growth plans during the previous fiscal. Our efforts during FY22 were centered on further strengthening our product proposition through continued innovation. Aligning our strategy with the transforming consumer landscape, we focused intensively on futuristic, aesthetically-designed and energy-efficient products, which were well appreciated and received with enthusiasm in markets across the country.

Another key priority area for us has been digitalization and IT, which we further augmented during the year by expanding the ambit of automation to cover more functions, systems and processes. We are also working aggressively to scale up our e-commerce presence to deliver to the transforming needs of consumers, who want a smooth buying experience in the changing environment amid the COVID pandemic. Concurrently, we have stepped up our efforts on brand building as well as marketing and sales to enhance our presence across customer segments pan India. During the year, we initiated several targeted campaigns to connect with our consumers more deeply.

Being there for the people

As you are well aware, the V-Guard value proposition extends to our employees as well as the communities around which we operate. We continued to steadfastly invest in their welfare and wellbeing during the year, and extended our support to them amid the pandemic crisis, especially the severe second wave of COVID-19. We also took several measures to steer the training and development of our people, in order to integrate them better with the Company's vision of expanding and growing in tandem with the evolving market and consumer trends. We remain committed to empowering our employees and enriching the lives of all those we touch across the areas of our operations.

Future outlook

The positivity that we have started to see in the market towards the end of the previous fiscal gives us hope that FY23 will see a more resilient customer demand in the segments and markets of our presence. Our large portfolio of well thought-out, finely crafted and efficient products position us ideally to benefit from the demand resurgence. Our investments in capacity augmentation, along with our growing national presence, further give us the confidence that we are in the right place with the right customer proposition to harness the opportunities we see ahead of us. Our fundamental focus continues to be on building capacities, category understanding and insights, manufacturing and R&D infrastructure, and of course our product platforms, to meet the emerging demand.

In conclusion, I would like to thank all our employees, partners, suppliers, shareholders, investors and other stakeholders, and above all our consumers, for their sustained trust in V-Guard. I would also like to extend my gratitude to my fellow Directors for their guidance and support in the challenging environment that tested the organization's mettle during the year. On behalf of the Board and Management of V-Guard, thank you all for being a part of our transformational and progressive journey.

Best Regards,

Cherian N. Punnoose

Chairman

OUR EFFORTS DURING FY22 WERE CENTERED ON FURTHER STRENGTHENING OUR PRODUCT PROPOSITION THROUGH CONTINUED INNOVATION. ALIGNING OUR STRATEGY WITH THE TRANSFORMING CONSUMER LANDSCAPE, WE FOCUSED INTENSIVELY ON FUTURISTIC, AESTHETICALLY-DESIGNED AND ENERGY-EFFICIENT PRODUCTS, WHICH WERE WELL APPRECIATED AND RECEIVED WITH ENTHUSIASM IN MARKETS ACROSS THE COUNTRY.

Message from the Managing Director

Dear Shareholders,

We have come a long way, indeed, from a year ago, when we were simply trying to stay focused on strengthening our business. The recovery that we had then been hoping and preparing for has taken place, and we have moved aggressively forward from becoming future-ready to being ready to seize the future.

WE HAVE DELIVERED A GROSS PROFIT INCREASE OF 24.7% - A CLEAR MANIFESTATION OF THE INHERENT RESILIENCE AND STRENGTH OF THE COMPANY AND ITS PEOPLE

FY22 ended on a strong note for the Company, notwithstanding the challenges triggered by the pandemic and the geopolitical developments that led to inflationary cost pressures and tightening of the margins. I am pleased to share that we set new benchmarks in terms of the highest ever revenues for both Q4 (when we crossed the milestone of ₹ 1,000 crores quarterly revenue for the first time) and the full fiscal year.

This performance comes in the backdrop of a marked improvement in the overall economic sentiment in the country during January-March period of FY22, when India's economy grew 4.1% year-on-year. This happened despite the sequential slowdown in the growth rate for a third straight quarter amid the restrictions induced by the Omicron wave, as well as the rising commodity prices which weighed on economic activities. As you all know, we have a significant business contribution from South and East markets – which bore a greater impact than the rest of the country due to lockdowns in the months of April and May. Extended closures not only resulted in subdued consumer demand but also curtailed supplies from our manufacturing units in Sikkim. Even so, we successfully managed a broad-based growth across product categories and geographies during the year.

Both the Electricals and Consumer Durables segments posted strong growth, offsetting the somewhat muted growth in the Electronics business. I am happy to say that our geographical diversification strategy has played out well, with both the South and Non-South markets contributing to the performance positively during the year to help us deliver a balanced growth. At the end of FY22, we saw sharp recovery leading to overall growth uptick that translated into a 28.7% growth in total income, rising to ₹ 3,475 crores for FY22. EBITDA went up 8.4% during the year, while PAT saw a 14.0% increase in this period. We have delivered a gross profit increase of 24.7% – a clear manifestation of the inherent resilience and strength of the Company and its people.

I am pleased to share that we were able to accomplish this performance despite the multiple challenges faced by the business during the year. Supply chains were disrupted, making it difficult for us to respond to even the limited demand that was seen in the first couple of quarters. But we did not pause, nor did we change course. We stayed on track with our plans, taking a conscious decision to scale up our inventory levels (which went up by about 15 days) to minimize the supply chain disruptions triggered by the continuing pandemic crisis and the prevailing geopolitical tensions. As demand started picking up during the festival season from the third quarter of the fiscal, we moved with agility to meet the emerging market needs in a timely and effective manner.

We took several cost optimization measures without compromising on our strategic investments in product innovation, capacity expansion, digitalization, marketing & sales, sustainability efforts and our CSR programs. And we successfully managed this tightrope balance to get back on the upward growth trajectory as the situation eased off and demand started to pick up.

We were also forced to take some large price hikes across our portfolio to manage our costs and ensure operational continuity through the year, as factory-related costs also shot up with the commencement of manufacturing operations in Roorkee and Sikkim. Other cost elements such as travel and freight also went up as branch operations started to return to regular mode from the second half of the year, and additionally on account of the significantly higher diesel prices.

What is important is that we did not scale back on any of our plans or goals, as evidenced in our investments in our wholly-owned subsidiary, V-Guard Consumer Products Limited (VCPL) that has recently commissioned its first factory. The investments are aimed at minimizing our reliance on imports/ OEMS and delivering efficiencies. The benefits that we see percolating from these investments in the coming quarters and years far outweigh the short-term financial pressures that we had to face during the fiscal in review.

It is heartening, in fact, to note that our strategic investments and initiatives of the past year have positioned us in the sweet spot where we can capitalize on the resurgent market demand effectively. They have equipped us to respond expeditiously and with agility to the evolving consumer trends and aspirations, thus empowering us to maximize the long-term benefits of these transformations.

With the supply chain disruptions now diminishing, we are slowly but surely moving towards normative inventory levels, which will enable us to further improve our working capital position. As we return to normal levels of inventory in FY23, we will see stronger cash flows from the business and a more robust fiscal base to lead us towards the realization of our medium and long term goals.

At the same time, the favorable government policies and interventions, focused on investment in progressive initiatives, will further unleash more positivity in the market and business environment in the coming months and quarters. We believe this will push secular demand growth in our product categories, especially for quality, innovation and service-driven products.

At V-Guard, we are not just well positioned to benefit from these trends but are looking forward to further power the momentum of our onwards and upwards journey. The strength of our brand, distribution and product range, along with the resilience demonstrated by the organization in a tough operating environment, give us the confidence of major traction in business across our segments. It encourages us to stay firmly on the path to drive revenue growth and margin expansion, with the aim of enabling stakeholder value expansion.

Our focus, going forward, will be on improving our portfolio as well as our competitiveness in terms of aesthetics, efficiency, cost and margins. We are also looking at scaling up our reach and penetration to reach more consumers in more markets across the country. Our plans to augment our manufacturing excellence remain on track and we shall continue to build on our production strength to seamlessly meet the growing consumer demand for our quality products. We will also continue to focus on maintaining a balance between premium and value products, to cater to diverse needs across customer segments. Another area of prioritization for the Company remains the enterprise digitalization, towards which we have moved aggressively with the objective of integrating the digital roadmap with our functional transformation.

I am confident that these measures will not only help steer our onward journey more effectively but will also pave the way for impactful, sustainable and long-term growth for the Company in the years. On this note, I would like to thank you all for your sustained support and confidence in the Company, which remain the propellers of our future strategy.

Warm regards,

Mithun K Chittilappilly

Managing Director

Innovating our way forward

The consumer landscape in India is continuously evolving. Smart and experiential living is the new mantra of the country's growing aspirational consumer segments. Consumers today seek new experiences and explore new ways to enrich their lives and homes.

At V-Guard, we are responding to the transforming consumer aspirations and needs with innovative and experiential offerings across our product portfolio. We remain focused on investing in R&D to create our own designs that are differentiated and distinctive, and enable us to realize better value.

FY22 witnessed a slew of aesthetically engaging and user-friendly product launches, designed to delight consumers.

AUGMENTING OUR CONSUMER DURABLES PRODUCT PROPOSITION

During the year, we sharpened our focus on the development of elegant, stylish, feature-rich and energy-efficient products in line with the emerging market and consumer trends. We launched a total of 377 new SKUs during the year to expand our product portfolio to address the needs of our neo consumers.

We expanded our Fans portfolio with unique products from the Uttarakhand facility we had started a couple of years ago. Our conscious strategy to target the mid-segment range – the Decorative segment, is paying off, with our two newly launched ceiling fan platforms doing extremely well. We are expecting good traction in the recently introduced BLDC Fans segment, where we are strategically focused on preparing for the new energy efficiency norms coming in.

The Enviro-32 is a new BLDC 5-star fan we launched during FY22. It is anti-dust and IR remote controlled, with advanced features like reverse rotation, apart from wider voltage range and aluminum blades. Our newly launched platforms – Glado Prime and Romanza, will also drive growth over the next 4-6 quarters. The Romanza premium decorative art fan has a germ-shield technology, apart from being anti-stain and anti-fade. Its two themes – floral and Indian Art, virtually make it a connoisseur's delight.

Special launches like water purifiers and kitchen hoods launched only through the e-commerce channel resonated well with the transforming needs of consumers in the Kitchen Appliances segment. Among the new launches in this segment during the year were the highly cost-effective Wizmix series and the unbreakable PC lid-equipped AG754 Plus series of mixer grinders.

We have also launched new cooktops (Matteo 2B, 3D) with textured frame, kangaroo pan support and brass burners, to make cooking a more seamless experience for our consumers. Under our newly launched Airtron series, our tall desert air coolers not only cover larger cooling area but also provide unilateral cooling with uniform water distribution, supported by 2 years warranty.

A range of water heaters further strengthened our portfolio in this segment during the year. In November 2021, we came out with a new electric water heater – the Pebble Shine Plus, equipped with shock-proof plug for additional safety. The 5-star rated water heater is designed to look elegant and perform effectively, as is our Victo Plus electric water heater.

The Modular Solar Water Heating System is another of our innovative offerings, and is not only cost-effective but offers uniform load distribution besides being ideal for retrofit applications.

ENVIRO-32

ENVIBE 12D4

AQUASMART + PUMP

MODULAR SOLAR WATER HEATING SYSTEM

PEBBLE SHINE PLUS

BUILDING ON OUR ELECTRONICS CORE

With the launch of Envibe 12D4 router UPS, we raised the bar of our offerings in the Electronics segments to deliver uninterrupted Power and connectivity during power blackout and brownouts. The intelligent charging and protection mechanism of its Li-Ion Battery makes it ideal for the fast moving professionals of today. The VTI 4140 stabilizer comes with some exciting features, including sleek design as well as silent and fan-free operation.

In January 2022, we inaugurated our Solsmart series of solar power system, designed for less power consumption while delivering 20% better efficiency with synchronous power factor correction. The SPS 20036 solar battery is another new launch which has brought us a step closer to the consumers, with its ultra-low maintenance and high backup.

FORTIFYING OUR ELECTRICALS PORTFOLIO

In the Electricals segment, FY22 witnessed the introduction of our Aquasmart+ pump in the market. As the name suggests, this pump has a variety of smart features besides being good-looking. It can easily be operated through Alexa and Google voice assistants, and is equipped with automatic water level control, smart app control and anti-theft lock.

EXPLORING NEW FRONTIERS

Our association with Gegadyne Energy, a technology startup engaged mainly in the process of technology development and validation, has opened new avenues for innovative and premium product development for V-Guard. Once their pilot is ready, we are expecting several new products to begin flowing in the fast-charging battery technology space, across our product categories, including Stabilizers, UPS and even Consumer Durables. We are hopeful of the sample battery pack being delivered to us for testing and evaluation around the second quarter of FY23.

INVESTING IN OUR R&D CAPABILITIES

We are cognizant of the importance of sustained investments in building our Research & Development (R&D) capabilities to power ahead successfully on our innovation-led journey. We are also strengthening our R&D process and have, for the past two years, been rolling out product lifecycle management capability. We propose to continue the same. Our focus in this regard is on hard wiring the R&D ability to enable speed and time to market, thus sharpening the ability of the R&D function to co-work with other functions and other stakeholders outside the Company too. We are also working constantly on augmenting our ideation capabilities, with more thrust towards securing consumer insights for creating relevant product propositions.

Reinforcing Production Infrastructure to scale growth

A key driver of our onward and upward journey is our sustained focus on bolstering our manufacturing capabilities to drive excellence and efficiencies. We remain committed to continual strengthening of our production infrastructure to ensure product quality through sustainable, efficient and cost-effective operations.

The V-Guard manufacturing footprint, which was set up about 25 years ago, has seen significant expansion across India in the past decade. As part of our concerted strategy to maximize our growth potential in line with the emerging opportunities, we have grown our manufacturing presence exponentially over the past 6 years.

We are continuously looking at expanding our in-house production capacities and minimizing reliance on imports with our subsidiary company, VCPL, which we believe to be important for improving our competitiveness and generating the fuel for future growth.

OUR STATE-OF-THE-ART PLANTS IN THE NORTHERN, SOUTHERN AND EASTERN PARTS OF THE COUNTRY CATER TO A TOTAL OF OVER 350 SKUs ACROSS 4 DIVISIONS.

350

SKUs ACROSS

4

DIVISIONS

AUGMENTING CAPACITIES

Our first plant as part of the VCPL subsidiary has recently started operations with manufacturing of stabilizers. By the second quarter of FY23, we are expecting the plant to start production of inverters too. We have so far made a total investment of around ₹ 60 crores in this plant of VCPL. About 60% of our manufacturing is now done in-house and we plan to invest another ₹ 200 crores in capacity augmentation over the next three fiscals.

Expansion of our Sikkim plant has helped strengthen the production of water heaters, with reduced dependence on Chinese imports. The plant, which primarily produces all types of vitreous-coated tanks, reported about 70% capacity utilisation in FY22, and we see this going up further in FY23.

PROGRESSING ON OUR MANUFACTURING EXCELLENCE ROADMAP

In 2018, the V-Guard leadership instituted the Manufacturing Excellence framework with the aim of moving towards becoming a lean and flexible enterprise. Leveraging this framework, we have been investing in building our organizational and people capabilities. The "V-Guard Manufacturing Excellence Awards" (VGMEA) have been introduced as a vehicle to measure our progress on our manufacturing excellence roadmap. The VGMEA proposition also seeks to bring all our manufacturing units under one operating system.

During FY22, we made significant progress in our journey towards Manufacturing Excellence.

We launched various key initiatives that enable the organization to embrace the transition into a leaner and more flexible manufacturing entity. The focus was on accelerating the adoption of best practices within the organization.

- V-Guard Operating Handbook, to serve as the single point reference for all manufacturing units and ensure standardized practices, has been initiated and is expected to be implemented in the coming years
- Despite the challenges of COVID, the 2022 edition of VGMEA saw significant improvement in maturity across our plants
- Two of our plants (Chavadi and Kashipur) were the joint winners while the plant at Perundurai bagged the "Progressive performer of the year" award
- Many of our plants have been recognized for exemplary performance with various notable external awards and certifications

BUILDING ON MANUFACTURING EXCELLENCE

A dedicated and focused team was created, who collaborated cohesively across our units to drive Manufacturing Excellence (ME) agenda for faster adoption of ME principles during the year. The team was built to enable better understanding of plant-specific challenges and criticalities. Our plants are getting certified for 5S culture, and we are also conducting various manufacturing-centric training programs.

INVESTING IN SAFE & SUSTAINABLE MANUFACTURING

V-Guard's lean and flexible manufacturing journey is powered by a strong focus on sustainability. During FY22, we:

- Completed EHS excellence assessment across most manufacturing locations.
- Undertook IMS surveillance audits.
- Initiated Plant Head EHS Award to promote EHS culture among employees at the shop floor.
- Developed EHS Standards, such as Greenfield, Brownfield and MOC.
- Started implementation of EHS Management system in major warehouses.
- Carried out a EHS capacity building exercise in our fans manufacturing facility.
- Initiated COVID-19 preventive measures across V-Guard operations.

State-of-the-art water heater factory at Sikkim

Newly commissioned Fan factory at Roorkee, Uttarakhand

Fully automated vitreous enamel coating line at the water heater factory, Sikkim

Making the V-Guard Brand more visible

With our strong brand proposition a key propeller of our onward journey, we remain focused on making continual investments in building the V-Guard brand into a powerful and dynamic interface for our customers and other stakeholders. We took several initiatives during the year to enhance the brand value and strengthen brand recall.

SMART INVESTMENTS FOR BRAND BUILDING

Our brand-building efforts and communication outreach had a judicious mix of traditional media and emerging digital media. With increased interest in the News genre, we reached out to consumers via TV News channels through laptop branding. This innovative and cost-effective advertising option kept our brand salient during the challenging times that prevented direct engagement due to the pandemic-induced need for social distancing. Besides increased spends on emerging digital media, FY22 also saw the brand focusing on retail marketing initiatives as retail footfalls increased. The brand additionally invested in POS communication and retail product display for key categories, in a bid to improve last-mile conversion.

INCREASING SHIFT TOWARDS DIGITAL MARKETING

We are progressively increasing our digital marketing spends in line with the evolving media consumption habits of the new-age consumers. In tandem with the brand's increasing focus on digital mediums for brand building, FY22 saw multiple categories from V-Guard's diverse portfolio getting activated on digital mediums.

Digital promotional activities in the form of search engine marketing, awareness building initiatives on Facebook, YouTube and social media content campaigns were undertaken for multiple categories in alignment with product seasonality. Increasing digital activities have enabled our website to emerge as another source of business revenue.

The year gone by witnessed seasonal, topical campaigns as well as festival-driven campaigns as part of our efforts to build meaningful engagement with our consumers. The brand's online influencer activities during festivals got favorable traction, reaching out to more than 28 million consumers. As part of our festival marketing initiatives, the brand created more than 800 unique content pieces, catering to 15+ product categories and in 12+ vernacular languages.

LEVERAGING TECHNOLOGY TO SCALE UP CONTENT MARKETING INITIATIVES

In accordance with the changing consumer landscape, we are increasingly focusing on content marketing activities to engage with consumers at different stages of their purchase journey. We are also leveraging technology to create content at scale.

Our content marketing efforts straddled multiple platforms, including popular and emerging social media platforms, with an intent to connect with both channel partners and consumers alike. In addition to promotional content to create awareness about our offerings, the brand also focused on creating educational content for our consumers through DIY videos.

Supplementing our Marketing & Sales capability

The progressive journey that we, at V-Guard, have embarked on is steered by our multiple core strengths. Our marketing and sales capability is a key strength which we continue to reinforce through targeted initiatives and focused programs.

We had initiated a marketing transformation journey in FY21 to strengthen the various elements of our Marketing and Go-to-Market (GTM) model. Our efforts in this direction have led to the establishment of a strong foundation to build on these elements. In FY22, we made considerable progress across the multiple programs launched to steer the journey. We have successfully positioned ourselves in a way where we can make the strategic shift needed in our growth trajectory to implement the transformation. We continued our journey towards implementing our sales acceleration program for identified categories even amidst the COVID pandemic.

PROJECT NEEV

During the year, V-Guard completed the Phase I of Project NEEV, aimed at strengthening some of the fundamental pillars of our sales and marketing function. With this, we have transformed the design and scale-up elements of the sales and marketing function. We are now set to move to Phase II, which will help drive efficiency across the sales function.

RISHTA PROGRAM

In the first year of our loyalty program, we were able to scale up significantly, bringing the families of electricians and plumbers into the fold. Built on the core principle of holistic partnership with our influencers, the program has contributed a healthy revenue of the participating categories.

PRAGATI PROGRAM

This comprehensive program, introduced last year to build visibility around our secondary sales across all product categories, has been received well. The program is also acting as a single window for trade queries of all our partners.

VIP - V-GUARD INSTORE PROMOTER PROGRAM

The V-Guard Instore Promoter (VIP) intervention was initiated for building our capabilities on sell-out programs across the Modern Trade (MT) channel & Regional Specialty Store (RSS). The initiative was designed to drive value-based selling. Over the year, the program has scaled up successfully across the selected cities.

RETAIL UNIVERSE MAPPING

Retail Universe Mapping (RUM), a multi-year program taken up last year to aid our sales and distribution planning, has completed the pilot stage with great accuracy and satisfactory results. The store extraction drive from these locations is underway, reaching out to the potential stores and promoting our range of products in these outlets. This initiative will also help in delivering sharper and effective micro marketing programs.

PROJECT DISHA

Project Disha was commissioned to drive a structured approach for penetrating existing territories (extraction) and expanding into new ones (expansion). We have launched pilots in two select product categories as part of the project, which seeks to develop processes, workflows and templates that will help the onground sales team in effective market expansion and extraction.

ALTERNATE CHANNELS AUGMENTATION

Our e-commerce business posted significant value growth in FY22 over the previous fiscal at the back of robust performance in existing as well as digital first categories. We strengthened our relationships with the major marketplaces during the year. We also further augmented our crucial e-commerce capabilities, such as Insights and Strategy, Digital Marketing, Supply Chain Management, Customer Service, besides launching various technology intervention projects to drive higher e-commerce growth over the next 2-5 years.

Further, we have enhanced our capabilities in Category Strategy, Product Portfolio Development, Category Management, Channel Management and Key Accounts Management, with the aim of accelerating growth in alternate channels. This has been done through appropriate talent onboarding and development of the necessary systems and processes.

While the COVID-induced supply chain disruptions impacted our business for the import dependent categories, our investments in localization of majority of our products helped mitigate the risk during the year. We shall work towards further strengthening our indigenization focus, going forward. At the same time, we shall continue to expand our in-house manufacturing in alignment with the Government's "Make in India" initiative to move the production of more key categories to our own manufacturing units with backend integration. This will lead to superior control over the product supply chain for Alternate Channels as well as to drive premiumization and innovation in the portfolio.

During the year, we also strengthened our front-end supply chain capabilities to reduce delivery time for our e-comm consumers. Significant work on digital content and campaign management has helped us ensure superior content quality and healthy cost per acquisition (CPA).

Moving upwards on the Digital scale

The V-Guard growth trajectory is marked by many notable milestones over the years. We have strategically identified 'Digital' as the core of all our transformational pillars, and are building on the digital scale of the organization through capacity building across functions and focus on future opportunities.

During FY22, we embraced several new digital and automation initiatives across the organization, while expanding the ambit of the ongoing ones. Our initiatives are aimed at leading V-Guard's transformation into a more agile, responsive and resilient organization.

DIGITIZATION OF ORGANIZATIONAL INITIATIVES

NEEV

This year, our IMP (Influencer management program) witnessed the launch of Retailer engagement for DUPS & Battery with features like product registration and warranty registration. Successful retailer pilots were conducted for Air cooler, Water heater, Stabilizer, and Fan engagement programs, which would potentially benefit sell-out and extraction plans in the coming years. A customer portal for secondary tracking solution was created, integrating a hybrid DMS solution technology covering most of our CPs, including distributors, direct dealers, modern retail and regional retail partners.

DIGITAL SUPPLY CHAIN 2.0

Our Supply Chain function took the next step in digitization, implementing an end-to-end digitization of the supply chain planning process during the year. The platform is projected to bring in faster deliveries, improved costs and better productivity for the Company. In a highly VUCA (Volatile, Uncertain, Complex & Ambiguous) world, we believe it to be important to digitally connect all the links of our value chain, right from our demand epicenters to our manufacturing locations and vendor partners. This is necessary for delivering faster to our customers at optimal costs.

CUSTOMER SERVICE TECH ADOPTION

With customer satisfaction central to the V-Guard DNA, we upgraded our CRM system during FY22 to make it more scalable for growth. We have also enhanced the consumer facing role of our mobile apps, designed to help our consumers, technicians, dealers and channel partners to connect seamlessly with the organization for product-related support, service and purchase.

ENHANCED PLM ROADMAP CREATION

Strengthening our multi-year product life cycle management (PLM) system implementation, we had an external intervention for charting out a roadmap for PLM system enhancement supporting the entire product life cycle management.

PRODUCT TRACKING AND PRICE REFRESH

We have in place a robust product tracking system based on a unique QR code that enables product visibility, from manufacturing through the entire supply chain, sales and service stages. This system had been further augmented to cover the entire range of products. An agile online MRP printing system is being institutionalized across various manufacturing locations to bring in greater accuracy and precision in change management. This will enable speedy price corrections in the prevailing volatile market.

DIGITAL COMMERCE ADOPTION

V-Guard has been positioning its products on the fast-growing e-commerce platforms for the past few years. We have developed a platform connecting all the leading platforms to a single source, enabling seamless data updation and faster transactions. This equips us to meet the SLAs and effectively handle multitude of transactions to meet the increasing demand in e-commerce.

CYBER SECURITY JOURNEY

Over the past two years, V-Guard has evolved a comprehensive process for adopting necessary systems and tools for IT security. We undertook a cyber maturity assessment through a third party with clearly-defined goals. The CISO role has been defined to steer this journey. A comprehensive Data Protection, Data Classification (DC) and Data Loss Prevention (DLP) policy has been laid out, along with related procedures for strengthening the cyber security in the organization.

People - the Engine of our Onwards Journey

Cognizant of the role of our people in steering our transformational growth journey, we remain committed to their welfare, wellbeing, engagement and career progression. In FY22, we further sharpened our Human Resource strategy to make the organization more people-centric.

At V-Guard, we have prioritized our employees as part of our strategic business approach. We believe that being the best place to work means a shift in focus from what a company can get out of their employees to what it can give back to them.

THE VARIOUS AWARDS WE EARNED IN THE PAST ONE YEAR ENDORSE THE SUCCESS OF OUR HR PROGRAM AND POLICIES.

AMBITIONBOX BEST PLACES TO WORK IN INDIA AWARDS 2021

V-Guard emerged the winners in the mid-sized company category in the AmbitionBox Best Places to Work in India Awards 2021. AmbitionBox, India's fastest growing career platform, conducted the inaugural edition of AmbitionBox Best Places to Work in India Awards 2021. Top companies were awarded based on employee reviews and ratings. The award is a validation of our relentless passion and perseverance, to ensure our employees are taken care of in every walk of life. Involvement of leadership in boosting engagement, advocating a healthy company culture, and being responsive to feedback and concerns of employees are some of the factors that distinguish us as an organization.

6TH CSR HEALTH IMPACT AWARD 2022

V-Guard won the Bronze Award in CSR Covid Protection Project Category for the 6th CSR Health Impact Award 2022, for outstanding contributions towards Health and Wellness as part of CSR activities. The award has been constituted by the IHW Council and the ceremony was conducted in New Delhi in May 2022. It recognized the Company's Protection, Relief & Rehabilitation program, launched in support of the Government health sector as well as community people. As part of the program, we helped strengthen the health infrastructure by providing necessary materials and equipment such as ventilators, conversion of normal beds to ICU beds, supportive medicines and hospital infra support for helping village panchayats set up the first line treatment centers.

SUPPORTING THE COVID-19 BATTLE

As part of our COVID-relief measures, we undertook various vaccination drives across India and also extended support to our employees affected with the disease.

- All regular and contract employees (including Team Lease employees, ASP technicians etc.) were 100% vaccinated (both doses) through our pan India vaccination campaigns
- Our COVID Help Desk and COVID Warriors, assisted in the fight against COVID by helping find hospitals/ICU beds, and by supplying oxygen concentrators and ventilators to hospitals where the employees were admitted
- Employees and families who were affected with COVID were given individual attention, and were provided with all necessary help to cope with the situation
- Talks and sessions were organized, through the 'Vigyan' talk series, on various topics, including Stress Management during COVID times, Nutrition for post COVID recovery, and Workspace Ergonomics for setting up the right workspace for WFH scenario etc., for the benefit of our employees
- A special campaign was conducted to educate employees about the right way to exercise and keep a healthy lifestyle in the context of working from home during the COVID waves

EMPLOYEE TRAINING & LEARNING

We are fully aware of the importance of employee nurturance to the realization of the Company's vision and goals. We have in place a well formulated program for providing training and learning opportunities to further the career progression of our employees.

1,54,823
TOTAL TRAINING MANHOURS

40
MANHOURS PER PERSON

>60
BATCHES DELIVERED ACROSS A SERIES OF COMPETENCY-BASED MODULES

9
LEARNING AVERAGE SCORE ON A 10-POINT SCALE IN ABOVE MODULES

>75,000
MANHOURS OF ASP TECHNICIAN TRAINING

42
MANHOURS PER TECHNICIAN

(In FY22)

Custom E-modules Learning on Degreed

As part of our custom e-modules learning program, we launched 370 courses in FY22 with a thrust on micro learning through simple e-modules,. The platform was used to promote a series of employee engagement and development activities.

Raising the Quality of Life in the Community

With Corporate Social Responsibility (CSR) integral to V-Guard's business ethos, we continue to make investments in strengthening our community outreach on a continual basis. We remain steadfastly committed to creating an enabling environment for the inclusive growth of the communities around which we operate.

CSR PRIORITY AREAS IN FY22

- Health Care
- Education & Skill Development
- Build India

V-Guard Health Care

COVID-19 Relief Measures

As the second wave of COVID-19 swept the country at the start of FY22, we moved proactively to support the community in fighting the deadly effects of the pandemic. Our COVID-relief measures included robust support to government hospitals, health institutions and the people at large. We provided them with ventilators, bio-medical equipment, PPE kits, masks, gloves and supportive medicine, among other essentials.

Ambulances for Rural Population

Ensuring the availability of timely medical care is a major challenge in villages, many of which are remote with no quick access to emergency services. We provided ambulances to Nagaland, Kerala and Himachal Pradesh with the aim of enabling emergency medical attention for rural people.

Disability Care Project

As part of our healthcare program, we implemented a comprehensive community-based disability care project during the year. The project supported differently abled children by providing corrective surgeries, aid and appliances.

COGNIZANT OF THE IMPORTANCE OF VACCINATION TO PREVENT THE SPREAD OF THE PANDEMIC, WE UNDERTOOK A MASSIVE COMMUNITY VACCINATION DRIVE ACROSS INDIA DURING THE YEAR.

V-Guard Education & Skill Development

Smartphones for Remote Learning

Remote learning was a necessity rather than an option for school children around the country amid the pandemic-triggered lockdowns and suspension of offline education. Poor children were deprived of equal education opportunity in this scenario due to lack of access to online education tools. We provided such children from the disadvantaged sections of the society with Smartphones to facilitate their continued education in these difficult times,

School Support Program

We further scaled up our school support project during FY22 with infrastructural development in many government schools. Government schools in Jammu, Uttarakhand, Karnataka, UP, Maharashtra and Kerala were supported by the project, which involved construction of various facilities.

Tarang Skill Development Project

During the year, we took our Tarang project forward by providing youth with training in the electrical sector, and facilitating their placement. This youth skill development project is a residential skill development program, under which we give classroom training and on-the-job training to unemployed youth in the electrical and electromechanical sectors. Government and industry-recognized certificate is provided to the youth after the training, which equips them to find meaningful employment as a technician.

Navdharshan

Our Navdharshan project is a key enabler for enhancing the quality of life for children with special needs. We provide quality school education, along with therapeutic support and vocational training, to such children.

V-Guard Build India

Environment Conservation

To promote environment conservation as an imperative for India's sustainable development, we initiated several awareness programs during the year in Odisha, Bengal and Rajasthan. We also conducted tree plantation drives in these states. In Delhi, we installed an air purification device to support the state's efforts to minimize air pollution.

Awards & Recognitions

V-Guard won several awards across functions during FY22, underlining the strength of its business strategy, work culture and care ethos.

V-Guard was recognized in the Forbes Asia's Best Under A Billion 2021 List

V-Guard Industries Ltd. won the AmbitionBox Best Places to Work in India 2021 in the Mid-Sized Companies category

Chavadi Facility of WCD bagged the "Par Excellence" and "Excellence" Awards in the International Convention on Quality Control Circles (ICQCC-2021)

Kashipur Factory of WCD won the Par Excellence and Excellence Awards at the 46th International Convention on Quality Control Circles (ICQCC-2021)

We received the Kerala Management Association CSR Award under Child Care Category for our social responsibility project 'NAVDHARSHAN'

V-Guard won multiple awards at Indian Marketing Awards – South 2021

Chairman Emeritus

Mr. Kochouseph Chittilappilly

Board of Directors

Independent Directors

Mr. Cherian N Punnoose
Chairman

Mr. Ullas K Kamath
Director

Mr. C J George
Director

Ms. Radha Unni
Director

Mr. George Muthoot Jacob
Director

Prof. Biju Varkkey
Director

Executive Directors

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director & Chief Operating Officer

Non-Executive Non-Independent Director

Mr. B Jayaraj
Director

Corporate Information

Chairman Emeritus

Mr. Kochouseph Chittilappilly

Board of Directors

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director & Chief Operating Officer

Mr. C J George
Independent Director

Mr. Ullas K Kamath
Independent Director

Ms. Radha Unni
Independent Director

Mr. B Jayaraj
Non-Executive Director

Mr. George Muthoot Jacob
Independent Director

Prof. Biju Varkkey
Independent Director

Board Committees

Audit Committee

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Member

Mr. C J George
Member

Mr. Ullas K Kamath
Member

Ms. Radha Unni
Member

Mr. George Muthoot Jacob
Member

Mr. B Jayaraj
Member

Nomination and Remuneration Committee

Prof. Biju Varkkey
Chairman

Mr. Cherian N Punnoose
Member

Mr. Ullas K Kamath
Member

Ms. Radha Unni
Member

Mr. C J George
Member

Stakeholders' Relationship Committee

Mr. Cherian N Punnoose
Chairman

Mr. C J George
Member

Mr. Mithun K Chittilappilly
Member

Corporate Social Responsibility Committee

Mr. B Jayaraj
Chairman

Mr. Cherian N Punnoose
Member

Mr. Mithun K Chittilappilly
Member

Mr. George Muthoot Jacob
Member

Chief Financial Officer

Mr. Sudarshan Kasturi

Company Secretary & Compliance Officer

Ms. Jayasree K

Statutory Auditors

M/s. S R Batliboi & Associates LLP,
Chartered Accountants

Listed at

National Stock Exchange of India Limited

BSE Limited

Registered Office

42/962, Vennala High School Road,
Vennala, Ernakulam - 682028
Ph No.: +91 484 433 5000
E-mail: mail@vguard.in
www.vguard.in

Registrar & Transfer Agent

Link Intime India Private Limited
Surya
35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road
Coimbatore – 641028
Phone: 0422-2314792
E-mail: coimbatore@linkintime.co.in

Bankers

HDFC Bank Limited

ICICI Bank Limited

Federal Bank Limited

Yes Bank Limited

State Bank of India

CITI Bank

HSBC Bank

Plant Locations

Wires & Cable Division

- KG Chavadi, Palakkad Main Road, Coimbatore – 641105
- 6th KM Stone, Moradabad Road, Khasra No. 86, Village Basai, Udhamsingh Nagar Dist., Kashipur - 244713, Uttarakhand

Pump Division

- 2/113 E, Karayampalayam Road, Mylampatti Post, Coimbatore – 641062

Water Heater Division

- Village Bankebada, Near Moginand High School, Nahan Kala Amb Road, Moginand P O, Tehsil-Nahan, Dist - Sirmour, Himachal Pradesh - 173 030
- Rangpo Namchi Road, Mamring, South Sikkim - 737132, Sikkim

Solar Water Heater Division

- KK 12, 13, 14, 15, SIPCOT Industrial Growth Center, Perundurai, Erode, Coimbatore – 638052

Solar Inverter Unit

- KG Chavadi, Palakkad Main Road Coimbatore – 641105

Stabilizer Division

- Plot No. 2240/5424, Block West Pandam, Duga Elaka (Majhitar), Gangtok, East Sikkim, Sikkim – 737136
- Plot No. 2200, Block West Pandam, Duga Elaka (Majhitar), Gangtok, East Sikkim, Sikkim – 737136

Fan Division

- Khasra No. 297, 298, 299, 300 and 301, Vill – Lakeswari Industrial Area Bhagwanpur, Haridwar Uttarakhand, India-247667

Management Discussion & Analysis

1. Economic Review & Outlook

In FY 22, the economy witnessed less disruption as stronger COVID-19 protocols and the rollout of vaccinations significantly curtailed the impact of the second and third waves of the pandemic. Also, human resilience and economic support by government combined to bring about quick adaptation to the new normal, creating a rebound in the economy within the framework of limited physical mobility.

However, nations across the globe still witnessed disruptions albeit less severe than in the previous year. Also, an unprecedented cost inflation in commodity prices added to overall uncertainties in global and national economies.

The net result of these factors is that after contracting 3.3% in 2020, the global economy has grown at 6.1% in 2021 and is projected to moderate to 3.6% in 2022 and 2023 (IMF World Economic Outlook, April 2022).

The Indian economy witnessed a decline of 7.3% in 2020-2021, due to the Covid-19 pandemic and its impact on various segments of the economy. The current financial year witnessed a rapid bounce back due to various measures taken by the Government. The country was able to achieve record numbers in terms of successfully vaccinating and immunizing the citizens against COVID-19. As a result, India's GDP grew by 8.7% in 2021-22, making it one of the fastest growing large economies in the world.

2. Sector Overview

The combined effect of various businesses wanting to reduce their dependence on China and the Indian Government's "Aatmanirbhar" initiative will boost manufacturing in India over the next few years.

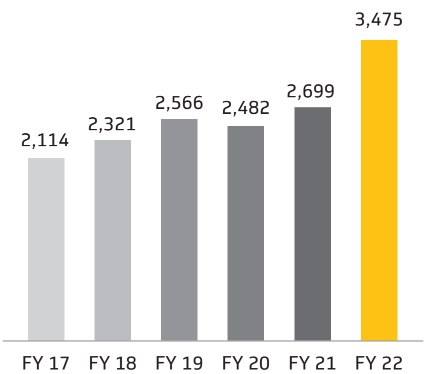
The consumer durables industry recovered from a sharp decline in FY 21 to surpass the pre-Covid levels in FY 22, despite significant price increases caused by commodity inflation. Going forward, the sector is poised to deliver a strong performance, aided by:

- The weakening of the severity of the pandemic
- Stabilization or reduction in commodity prices
- Growth on the back of rising rural incomes, increasing urbanisation, a growing middle class and changing lifestyles.

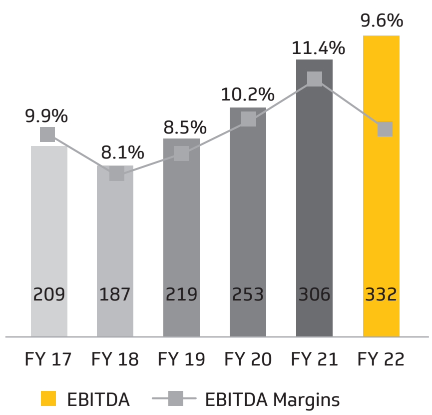
3. Review of Operations

Financial Performance (FY 17-22)

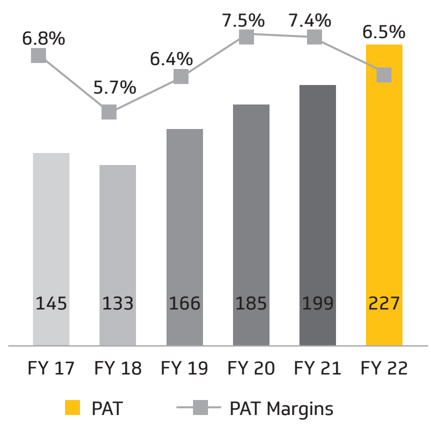
Revenue



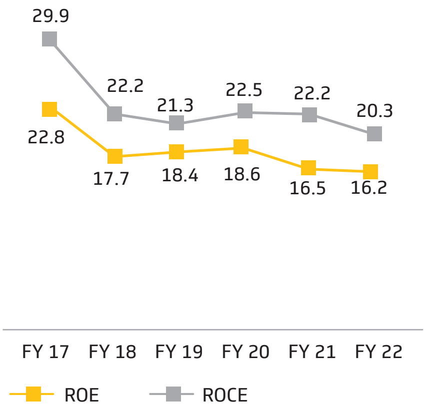
EBITDA and Margins



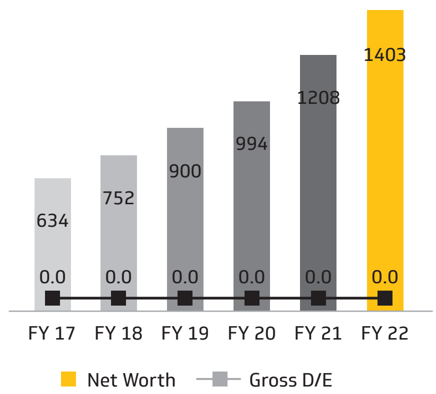
PAT and Margins



ROE & ROCE

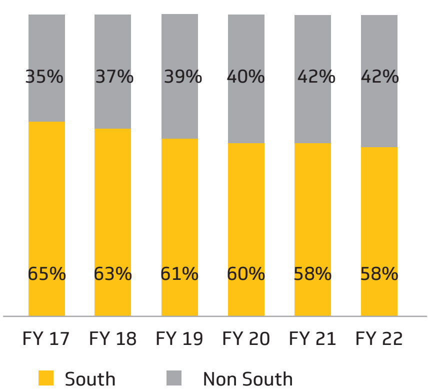


Net Worth & Debt-Equity Ratios

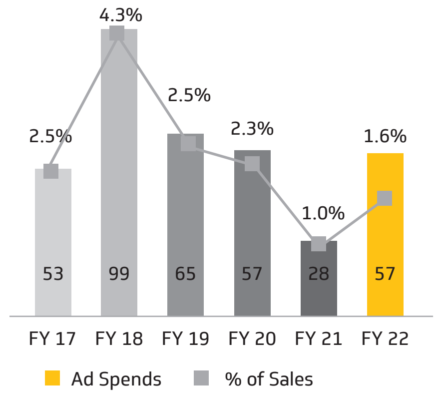


Operational Performance (FY 17-22)

Expanding Geographic Presence



Ad Spends and as a % of Sales



Key ratios (%)	FY 22	FY 21
Gross Margin	30.5%	31.5%
EBITDA Margin	9.6%	11.4%
Net Margin	6.5%	7.4%
Ad Expenditure /Operating Revenues	1.6%	1.0%
Employee Cost/ Operating Revenue	7.7%	8.3%
Other Expenditure/ Operating Revenue	13.3%	11.8%
Tax rate	21.8%	30.1%
Diluted EPS (₹)	5.23	4.61

Balance Sheet Snapshot (₹ cr)	31 Mar 2022	31 Mar 2021	31 Mar 2020
Net worth	1,402.5	1,207.8	993.8
Gross debt	10.0	10.0	10.0
Current investments	0.0	0.0	36.0
Cash and cash equivalents	53.9	281.1	111.5
Net cash position	43.9	271.1	137.5
Fixed Assets	416.5	373.3	334.4

Balance Sheet Snapshot	31 Mar 2022	31 Mar 2021	31 Mar 2020
Debtor (days)	50	52	47
Inventory (days)	129	124	105
Creditor (days)	73	93	66
Working capital turnover (days)	106	83	86
RoE (%)	16.2%	16.5%	18.6%
RoCE (%)	20.3%	22.2%	22.5%

4. Dividend

The Company's Board has recommended final dividend of ₹ 1.30 per share. This translates to a payout for the financial year 2021-22 of ₹ 56.10 crores (₹ 51.62 crores in 2020-21). The dividend payout, for the year under review is 25%. As per the Company's policy, the Board endeavors to maintain a dividend pay-out in the range of 15-25% of the Company's profit after tax.

The Company believes in maintaining a fair balance between dividend distribution and cash retention that may be required for future growth, synergistic acquisitions, meeting unforeseen contingencies and maintaining a healthy balance sheet position.

5. Segment-wise Review

Products	FY 22 (₹ Cr)	Contribution (%)	FY 21 (₹ Cr)	Contribution (%)	YoY growth (%)
Electronics	815.1	23.5%	758.9	28.1%	7.4%
Electricals	1,596.2	45.9%	1,203.4	44.6%	32.6%
Consumer Durables	1,063.4	30.6%	736.7	27.3%	44.4%
Grand Total	**3,474.7**	**100.0%**	**2,699.0**	**100.0%**	**28.7%**

Electronics

The Company's electronics segment comprises voltage stabilizers, digital UPS systems and solar inverters. This segment grew by 7.4% and contributed 23.5% to the total revenues. Sales in the electronics segment are largely dependent on the power situation in the country, both in terms of availability and quality of power supply to users. There is a close linkage between the demand for stabilizers with that of consumer electronics such as air conditioners, refrigerators and televisions.

The sales in the segment were impacted in the early part of the financial year on account of lockdowns/disruptions from the second wave of COVID-19. However, in subsequent months, the segment witnessed a recovery in demand.

The Company is the market leader in Voltage Stabilizer category. Competitors are largely regional players with limited presence. The Company has a wide range of stabilizers that support a large variety of home appliances. It is expected that this product category will continue to grow over the next few years as white goods are still under-penetrated. Though the availability of power has improved over the years, the quality of power and fluctuations continue to be a major issue in many parts of the country. The company has pipeline of new and innovative products to keep pace with the technology evolution in white goods categories.

In the Digital UPS segment, the Company has undertaken several initiatives towards premiumization which will enable deeper consumer engagement, better pricing power and higher margins. This category is a key growth driver for the Company as it continues to expand into under-penetrated regions that are power deficient with regular outages.

Electricals

The Company's electricals segment is the largest revenue contributor comprising house wiring cables, pumps, switchgears and modular switches. These are mostly construction dependent categories. This segment grew by 32.6% during FY 22 and contributed 45.9% to total revenue. While demand for these products was impacted by market lockdown in the earlier part of the year, the growth rebound was robust once the markets opened up. This category also witnessed significant price hikes as all major players were trying to pass on the impact of increase in input costs.

House wiring cables is the largest product category for the Company. The Company focuses mainly on retail sales of house wiring to individual home owners. Based on considerations of durability, safety and reliability, the market is increasingly moving towards high-quality, branded products. Changes in compliance and taxation structures are also enabling more formalization of markets. The Company undertakes various initiatives towards brand building and new product development in order to achieve differentiation in a largely commoditized market. The nationwide distribution network, comprising hardware and electrical stores, ensures timely supply of the product. This is supported by the Company's manufacturing facilities located at Coimbatore (Tamil Nadu) and Kashipur (Uttarakhand).

Pumps is a mature product category and its sales is linked to weather conditions, with bearing on water table. The Company manufactures a wide range of residential and single phase pumps. During the year, the Company has launched smart pumps with features like (a) real time water level indicator and water consumption trend graph (b) anti-theft lock system and (c) smooth voice interactivity. This can be controlled through a simple mobile application.

Switchgears and modular switches are key growth categories for the Company. The domestic switchgears market has strong synergies with the electrical distribution network, with customer adjacency to Wires and Fans that allow leverage of resources to drive growth. Following the synergistic acquisition of a production unit in Hyderabad in 2018, the Company has established a strong manufacturing base that supports its growth ambition.

In December '21, the Company announced the strategic acquisition of Simon Electric Private Limited (SEPL) from SIMON, SA. This will provide the Company the access to product capabilities in premium and super premium ranges and also a ready manufacturing facility which will bring cost competitiveness.

Consumer Durables

The consumer durables segment includes fans, water heaters, kitchen appliances and air coolers.

In FY 22, revenue from this segment grew by 44.4% and accounted for 30.6% of total revenue. The Company witnessed strong volume growths in these categories despite significant price increases. These categories were impacted by very sharp and unprecedented levels of commodity cost inflation. While pricing actions were able to cover the major portion of the impact, there was some margin erosion in select product categories.

The water heater category consists of both electric and solar water heaters. With the expansion of the manufacturing facility at Sikkim, the Company has moved the entire electric water heater manufacturing in-house eliminating the dependency on imports. In the solar water heater category, the Company is focused on rooftop residential solar water heaters which are sold to both individual consumers as well as institutional buyers. This category has good long-term potential as technology improvements are delivering better performance and affordability.

Growing environmental consciousness will also drive growth as the market will slowly shift away from electric water heaters.

The Company's product range in the fans category includes ceiling fans as well as table, pedestal and wall fans. Driving innovation in the product mix, the Company has consistently launched new models with improved design, aesthetics and decorative elements.

The new premium launches of fans manufactured at the Company's facility at Uttarakhand are doing extremely well. The Company's premium ranges in the fans category include the Imagina range of futuristic ceiling fans that add to modern smart living options backed by technology. App-controlled features, cleverly programmed LED lights and stunning looks are distinctive features of these fans that can be easily controlled using a remote or through the V-Guard Smart app.

During the year, the Company has launched BLDC (Brushless Direct Current Motor) fans which are energy saving models. These have 5 star ratings, can run for 3 times longer on a power back-up, and can operate with a wide voltage range (90V to 300V).

The Company has delivered strong growth in the fans category, driven by growing acceptance of the product range as well as higher penetration in the non-south market. Margins have been improving over the past few years aided by premiumization / innovation and expanding manufacturing capabilities. However, in FY 22, fans saw lower margins on account of steep input cost increases. The Company expects margins to revert to healthy levels in the near future.

In kitchen appliances, the Company's product range includes induction cooktops, mixer-grinders, gas cooktops and rice cookers apart from several recently introduced offerings focused on a stress-free kitchen experience. These products are margin accretive and are also less seasonal.

The Company has expanded its kitchen appliances range with the launch of new products such as water purifiers, breakfast appliances, kitchen hoods and chimneys. Currently these are offered only on e-commerce platforms and are gaining good traction.

In the cooling space, the Company has a range of desert coolers, window-fitted coolers, personal coolers and room coolers. These products have been rolled out to more South and non-South markets and represent another expanding growth opportunity for the Company.

E-commerce grew by 72% in FY 22 and will remain a strong driver of growth over the next few years. For some product categories, e-commerce and organized retail are expected to reach a contribution of 30-40% in the next few years.

Future M&A opportunities would be largely centered on segments/categories that the Company has recently entered into – consumer durables, wiring accessories and kitchen appliances. Overall, the trend is of greater balance in contribution from each of the Company's three product segments.

6. Investment in Subsidiaries

During the year, the Company has incorporated a wholly owned subsidiary 'V-Guard Consumer Products Ltd (VCPL)' with the objective of increasing in-house manufacturing. VCPL's first production facility for Stabilizer and Digital UPS at Pantnagar, Uttarakhand, has commenced its operations in March 2022. VCPL is in the process of setting up further manufacturing facilities to make Inverter batteries, Fans & Kitchen appliances.

7. Financial Performance

In FY 22, the Company recorded a robust financial performance despite disruptions caused by the Covid-19 pandemic. Intermittent lockdown in various states led to disruptions in both demand and supply sides. In that scenario, the Company has achieved broad based growth across product categories and geographical regions. It has continued to expand distribution reach, while launching new products and driving greater focus on consumer engagement.

Revenue for the year grew by 28.7% to ₹ 3,475 crore. Raw material cost inflation has been a significant challenge and has had some adverse effect on gross margin. The Company took pricing actions to mitigate input cost inflation to a large extent but some near-term margin pressures are likely to continue into the first few months of FY 23.

Cost control measures resulted in operating leverage despite rising raw material pressures. During FY 22, EBITDA margin contracted by 180 basis points to 9.6% of revenues.

Profit before tax in FY 22 saw a moderate growth of 1.9%. The effective tax rate for the year was lower as the Company opted to move to the new tax regime.

The Company's net cash position as on 31st March 2022 was at ₹ 43.9 crore as compared to ₹ 271.1 crore as on 31st March 2021. This was on account of higher working capital and investments in its subsidiary. ROCE declined to 20.3% in FY 22. To overcome supply disruptions due to the pandemic, the Company took a strategic call to hold higher inventories. With the risk of supply chain disruptions now diminishing, the Company is moving towards normalizing inventory levels.

Overall, the Company has delivered a strong business performance in a challenging environment. The Company remains confident that its business built on the edifice of a strong brand, high quality products, widespread distribution and deep consumer relationships has the potential to sustain healthy and profitable growth in the years to come.

8. Outlook

The Company has a resilient business model with a diversified product portfolio and well-entrenched distribution network. The Company is driven by an experienced management team with deep understanding of business complexities and is well-positioned to capitalize on the country's significant growth potential, with rising disposable incomes, young demographics and increasing awareness/ aspirations. Over time, the Company has scaled from a Kerala-based, single dimensional stabilizer brand to a strong consumer brand franchise with a wide range of products that has developed in line with evolving customer needs and aspirations.

The Company has continued to expand its market visibility and has grown its retailer base to over 50,000 touch points. The Company is looking to add 3,000-5,000 retailers across the country every year in the medium term with more additions in the non-South region.

These physical locations are now increasingly augmented by online channels. The distribution channel is also supported by the ongoing focus on brand building, advertising and promotions that increase visibility for an increasing number of products in the portfolio, across categories. The Company thus sees revenue contribution from Non-South markets to exceed 50% over the next 3-4years, thereby diversifying the business and improving its risk profile.

Another focus area is the transition to in-house manufacturing through V-Guard Consumer Products Ltd., a wholly owned subsidiary of the Company. Currently, in-house manufacturing stands at 55% of products sold by revenue.

Going forward, the Company remains confident that with the turnaround in economic activity, it is well-positioned to sustain its growth momentum over the next few years. This is likely to be driven by volume-driven economies of scale, expansion into non-South markets, introduction of new/innovative products, entry into additional product categories, manufacturing excellence and technological improvements across products and processes.

9. Strengths and Opportunities

Strengths

- The Company has invested significantly in building its brand equity over the past decade, which has led to high brand recall and enabled entry into new product categories
- Consumer centric organization with emphasis on after-sales service, quality, innovation, R&D and new product development
- Strong pan-India footprint with investments in a well-entrenched distribution network spread across 50,000+ retail touch points
- Comprehensive and diversified product portfolio across fast growing categories in the consumer electricals, electronics and durables space, catering to the mass consumption market in India
- Strong execution track record and demonstrated ability to grow competitively and profitably
- Experienced management team with strong understanding of the business complexities
- Over the years, the Company has increased its in-house manufacturing and lessened its dependence on outsourcing

Opportunities

Strong macro and demographic drivers: The industry will continue to see a strong uptrend in the medium-to long-term driven by macroeconomic and industry factors like increasing disposable incomes, increased ease of availability of finance, low product penetration levels, growing middle class, premiumization in metros and urban towns, and increasing distribution reach by companies in tier II and tier III cities as well. In addition, the government's push for housing and increasing availability of electricity augur well for long term growth prospects of the sector.

Expansion into non-South markets: Non-South markets account for 42% of the Company's current revenues providing significant scope to expand and gain market share.

Shift from unorganized to organized: The Company is present in key product categories having significant market sizes and demonstrate medium to low branded penetration, leaving immense headroom for organized players to benefit - especially those with established brands and entrenched manufacturing and distribution capabilities.

E-Commerce: The first year of the pandemic resulted in economies coming to a near standstill. During this, many companies took to e-commerce. The Company continues to see healthy growth in this channel.

Replacement demand: Shortening renovation cycles across segments due to rising disposable incomes, changing preferences of middle class and companies' focus of technology and innovation.

10. Enterprise Risk Management

The Company's Risk Management Framework incorporates leading risk management standards and practices. In developing the Risk Management Framework, the focus has been to design a process that addresses the Company's business needs while being simple and pragmatic. The Risk Management Framework outlines the series of activities that will be used in identifying, assessing, managing and reporting risks.

The key risks identified and discussed were:

a) Impact on digitization

Advent of digitization may bring about very significant changes to business model, including, disruption in sales and distribution, shift in consumer behavior and products.

Mitigation

The Company focuses on smart products roadmap to drive digital product plans and have adopted digital Product Lifecycle Management for faster time to market and effective collaboration. For digital platforms, the Company has enhanced the capabilities and processes around digital content and digital customer acquisition. Further, the Company is building next-generation supply chain capabilities.

b) Hyper-competition in marketplace

New players entering the market and aggressive pricing and other trade practices by competitors, pose a threat to Company's market share.

Mitigation

The Company is investing in product value chain for specific focus on innovation for differentiated products and reducing time to market. Company is investing to enhance the sell out mechanism to improve efficiency of sales function.

c) Margin erosion due to higher costs

Exposure to commodity price volatility can impact the costs, leading to margin erosion.

Mitigation

The Company focus on velocity of pass through and timely pricing actions. Constant monitoring of commodity trends and competitor price transmission in the market has been taken up by the Company. The Company has plans to invest in expanding the in-house manufacturing of the products.

d) Cyber security

Due to increased threat of cyber security incidents globally, IT downtime and data loss can adversely impact business operations.

Mitigation

The maturity level of cyber security is continuously benchmarked to industry standards and Information Security Management Systems and Policies are enhanced accordingly. Cyber Threats are mitigated by deploying various systems, tools and processes such as Data classification (DC), Data Leakage Protection (DLP), Data Backup and Recovery (DR), end point protection, access management, secured network connectivity, firewalls, password management and Vulnerability assessments. Further, focus is placed on building awareness among users.

e) Environment, Health, and Safety

EHS incidents can impact business continuity. It can also hinder the abilities and morale of employees, associates and business partners.

Mitigation

The Company has adopted an EHS compliance framework, where compliances requirements of all units, are currently mapped and monitored. Adequate preventive measures for fire safety, electrical safety and working on heights are in place along with strong audit systems. Hazard Identification Risk Assessment (HIRA) is also being carried out, for all activities to mitigate the risks.

f) Pandemic

Another wave of Covid-19 can cause significant disruption to business. It includes demand and supply risk, shutdown of units and reduction in employee productivity due to remote working conditions.

Mitigation

The Company is building up additional inventory to overcome intermittent disruptions in the supply. It is working towards creating adequate awareness and having safety arrangements well in place, so that, risk to employees is minimized. Vaccination drives, across the organization, covering employees and their families, have been conducted. Company is also well equipped to reap the benefits of consumer shift to digital channels.

g) Slower economic growth

Slower GDP growth recovery in the medium term (post-Covid years) will significantly impact the Company's growth plans.

Mitigation

The Company is shifting resources, workflow, and business systems in those areas, that are less likely to be affected by the slowdown. Digital transformation is being implemented across functions, which will help to improve the efficiencies and competitiveness in due course. Further, projects have been deployed for margin improvement & cost effectiveness.

h) Geopolitical events impacting supply

Supply disruptions due to geopolitical events may impact input costs and supply chain.

Mitigation

The Company plans to minimize the impact of disruption by producing appropriate quantities and strategic stocking ahead of season, to ensure continuity of supply. Focus is placed on developing domestic alternate sources like new manufacturing units and OEM suppliers to reduce dependence on long supply routes including imports. Further, R & D team is continuously working on developing alternate formulations in case of raw materials.

11. Audit & Internal Control System

The Company has Internal Control Systems commensurate with the nature of its business, size, and complexities which is integrated with Company policies, defined Standard Operating Procedures (SOP) across processes and approved Delegation of Authority (DOA) Matrix. The key objective of the internal control systems is to manage business risks, enhance shareholder value and safeguarding of the assets.

Cross functional internal audits are conducted at all locations to ensure that high standards of Internal Controls are maintained. It provides reasonable assurance on the internal control environment and against non-occurrence of material misstatement or loss. Every quarter, Audit Committee reviews the adequacy and effectiveness of internal control system and monitors the implementation of audit recommendations.

The Company has a robust Internal Financial Controls monitoring framework. The Company continuously monitors process changes and updates the Risk and Control Matrices (RCMs) along with identification of process automation opportunities and enhanced management monitoring mechanisms to strengthen the control environment. Key controls across processes were tested during the year to provide assurance regarding compliance with the existing policies and significant operating procedures, and no significant weaknesses/deviations were noted in effectiveness of the controls.

Further, the Statutory Auditors of the Company also carried out audit of the Internal Financial Controls Over Financial Reporting of the Company as on March 31, 2022 and issued their report which forms part of the Independent Auditor's report.

Directors' Report

Your Directors' take pleasure in presenting their 26th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the year ended March 31, 2022.

1. FINANCIAL SUMMARY

The summarized standalone and consolidated results of your Company with previous year's figure are given in the table below:

(₹ in crores)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue from Operations	3474.65	2699.00	3498.17	2721.24
Other Income	5.60	2.92	5.43	2.55
Finance Income	7.34	18.18	7.34	18.18
Total Income	**3487.59**	**2720.10**	**3510.94**	**2741.97**
Operating Expenditure	3142.52	2392.51	3159.95	2409.14
Operating Profit before Depreciation, Interest & Tax	**345.07**	**327.59**	**350.99**	**332.83**
Finance Cost	7.52	5.60	7.88	6.10
Depreciation and Amortization Expense	47.50	37.32	49.15	38.63
Profit Before Tax	**290.05**	**284.67**	**293.96**	**288.10**
Tax Expense:				
a) Current Tax	69.01	86.30	70.61	87.73
b) Deferred Tax	(5.76)	(0.61)	(5.08)	(1.52)
Profit After Tax	**226.80**	**198.98**	**228.43**	**201.89**
Basic EPS (₹)	5.27	4.64	5.29	4.68
Diluted EPS (₹)	5.23	4.61	5.25	4.65

2. COMPANY PERFORMANCE

Your Company recorded Net Revenue from Operations of ₹ 3474.65 crs on standalone basis, for the Financial Year ended March 31, 2022. Revenue grew by 28.74% compared to ₹ 2699.00 crs recorded during the previous Financial Year. The Profit After Tax for the year grew by 13.98% to ₹ 226.80 crs from ₹ 198.98 crs recorded in the previous Financial Year. The segment wise performance of the Company is detailed under the section Management Discussion and Analysis Report which forms part of this Annual Report.

The consolidated net revenue from operations for the Financial Year under review was ₹ 3498.17 crs, with a growth of 28.55% over ₹ 2721.24 crs for the previous Financial Year. On consolidated basis, the Company earned a Profit After Tax of ₹ 228.43 crs for the Financial Year 2021-22, against ₹201.89 crs recorded during the previous Financial Year. The consolidated numbers included the financial performance of Guts Electro-Mech Limited and V-Guard Consumer Products Limited (VCPL), Subsidiary Companies.

All the segments performed well during the year, despite the transitional impact due to COVID – 19 pandemic on the business. The Company was able to overcome the supply chain challenges faced in the previous financial year due to the pandemic. Elevated commodity prices impacted the margins across segments. Though the inflationary environment is expected to pose challenge on the business, your Directors are confident that economic activities will recover gradually and desired growth will be achieved in the coming financial year.

3. SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND SIMON ELECTRIC PRIVATE LIMITED (SEPL) AND THEIR SHAREHOLDERS AND CREDITORS

During the year under review, the Board of Directors has approved Scheme of Amalgamation amongst the Company, SEPL (Transferor Company) and their respective Shareholders and Creditors in compliance with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the Act) and also as per the Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. Upon effecting the Scheme of Amalgamation, the Simon's Indian business will be merged with the business of the Company. The value of the transaction is ₹ 27.3 crs and the equity shares of the Company will be issued and allotted to the shareholders of SEPL.

The Scheme of Amalgamation shall be subject to the approval of National Company Law Tribunal (NCLT), Shareholders and Creditors of both the Companies. The Company has received Observation letters vide dated May 13, 2022, from both the Stock Exchanges BSE Limited and National Stock Exchange of India Limited (NSE).

SEPL is a private limited company incorporated on August 02, 2006 and is a wholly owned subsidiary of Simon Holding SL and Simon SA, Spain. The Registered office of SEPL is located at XIII/300 E-27(XXXV/565), 5th Floor, KCF Tower, Kakkanad Desom, Thrikkakara P.O, Kanayannur Taluk, Vazhakkala, Ernakulam-682021. SEPL is engaged in the business of manufacturing and trading of electrical wiring accessories, such as electrical switches, sockets, fan regulators and home automation products. The net revenue from operations for the period ended September 30, 2021 is ₹5.78 crs.

Simon Group, founded in the year 1916 in Olot, Spain, is over 100 years old with more than € 330 Mn in global turnover. Headquartered in Barcelona, Spain and currently led by the fourth generation of the founding family, it has presence in more than 100 countries worldwide. The Group's business focus includes switches, sockets, small electrical equipment, connectivity solutions, indoor/outdoor & architectural lighting, automation & control systems and electric vehicle chargers. Simon Group has a direct presence in more than 18 countries, with 4,000+ employees, 180+ patents and 60+ design awards, making it a leading global player in its chosen business areas. Simon Group is also a winner of several prestigious global design awards like Red Dot Award, IF Design Gold Award, Plus X Award and Delta Award in various categories.

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

As on March 31, 2022, the Company's investment in Guts Electro-Mech Ltd., which is engaged in the business of manufacture and supply of MCB & RCCB, continues at 74%.

During the year under review, the Company formed V-Guard Consumer Products Limited (VCPL), as Wholly Owned Subsidiary, for focusing more on manufacturing and development activities and achieve manufacturing excellence. VCPL is engaged in the business of manufacturing and selling of various electronics, electricals and consumer durables. All manufacturing units planned by the Company in respect of various product categories will be set up under VCPL. Wholly Owned Subsidiary set up its first manufacturing facility for production of Stabilizer and Digital UPS in Pantnagar, Uttarakhand, and commercialized the unit in March 2022.

Presently, the Company does not have any material subsidiary.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), can be accessed on the Company's website at www.vguard.in.

5. CHANGES TO THE SHARE CAPITAL

During the year under review, the Company has allotted 4,21,380, 5,54,848, 3,50,000 and 27,248 number of equity shares of ₹ 1/-, ₹ 34.64, ₹ 68.75 and ₹ 71.36 respectively under ESOS 2013. The Paid-up Capital of the Company, as at March 31, 2022 was ₹ 43,15,41,934.

6. DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 1.30 (One Rupee Thirty Paise) per equity share of ₹ 1/- each (130% on the equity share capital) for the financial year 2021-22. The dividend, if declared as recommended, at the ensuing Annual General Meeting of the Company, would involve an outflow of ₹ 56.10 crs. Dividend would be payable to all the shareholders/ Beneficial Owners whose names appear in the Register of Members / Register of Beneficial Owners respectively as on July 21, 2022.

The Registers of Members and Beneficial Owners will remain closed from July 22, 2022 to July 28, 2022(both days inclusive).

7. INVESTOR EDUCATION AND PROTECTION FUND

Transfer of Unpaid/ Unclaimed Dividend & Share Application Money to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 (the Act) unclaimed/ unpaid dividend of ₹ 3,71,322 which was lying in the Unpaid Dividend Account for the Financial Year 2013-14 was transferred during the year under review to IEPF.

Reminders are sent regularly to the Shareholders who have not claimed the dividend amount, to claim the same from the Company failing which, the unclaimed dividend lying in the unpaid account for seven years shall be transferred to IEPF within thirty days from the due date for transfer of unpaid dividend. Unclaimed dividend in respect of the financial year 2014-15 is due for transfer to IEPF on September 2, 2022.

Transfer of Equity Shares to Investor Education Protection Fund Authority (IEPFA)

In terms of Section 124(6) of the Act read with Rule 6 of the IEPFA (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be transferred to the Demat Account of IEPFA within a period of thirty days of such shares become due for transfer. Upon transfer of such shares, all benefits (like dividend, bonus, split, consolidation etc.), if any, accruing on such shares shall also be transferred to the demat / bank Account of IEPF(A) and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The Shares transferred to the Demat Account of IEPFA can be claimed back by the shareholder by following the procedure prescribed under the aforesaid rules. The procedure to be followed by the shareholders are detailed on the website of the Company, www.vguard.in, under 'Investor Relations'.

During the year under review, the Company was required to transfer 9,102 equity shares, which were held by 16 shareholders to IEPFA, as dividend had not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2013-14. The Company was able to transfer only 8,302 equity shares to IEPFA, as demat account of one shareholder holding 800 equity shares is under suspension since October 2009. The Company filed form IEPF – 3 for furnishing details of shares which could not be transferred to IEPFA.

Details of Nodal Officer

The details of the nodal officer appointed by the Company under the provisions of IEPF is given below and the same is disseminated on the website of the Company www.vguard.in

Name of the Company Secretary designated as Nodal Officer	Jayasree K
Direct Phone No.	+91- 484 433 5000 +91 - 7356956793
Email ID	jayasree@vguard.in
Address	V-Guard Industries Ltd. 42/962, Vennala High School Road, Vennala, Ernakulam – 682028

8. FIXED DEPOSIT

The Company has not accepted any deposit within the meaning of Chapter V of the Act and the Rules framed thereunder during the year under review.

9. 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

There are no material changes and commitments 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.

10. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year 2021-22.

11. POSTAL BALLOT

During the year under review, the Board of Directors has not sought any approval of the shareholders of the Company through Postal Ballot process pursuant to the provisions of Sections 108 & 110 of the Act read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations.

12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS / COURTS / TRIBUNALS

There were no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

13. CREDIT RATING

The Company's credit facilities are rated by Investment Information and Credit Rating Agency of India Limited (ICRA Ltd.). The Company continues to have long-term rating of [ICRA] AA (pronounced as ICRA double A) and short-term rating of [ICRA] A1+ (pronounced as ICRA A one plus). The outlook on the long-term rating remains stable.

14. BUSINESS RESPONSIBILITY REPORT

The Ministry of Corporate Affairs, Government of India, in July 2011, came out with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. These guidelines contain certain principles which are to be adopted by companies as part of its business practices and disclosures regarding the steps taken to implement these principles through a structured reporting format, viz., Business Responsibility Report. Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Company has prepared the Business Responsibility Report which forms part of this Annual Report.

15. BOARD OF DIRECTORS AND ITS COMMITTEES

a) Composition of the Board of Directors

As on March 31, 2022, the Board of Directors of the Company comprised of nine Directors, with two Executive and seven Non-Executive Directors, which includes six Independent Directors. The composition of the Board of Directors meets the requirements of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

b) Change in office of Directors and Key Managerial Personnel of the Company during the year under review and details of Directors seeking Re-appointment at 26th Annual General Meeting

The members of the Company in their 25th Annual General Meeting held on August 5, 2021, re-appointed Mr. Ramachandran V, Director and Chief Operating Officer, who retired by rotation. The members also re-appointed Mr. Mithun K Chittilappilly, Managing Director, for a period of five years with effective from April 1, 2021 and re-appointed Ms. Radha Unni, Independent Director, for a second term of five consecutive years, effective from September 27, 2021. Further the members appointed Prof. Biju Varkkey as Independent Director for a term of five consecutive years effective from May 26, 2021.

As per the provisions of Section 152 of the Act, Mr. B Jayaraj, Director, is liable to retire by rotation at the ensuing Annual General Meeting, being longest in office. He intimated his desire to retire from the Board of the Company and has not opted for re-appointment at the ensuing Annual General Meeting. In compliance with the provisions of aforesaid Section, the office of Mr. Ramachandran V, is liable for retirement by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

c) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The Nomination and Remuneration Committee has formulated Nomination, Remuneration and Evaluation Policy, which details the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the Listing Regulations. The policy forms part of this report.

d) Declaration by Independent Directors

Mr. Cherian N Punnoose, Mr. C J George, Mr. Ullas K Kamath, Ms. Radha Unni, Mr. George Muthoot Jacob and Prof. Biju Varkkey, Independent Directors, have furnished a declaration stating that they meet the criteria of independence as envisaged in Regulation 16 of the Listing Regulations and Section 149(6) of the Act.

e) Certificate from Practicing Company Secretary

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations, M/s. Keyul M Dedhia & Associates, Company Secretary in Practice, Mumbai, has certified that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority and the certificate forms part of the Report of Corporate Governance forming part of this Annual Report.

f) Number of Meetings of the Board of Directors

The Board meets at regular intervals to consider and approve financial results, business policies and strategic proposals apart from other items of business. The Board and Committee meetings are pre-scheduled, and a tentative annual calendar of meetings is circulated to the Directors in advance to ensure participation of all Directors.

During the year under review, seven Board meetings were held, and meetings of Subcommittees were also held. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations. The details of the meetings are given in the Report on Corporate Governance which forms part of this Report. The Company provides all the Board members the facility to participate the meetings of Board and Subcommittees through Video Conferencing / Other Audio-Visual Means.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 25, 2022, and the Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the Listing Regulations. All the Independent Directors attended the said meeting.

g) Statutory Committees of the Board

Pursuant to the requirements under the Act and the Listing Regulations, the Board of Directors has constituted various Committees of Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility (CSR) Committee.

The composition and terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee and number of meetings held during the year under review are given in the section, Report on Corporate Governance forming part of this Annual Report.

The CSR Committee of the Company as of March 31, 2022 comprised of four members, Mr. B Jayaraj, Mr. Cherian N Punnoose, Mr. Mithun K Chittilappilly and Mr. George Muthoot Jacob. Mr. B Jayaraj, Director is the Chairman of the CSR Committee.

The Committee met twice during the year under review, on May 26, 2021 and February 1, 2022. The Committee recommended the amount of CSR spent for the financial year and the various CSR programs/activities to be carried out by the Company to the Board, for its consideration and approval.

The Board constituted a Risk Management Committee in line with the requirements of Regulation 21 of the Listing Regulations. The Committee consists of four members, Mr. Ullas K Kamath, Independent Director, Mr. Mithun K Chittilappilly, Managing Director, Mr. Ramachandran V, Whole-time Director and Mr. Sudarshan Kasturi, Chief Financial Officer. During the year under review, the committee met twice to discuss the various risks identified and the mitigation processes.

h) Performance Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, annual evaluation of the performance of the Board, the Directors and Sub-committees of the Board was evaluated through an external agency.

The Nomination and Remuneration Committee of the Company has engaged an external agency to carry out the evaluation of performance of each individual Director, Sub- committee and Board as a whole. Performance evaluation was carried out through an external platform, based on a structured questionnaire, formulated taking into consideration the criteria approved by the Nomination and Remuneration Committee.

Evaluation criteria of the Board was made based on the role played by the Board in Governance, overall functioning, evaluating strategic proposals, financial reporting process, internal controls and its effectiveness and review of risk management process. The evaluation of individual Director was carried out based on various parameters such as participation in the Board and its Committee meetings, contribution towards strategic proposals, suggesting risk mitigation measures, putting in place internal controls, governance, leadership and talent development and managing external stakeholders. Performance evaluation of various Sub- committees of the Board was carried out based on the criteria such as constitution, effective functioning of the Sub-committees as per the terms of reference, periodical suggestions and recommendations given by the Sub-committees to the Board etc.

In the meeting of Independent Directors held during the year, the members considered evaluation of the performance of the Chairman based on criteria such as giving guidance to the Board and ensuring the independence of the Board etc. The performance of the Non-Independent Directors was also evaluated based on their contribution made to the growth of the Company, strategic initiatives and Board deliberations.

i) Directors' Responsibility Statement

Pursuant to the provisions under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, the Directors confirm:

i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

ii. That they had selected such accounting policies and applied them consistently, and made judgements 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;

iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That they had prepared the annual accounts on a going concern basis;

v. That they 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

vi. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. AUDIT RELATED MATTERS

a) Statutory Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants with Firm Registration Number - 101049W / E300004 will hold office, up to the conclusion of the ensuing Annual General Meeting, completing their second term of five years as Statutory Auditors as per the provisions of Section 139(1) of the Companies Act, 2013.

The Board of Directors upon the recommendation of the Audit Committee proposes to the shareholders the appointment of M/s. Price Waterhouse Chartered Accountants LLP

(Registration No. 012754N / N500016) as Statutory Auditors of the Company, for a term of 5 (five) years to hold office from the conclusion of 26th Annual General Meeting until the conclusion of 31st Annual General Meeting of the Company to be held in the calendar year 2027.

b) Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors has re-appointed M/s. BBS & Associates, Cost Accountants, as Cost Auditors for financial year 2022-23 to conduct audit of cost records maintained by the Company. The appointment and remuneration payable to the Cost Auditors were approved by the Board, based on the recommendation of the Audit Committee. The requisite resolution for ratification of remuneration payable to Cost Auditors, by the members of the Company is set out in the Notice of the ensuing AGM. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the financial year 2020-21, issued by M/s. BBS & Associates, Cost Accountants, was filed with the Ministry of Corporate Affairs on August 25, 2021. The Cost Audit Report does not contain any qualifications, reservations, or adverse remarks.

The Cost Audit Report for the Financial Year 2021-22 to be issued by M/s. BBS & Associates, Cost Accountants will be considered by the Board of Directors.

c) Secretarial Auditors

M/s. Keyul M Dedhia & Associates, Company Secretaries, Mumbai, were appointed as Secretarial Auditors of the Company for the financial year 2021-22 pursuant to Section 204 of the Act. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as **Annexure-I** to this report.

17. REPORTING OF FRAUDS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors or the Cost Auditors has reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

18. POLICY MATTERS

a) Nomination, Remuneration and Evaluation Policy

In terms of provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee of the Company has formulated and recommended to the Board a policy, containing the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non- Executive) and it highlights the remuneration for the Directors, Key Managerial Personnel and other employees, ensuring that it covers the matters mentioned in Section 178(4) of the Act. Nomination, Remuneration and Evaluation Policy approved by the Board forms part of this Report as **Annexure-II**.

b) Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, which enables the Directors and Employees to report instances of unethical behavior, fraud or violation of Company's Code of Conduct. The policy provides for direct access to the Chairperson of the Audit Committee and safeguarding the employees and Directors who raises grievances against victimization. The policy has been circulated amongst the employees of the Company working at various locations, divisions/units.

The policy formulated in line with the provisions of the Act and the Listing Regulations is available on the website of the Company www.vguard.in.

c) Corporate Social Responsibility Policy

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee and framed a CSR policy which details the programs / activities that can be carried out under various program heads and the same is available on the website of the Company www.vguard.in.

The Company's CSR Programmes are focused on Health Care and Education, Infrastructure Development, Sustainable Livelihood and Social Empowerment & Welfare, Arts and Culture. During the year, the Company carried out several initiatives under the CSR programme heads, through V-Guard Foundation, a Section 8 Company formed by the Company. A report on CSR activities is attached as **Annexure-III** forming part of this report.

d) Risk Management Policy

The Company has formulated Enterprise Risk Management policy in accordance with the guidelines provided under the Charter of the Risk Management Committee of the Board of Directors, and pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Risk Management policy provides a structured, consistent, and continuous process across the whole organization for identifying, assessing, deciding on mitigations and reporting on the opportunities and threats that may affect the achievement of its strategic objectives.

The Company has enhanced Enterprise Risk Management Charter and Policy to institutionalize a formal risk management function and framework consisting of Risk Management Process and Risk Governance and Communication Structure. For detailed framework and outcome refer to Enterprise Risk Management section in the Management Discussion and Analysis Report.

e) Dividend Policy

Pursuant to the provisions of Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Policy which details the dividend philosophy of the Company, the factors which are considered by the Board while recommending / declaring dividend, suggested band for proposing dividend payout, periodicity of dividend, circumstances in which special dividend is considered etc. The said policy is given in **Annexure-IV** to this report and posted on the website of the Company www.vguard.in.

19. OTHER MATTERS

a) Internal Financial Controls

The Company has Internal Control Systems commensurate with the nature of its business, size and complexities. Audit Committee reviews the adequacy and effectiveness of internal control system and monitors the implementation of audit recommendations. During the year under review, the Internal Audit division of the Company conducted detailed review of control processes in key control areas. No significant deficiency was reported during the test of IFC.

Further, the Statutory Auditors of the Company also reviewed Internal Financial Controls over Financial Reporting of the Company as on March 31, 2022 and issued their report which forms part of the Independent Auditor's report.

b) Particulars of Loans, Guarantees and Investments

During the year under review, the Company has not given any loan falling under the provisions of Section 186 of the Act. The Company extended Corporate Guarantee to V-Guard Consumer Products Ltd. (VCPL), Wholly Owned Subsidiary, for availing of credit facilities for a limit not exceeding ₹ 50 crs from financial institutions/ banks.

Investment was made in equity shares of VCPL and the amount invested till the date of this report is ₹ 89.69 crs. No other investment is made during the year under review.

c) Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

The financial summary of Subsidiary companies are as follows:

₹ in crs

Particulars	2021-22	2020-21
Guts Electro-Mech Limited		
Revenue from Operations	59.43	55.28
Profit Before Tax	4.48	5.30
Profit After Tax	2.87	4.13
V-Guard Consumer Products Limited		
Revenue from Operations	0.40	-
Profit Before Tax	(2.22)	-
Profit After Tax	(2.00)	-

Consolidated Financial Statements of the Companies are prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements and the same forms an integral part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries, for the Financial Year 2021-22 is given in Form AOC-1 which forms an integral part of this Annual Report.

In accordance with Section 136(1) of the Act, the Annual Report of your Company containing inter alia, financial statements including consolidated financial statements, has been placed on the Company's website, www.vguard.in. Further, the financial statements of the Subsidiaries are also placed on the Company's website.

The audited financial statements including the consolidated financial statements of the Company and audited financial statements in respect of the Subsidiary companies shall be available for inspection. Any member desirous of inspecting the above documents may write to the Company and the facility to inspect the documents electronically shall be provided.

d) Any Revision made in Financial Statements or Board's Report

The Company has not revised the Financial Statements or Board's Report in respect of any of the three preceding Financial Years.

e) Employee Stock Option Scheme 2013

During the year under review, 37,706 and 17,688 no. of options of ₹ 1/- each, being the options for time based vesting for the fourth year were vested in respect of the grant made on May 19, 2017 and July 31, 2017 respectively. Options to the extent of 47,023 of ₹ 1/- each were vested on time basis for the fourth year in respect of grant made on January 22, 2018.

Further, options to the extent of 8,691 of ₹ 1/- each were vested, for the third year of vesting in respect of grant made on May 30, 2018. 11,765 no. of options of ₹ 1/- each were vested during the year in respect of the grant made on July 31, 2018, for the third year. 14,286 no. of options of ₹ 1/- each were vested during the year in respect of grant made on January 31, 2019 being the options for the third year of vesting.

Also, 5,896 no. of options of ₹ 1/- each were vested on time basis being the options for the second year of vesting in respect of grant made on November 5, 2019. Options to the extent of 3,14,800, 2,05,478, 55,822 and 4,396 no. of options of ₹ 1/- each, being the options for time based vesting for the first year were vested in respect of the grant made on May 22, 2020, August 27, 2020, February 03, 2021 and March 19, 2021 respectively

The Nomination and Remuneration Committee granted options to the extent of 1,47,685, 1,14,365, 2,51,143 and 59,980 no. of options at ₹ 1/- each under ESOS 2013 on July 30, 2021, October 28, 2021, February 02, 2022 and March 25, 2022 respectively and it will be vested over a period of four years from the date of grant, based on time and performance basis.

During the year, 39,476 no. of options granted at ₹ 1/- each were cancelled due to separation and nonachievement of performance parameters. The options cancelled were made available in the Scheme for considering future grant.

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1)(b) of the Act, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is provided in **Annexure-V** which forms part of this Report.

f) Code of Conduct

In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted Code of Conduct (the Code) for Directors and Senior Management, which provides guidance on ethical conduct of business and compliance of law.

All members of the Board and Senior Management personnel have affirmed the compliance with the Code as on March 31, 2022. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations is given in the Report of Corporate Governance forming part of this Annual Report. The Code is made available on the Company's website www.vguard.in.

g) Annual Return

The details forming part of the Annual Return of the Company containing the particulars prescribed under section 92 of the Act, in Form MGT-7, as on March 31, 2021, is made available on the Company's website www.vguard.in.

Also, the draft of Form MGT-7, as on March 31, 2022, is made available on the Company's website www.vguard.in.

h) Management Discussion and Analysis Report

As per the terms of Regulation 34(2)(e) of the Listing Regulations, the Management Discussion and Analysis Report forms part of this Annual Report.

i) Related Party Transactions

All related party transactions which were entered during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered by the Company with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interests of the Company.

A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of transactions. Since all the related party transactions entered during the financial year were on an arm's length basis and in the ordinary course of business, no details are required to be provided in Form AOC-2 as prescribed under Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

In accordance with the requirements of the Listing Regulations, the Company has also adopted Policy on Materiality and dealing with Related Party Transactions and the same has been placed on the website of the Company www.vguard.in.

j) Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements. The Report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report. Further as required under Regulation 17(8) of the Listing Regulations, a certificate from the Managing Director and Chief Financial Officer is annexed with this Report.

k) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

l) Particulars of Remuneration details of Directors, Key Managerial Personnel and Employees

The remuneration details of Directors and Key Managerial Personnel and ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure-VII**. In accordance with the provisions of Section 197(12) of the Act and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of remuneration of top ten employees who have drawn remuneration not less than the limits specified in the Rules are available with the Company and in terms of provisions of Section 136(1) of the Act, this report is being sent to the members without this detail and any member desirous of obtaining information may write to the Company and the same shall be provided through electronic mode till the date of the ensuing Annual General Meeting and the details are made available on the website of the Company www.vguard.in.

m) **Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment as per the guidelines provided in the policy. All women employees (permanent, temporary, contractual and trainees) are covered under this policy and it has been circulated amongst the employees of the Company and the same is exhibited on the notice board of all the business locations/ divisions of the Company. During the year under review, the Company has not received any complaint.

20. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the various Secretarial Standards issued by the Institute of Company Secretaries of India.

21. LISTING OF SHARES

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Ltd. (BSE). The listing fee for the Financial Year 2022-23 is paid to both the Stock Exchanges.

22. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Code) for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations. The copy of the same is available on the website of the Company www.vguard.in.

23. PREVENTION OF INSIDER TRADING

The Board has formulated code of conduct for regulating, monitoring and reporting of trading of shares by Insiders. This code lays down guidelines, procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliances. The copy of the same is available on the website of the Company www.vguard.in.

24. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016

During the year under review, the Company has neither made any application nor any proceeding pending under the Insolvency and Bankruptcy Code 2016.

25. ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the steadfast commitment and performance showcased by the employees at all levels during all times, especially in the uncertain environment witnessed during the year under review. The relentless performance of the employees over the years has led to excellent growth trajectory. The Directors also sincerely thank channel partners, shareholders, various Government & other Statutory Authorities, Banks, Financial Institutions and Analysts for their continued assistance, co-operation and support.

For and on behalf of the Board of Directors of

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K. Chittilappilly**
Date : May 19, 2022	Chairman	Managing Director
Place : Ernakulam	DIN: 00061030	DIN: 00027610

Anneuxre I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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,
V-Guard Industries Limited
Corporate Identity Number: L31200KL1996PLC010010
42/962, Vennala High School Road, Vennala, Ernakulam, Kochi, Kerala- 682 028.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by V-Guard Industries Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We would like to state that due to COVID-19 pandemic, we have not physically verified the records of the Company for the purpose of secretarial audit and have instead placed our reliance solely on the contents of electronically signed / scanned copies of the records, documents, papers, information, confirmation, etc; provided to us over e-mail by the Company, its officers and authorized representatives.

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) 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 financial year ended on March 31, 2022 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2022, as per the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;

(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 (to the extent applicable);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014/ The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit period)**;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/ The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit period)**;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period)**; and

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

(vi) We relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:

1. The Bureau of Indian Standard Act, 1986 and rules made thereunder.

2. The Essential Commodities Act, 1955.

3. Household Electrical Appliances (Quality Control) Order, 1981.

We have also examined compliance with the applicable clauses:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have not found material observation or instance of non compliance in respect of the same.

We further report that

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

Adequate notice was given to all Directors about scheduled Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officer, majority decisions were carried through while dissenting member's views, if any, were captured and recorded as part of the Minutes.

Based on the representation made by the Company and its Officers explaining to us in respect of internal systems and mechanisms established by the Company which ensures compliances of other, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

a. The Board of Directors of the Company has approved the Scheme of Amalgamation between Simon Electric Private Limited and V-Guard Industries Limited and their respective Shareholders and Creditors ('the Scheme') in accordance with the provisions of Section 230 to 232 of the Companies Act, 2013 subject to approval of the Members, Creditors and such other concerned regulatory authority(ies), as the case may be. The Company has filed the draft Scheme with the Stock Exchange(s) for obtaining No Objection Letter and received the observation letter dated May 13, 2022 from BSE Limited and the National Stock Exchange of India Limited.

For Keyul M. Dedhia & Associates
Company Secretaries
Unique ICSI Code Number: S2009MH120800

Keyul M. Dedhia
Proprietor
FCS No: 7756   COP No: 8618
UDIN: F007756D000347227
Peer Review Certificate No: 876/2020
May 19, 2022, Mumbai.

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.

'Anneuxre A'

To,
The Members,
V Guard Industries Limited
Corporate Identity Number: L31200KL1996PLC010010
42/962, Vennala High School Road, Vennala, Ernakulam, Kochi, Kerala- 682 028.

Sub: 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-check basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow 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 and we rely on Statutory Auditors' Independent Assessment on the same.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance on test-check basis.

6. 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 Keyul M. Dedhia & Associates
Company Secretaries
Unique ICSI Code Number: S2009MH120800

Keyul M. Dedhia
Proprietor
FCS No: 7756 *COP No: 8618*
UDIN: F007756D000347227
Peer Review Certificate No: 876/2020
May 19, 2022, Mumbai.

Anneuxre II

Nomination, Remuneration & Evaluation Policy

I. PREAMBLE

As per the provisions of Section 178 of the Companies Act, 2013("the Act") and Regulation 19 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), every listed company shall constitute a Nomination and Remuneration Committee and such Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

Further, Sections 134 & 149 of the Act requires every listed company to have a formal evaluation mechanism to evaluate the performance of the Board, its Committees and Individual Directors. Section 178 of the Act further provides that Nomination & Remuneration Committee of the Company shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

In compliance of the above requirements, V-Guard Industries Limited being a Listed Company has constituted a Nomination and Remuneration Committee and the Committee has formulated a Nomination, Remuneration and Evaluation Policy to provide a framework and set standards for the nomination and remuneration of the Directors, Key Managerial Personnel and Other employees and evaluation of the Directors. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

II. DEFINITIONS

a) **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;

b) **Board** means Board of Directors of the Company

c) **Director** means a director appointed to the Board of the Company and includes Whole-time Directors, Non-Executive Directors and Independent Directors.

d) **Key Managerial Personnel (KMP)** means

   i. Managing Director,

   ii. Whole-time Directors,

   iii. Chief Financial Officer,

   iv. Company Secretary and

   v. Such other officer(s) as may be prescribed

e) **Nomination & Remuneration Committee of the Company** means a sub-committee of the Board constituted in accordance with the provisions of Section 178(1) of the Act and Regulation 19(1) of the Listing Regulations and consists of five Independent Directors as members.

f) **Senior Management** means all employees in the designation of Senior Vice President / Vice President, other than the Directors and KMPs of the Company, and are part of the core management team.

III. OBJECTIVES OF NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

a) Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board.

b) Identifying individuals suitably qualified to be appointed as Directors, KMPs and Senior Management Personnel of the Company.

c) Recommending to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

d) Recommending to the Board to provide any kind of reward to KMPs and Senior Management Personnel linked to their performance and achievement relating to the Company's operations.

e) Ensuring that level and composition of remuneration is reasonable and sufficient and relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

f) Assessing the independence of Independent Directors.

g) Evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board members.

h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director, subject to the provisions of law and their service contracts. Further, the extension or continuation of the term of appointment of the Independent Director shall also be on the basis of the report of performance evaluation of Independent Directors.

i) Devising a policy on Board diversity.

j) Developing a succession plan for the Board, KMPs and Senior Management and to regularly review the plan.

k) To recommend to the Board, all remuneration, in whatever form, payable to senior management.

l) Such other key issues or matters as may be referred by the Board or as may be necessary in view of the Listing Regulations and provisions of the Act and Rules made thereunder.

IV. POLICY FOR APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

A. Appointment criteria and qualifications

i) The Committee shall identify and ascertain the qualification, expertise, industry experience, integrity, background and other qualities of the persons for appointment as Director, KMP or at Senior Management level and recommend to the Board his /her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position concerned.

ii) The Committee shall assess the criteria of independence fulfilled by the appointee incase of recommending a person for appointment / re-appointment as Independent Director.

iii) The Committee shall consider the extent to which the person proposed to be appointed as Director, is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors and enhance the efficiencies of the Company.

iv) The Committee shall consider the nature of existing positions held by the appointee including directorships or other relationships and the impact it may have on the appointee's ability to exercise independent judgement.

v) The Committee shall consider the appointment of any person who has attained the age of 70 years as Whole-time Director, only with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment.

vi) The Committee shall ensure that the new Directors, KMPs and Senior Management are provided adequate training about the operations of the Company and reviewing the training procedures from time to time.

vii) The Committee shall ensure that formal letter of appointment is given to the Independent Directors at the time of their appointment.

B. Term / Tenure

i) The Committee shall recommend the appointment or re-appointment of any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

ii) The Committee shall recommend appointment or re-appointment of any person as Independent Director for a term upto five consecutive years and ensure that no Independent Director is holding office for more than two consecutive terms.

iii) Recommending to the Board, appointment of KMPs / Senior Management as per the provisions of the Act and policy of the Company.

C. Removal

The Committee may recommend to the Board due to reasons of any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and the same recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, Rules and Regulations.

D. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position or otherwise, even after attaining the retirement age, for the benefit of the Company.

V. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

A. Remuneration for Whole-time / Non-Executive / Independent Directors

i) The remuneration including commission payable to Whole-time Directors will be determined by the Committee in accordance with the provisions of the Articles of Association of the Company and the Act and recommended to the Board for approval, subject to the approval of the shareholders of the Company and Central Government, wherever required. The Whole- time Directors shall be eligible for a monthly fixed pay which includes HRA and commission on net profits/variable pay and other benefits like employer's contribution to PF, pension scheme etc. and other perquisites like LTA, reimbursement of medical expenses, car, use of telephone, club fees etc.

ii) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

iii) If in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act.

iv) Increments to the existing remuneration structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders.

v) Where any insurance is taken by the Company on behalf of its Directors, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to them. Provided that, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

vi) Non-Executive Directors and Independent Directors may be paid remuneration by way of commission at the rate of not exceeding 2% of the net profits of the Company calculated in accordance with the provisions of the Act.

vii) Non-Executive and Independent Directors shall receive remuneration by way of fees for attending the meetings of Board and sub-committees of the Board, in which they hold membership / chairmanship as the case may be. Sitting fee payable shall be fixed and approved by the Board within the limits as prescribed in the Act.

viii) Independent Directors are not entitled to any stock option of the Company.

B. Remuneration for Key Managerial Personnel and Other Employees

i) The Committee shall take into account the qualification, industry experience, integrity of the appointee, existing remuneration level for similar positions in other companies operating in the same sector etc., while fixing the remuneration payable to the KMPs and Senior Management Personnel. The remuneration payable shall be structured in such way that it consists of fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

ii) The Committee may also consider giving ESOP to KMPs & Senior Management.

VI. PERFORMANCE EVALUATION OF BOARD

As per the provisions of Sections 134 and 178 of the Act, the performance of the Board of a Company is to be evaluated annually by the Nomination and Remuneration Committee and a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be mentioned in the Board's report.

The Company's Board consists of optimum combination of Executive and Non-Executive Directors and performance evaluation of the Board as a whole, each individual director and sub-committees of the Board is to be carried out, to ensure that with the efficient performance of the Board, the Company's objectives are achieved and stakeholders' expectations are met.

A. In each Financial Year the Board will undertake the following activities:

i) The Board shall discuss the operating and financial performance, strategic proposals, risk management and key appointments and standards of conduct.

ii) The Board shall ensure that the Company has adopted best governance practices in all spheres of its operations which results in enhanced value for the stakeholders.

iii) The Board as a whole will discuss and analyse its own performance during the year.

iv) The Board shall review the performance of Independent Directors, excluding the Director being evaluated.

v) The Board shall review from time to time the necessity of forming any sub-committees of the Board and delegating certain of its powers, duties and responsibilities to such sub-committees.

vi) The Board shall review the terms of reference of the sub-committees to ensure that these are in line with the provisions of the Act, Listing Regulations or such other regulations that may be in force.

vii) The Board shall review the adequacy of number of meetings and provide suggestions for improving Board deliberations.

viii) The Board Shall ensure that minimum information is made available to the Board as specified in Annexure/Schedule to the Listing Regulations.

ix) The Board shall ensure that as per the provisions of the Act and the Listing Regulations, matters which are to be discussed and decided in Board meeting are placed and decided at the Board meeting.

x) The Board shall from time to time review those matters which have a bearing on the operations / performance of the Company and needs to be compulsorily informed to the exchange.

B. Independent Directors of the Company shall hold at least one meeting in a year and consider the following:

i) Review the performance of non-independent Directors and the Board as a whole.

ii) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

iii) Assess 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.

C. Criteria for evaluation of the performance of the Board

The Board will assess its performance with regard to the following aspects:

i) Analysing the size, structure and expertise of the Board.

ii) Reviewing the frequency of number of Meetings.

iii) Oversight of the Financial Reporting Process, including Internal Controls.

iv) Development of suitable strategies and business plans at appropriate time and its effectiveness.

v) Implementation of robust policies and procedures.

vi) Tackling difference of opinion.

vii) Understanding the enterprise Risk Management Strategy and Risk Appetite.

viii) Contribution in the Board discussions and deliberations enabling the Board to take appropriate and effective decisions.

ix) Awareness about the Roles and Responsibilities of the Board level committee.

x) Monitoring of all statutory compliance.

xi) Planning for top management succession.

D. Evaluation Criteria for Independent Directors:

a) Personal Traits

i) Highest personal and professional ethics, integrity, values and Independence.

ii) Inquisitive and objective perspective, practical wisdom and mature judgment.

iii) Contribution to Board deliberations.

b) Other Criteria

i) Preparedness at the meeting.

ii) Generation of new ideas and ability to challenge customs and practices being followed.

iii) Ability to contribute to and monitor corporate governance practice.

iv) Addition of value and unique perspective and insight to the discussion by the Board.

v) Quality of decision making.

vi) Integrity and maintaining of confidentiality.

vii) Exercise of objective independent judgement in the best interest of Company.

viii) Adherence to Code of Ethics & Conduct.

ix) Engagement level and participation at the Board / Committee Meetings.

x) Commitment, including guidance provided to senior management outside of Board / Committee meetings.

xi) Effective deployment of knowledge of industry, experience and expertise.

xii) Willingness to spend time and effort to learn about the Company and the business.

E. Evaluation Criteria for Individual Directors

Executive Director's performance will be evaluated considering the following:

i) Preparedness at the meeting.

ii) Generation of new ideas and ability to challenge customs and practices being followed.

iii) Ability to contribute to and monitor Corporate Governance Practice.

iv) Addition of value and unique perspective and insight to the discussions by the Board

v) Quality of decision making.

vi) Integrity and maintaining of confidentiality.

vii) Exercise of objective independent judgement in the best interest of Company.

viii) Adherence to Code of Ethics & Conduct.

ix) Achievement of financial /business targets prescribed by the Board.

x) Developing and Managing/ Executing business plans, operational plans, risk Management, and financial affairs of the organization.

xi) Display of leadership qualities i.e. living the purpose, anticipating business trends, opportunities and priorities affecting the Company's prosperity and operations.

xii) Enabling leadership development as a part of succession planning.

xiii) Development of policies, and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees and other stakeholders.

xiv) Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.

Non-Executive Director's performance will be evaluated considering the following:

i) Preparedness at the meeting.

ii) Generation of new ideas and ability to challenge customs and practices being followed.

iii) Ability to contribute to and monitor Corporate Governance Practice.

iv) Addition of value and unique perspective and insight to the discussions by the Board

v) Quality of decision making.

vi) Integrity and maintaining of confidentiality.

vii) Exercise of objective independent judgement in the best interest of Company.

viii) Adherence to Code of Ethics & Conduct.

ix) Engagement level and Participation at the Board / Committee meetings.

x) Effective deployment of knowledge of the industry, experience and expertise.

F. Evaluation Criteria for Chairman

i) Demonstration of leadership qualities.

ii) Relationship and communication within the Board and Managing relationship with the members of the Board and Management.

iii) Providing ease of raising of issues and concerns by the Board members.

iv) Promoting constructive debate and effective decision making at the Board.

v) Relationship and effectiveness of communication with the shareholders and other Stakeholders.

vi) Promoting shareholder confidence in the Board.

vii) Articulation of vision.

G. Evaluation Criteria for Committees

The Committee performance will be assessed with regard to the following aspects:

i) Analysing the size, structure and expertise of the Committee.

ii) Discharge of its functions and duties as per the terms of reference of Committee;

iii) Process and procedures followed for discharging its functions.

iv) Effectiveness of suggestions and recommendations received.

For and on behalf of the Board of Directors of

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K. Chittilappilly**
Date : May 19, 2022	Chairman	Managing Director
Place : Ernakulam	DIN: 00061030	DIN: 00027610

Anneuxre III

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **Brief outline on CSR policy of the Company:**

The CSR Policy of the Company has been formulated in terms of Section 135 of the Companies Act, 2013 (the Act), the Rules made thereunder and Schedule VII to the Act. The Company undertakes CSR projects which forms part of the CSR Policy, and the projects are predominantly carried out in the areas where the Company's offices or units are located. The Company has formed a Section 8 Company, V-Guard Foundation, which is the principal arm in implementing various CSR programs / projects.

The Company's CSR projects are carried under three broad program heads i.e., Edu-care and Skill Development Programs, Health Care Programs and Build India & Relief. During the year under review, focus was given for COVID -19 relief and rehabilitation activities, providing health care services to the economically backward people, improving the quality of life of socially and economically backward people, promotion of education and skill development, undertaking livelihood enhancement projects, providing support to differently abled children, activities to minimize environmental impacts, providing drinking water and sanitation facilities at schools etc.

2. **Composition of CSR Committee:**

Sl No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. B Jayaraj	Chairman	2	2
2.	Mr. Cherian N Punnoose	Member	2	2
3.	Mr. Mithun K Chittilappilly	Member	2	2
4.	Mr. George M Jacob*	Member	1	Nil

*Mr. George M Jacob was co-opted as a member of the CSR Committee effective from August 1, 2021 and was granted leave of absence for the meeting held on February 1, 2022.

3. **Weblink where composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:**

Information on composition of CSR Committee, CSR Policy and programmes approved by the Board are available on the website of the Company, www.vguard.in

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

Requirement of undertaking an impact assessment study as per the provisions of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable, as the average CSR Obligation for the three immediately preceding financial years was less than ₹10 Crs.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl No.	Financial Year	Amount available for set-off from preceding financial years (₹)	Amount required to be set-off for the financial year, if any (₹)
NIL			

6. **Average net profit of the Company as per section 135(5)**: ₹ 24,823.36 Lakhs

7.

Sl No.	Particulars	Amount (₹ in Lakhs)
A	Two percent of average net profit of the Company as per section 135(5)	496.47
B	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	2.76
C	Amount required to be set off for the financial year, if any	NIL
D	Total CSR obligation for the financial year (7A+7B-7C)	499.23

8.

a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
501.65	NIL		NIL		

* The excess amount of ₹88,000 transferred to V-Guard Foundation during the financial year 2020-21 was spent in FY 22.

b. Details of CSR amount spent against ongoing projects for the financial year: All the projects undertaken were executed during the financial year.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implem-entation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
NIL												

c. Details of CSR amount spent other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (in ₹)**	**Mode of Implementation - Direct (Yes/ No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration Number**
1.	**V-Guard Edu-care and Skill Development Programs** Projects executed include: 1. Enhancing infrastructure facilities at Government schools; 2. Therapeutic support and vocational training to enhance the quality of life of intellectually challenged children; 3. Skill development programs, vocational trainings etc. to improve the livelihood of unemployed youth.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Yes	Idduki, Palakkad, Ernakulam, Malapuram, Alappuzha, Thrissur (Kerala), Coimbatore (Tamil Nadu), Bangalore, Tumkur, Vijayapur (Karnataka), Kalam amb (Himachal Pradesh) Kashipur (Uttarakhand) Ghaziabad, Meerut, Agra, Aligarh ,Noida (U.P) Mumbai (Maharashtra) Domana (Jammu) Delhi		**1,23,11,837**	Direct: Nil Agency: 1,23,11,837	V-Guard Foundation	CSR00002896

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
2.	**V-Guard Health Care Programs** Projects executed include: 1. Support extended to combact COVID-19 pandemic by distribution of ventilators, personnel protection equipment, food kits etc. 2. Programs for accessibility of healthcare for economically backward classes	Promoting health care including preventive health care, sanitation programs and organizing medical camps	Yes	Kottayam, Ernakulam, Angamaly, Palakkad, Thrissur (Kerala), Coimbatore, Erode (Tamil Nadu), Bangalore, Manglore, Raichur, Belgavi (Karnataka), Hyderabad, (Telangana), Vijayawada, Krishna(Andhra Pradesh), Mumbai, (Maharashtra), Bhubaneswar, Cuttck, Koraput, Nabarangpur, (Orrissa) Sliguri (Bengal) Kashipur, Bhagwanpur, (Uttarakhand) Delhi, Nahan, UNA (H.P),Gangtok, East Sikkim, South Sikkim(Sikkim), Noklak (Nagaland)		**2,83,86,547**	Direct: Nil Agency: 2,83,86,547	V-Guard Foundation	CSR00002896

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
3.	**V-Guard Build India & Relief** Projects executed include; 1. Execution of drinking water projects in rural areas and initiatives for revival of water bodies. 2. Plantation of tree saplings in the vicinity of highway sides. 3. Installation of Air purification plants 4. CCTV installation at public places 5. Lively hood support Initiative to Tribes	1) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water. 2) Measures reducing inequalities faced by socially and economically backward groups	Yes	Coimbatore, Erode (Tamil Nadu), Kalaburgi (Karnataka), Delhi, Bagwanpur (Uttarakhand) Bhubaneswar(Odisha) Kolkata (West Bengal)		**87,86,143**	Direct: Nil Agency: 87,86,143	V-Guard Foundation	CSR00002896
	Total					**4,94,84,527**			

d. Amount spent in Administrative Overheads: **₹ 6,80,601**

e. Amount spent on Impact Assessment, if applicable: Not Applicable

f. Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **5,01,65,128**

g. Excess amount for set off, if any:

Sl No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	496.47
(ii)	Total amount spent for the Financial Year	501.65
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.18
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	2.76
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.42

*Total CSR spent for the Financial year 2021-22 is ₹ 501.65 Lakhs which is in excess of the amount required to be spent as per the provisions of the Companies Act, 2013. The Company does not intent to claim set off of the excess amount of ₹ 2.42 Lakhs spent during the FY 22.

9.

a. Details of Unspent CSR amount for the preceding three financial years:

Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)
Sl No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset- wise details):

Date of creation or acquisition of the capital asset	Amount of CSR spent for creation or acquisition of capital asset (₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address	Provide details of the capital asset(s) created or acquired
19.05.2021	3,71,880	DYSPMC Hospital, Nahan Sirmaur, Kalam amb	Oxygen concentrator
27.05.2021	4,38,400	Sub district Hospital, Roorkee	High Flow Oxygen nasals cannula & Ventilator

Date of creation or acquisition of the capital asset	Amount of CSR spent for creation or acquisition of capital asset (₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address	Provide details of the capital asset(s) created or acquired
07.06. 2021	8,02,639	Government Medical College, Kottayam	Ventilator Bipap, Multi para monitor, High Flow Oxygen nasals cannula
22.06.2021	3,60,000	District Hospital Aluva (COVID Treatment Centre), Ernakulam	Ventilator Bipap, Multi para monitor
13.07.2021	7,25,157	Thenkurrissi Grama Panchyath, Palakkad	Ambulance
03.08.2021	10,00,078	Erode Medical College, Erode	Interior work (Room partitions)
17.09.2021	80,000	Government Industrial Training Institute, Bajpur, Uttarkhand	Water cooler &Water Purifier
22.09.2021	78,766	Urban Primary Center, Kulai, Manglore	Battery, Inverter, ECG machine
18.10.2021	14,23,742	Santhi Medical Information Center, Thrissur	Ambulance
29.10.2021	74,930	Kottayam Medical College, Kottayam	Air disinfecting machine
18.11.2021	2,00,000	Raichur Institute of Medical Science Karnatatka	Laryngoscope machine
29.11.2021	2,25,000	Government Senior Secondary School ,Kala Amb,H.P	Reconstruction of toilet
17.12.2021	2,04,140	Government HPS Bhovi Colony School, Tiptur	Toilet facilities and compound wall
27.12.2021	10,10,223	Reserve Battalion Hospital, Bangarh, HP	Ambulance
11.01.2022	11,55,270	Government Primary School Islamnagar block b Jaspur ,US Nagar, Uttarkhand	Classroom construction
12.01.2022	10,03,000	Sannati Grama Panchayat,Chittapur,Kalaburgi	RO Water Plant
18.01.2022	5,00,298	KG Chavadi Police station, Coimbatore	CCTV
28.01.2022	38,90,460	Indian Institute of Technology Madras, Chennai	Air purification device
28.01.2022	12,09,500	Government Girls High School, Domana, Jammu	Classroom construction
16.02.2022	4,66,100	Upper Primary School,Bichpuri (Midhakur) Agra, U.P	Mini Science center
18.02.2022	4,66,100	Upper Primary School, Elampur, Lodha,Aligarh, U.P	Mini Science center
19.02.2022	4,66,100	Bhartiya Balika Inter College,Tilapta,Noida, U.P	Mini Science center
23.02.2022	4,66,100	Govt. Higher Secondary School, Kaushaliya, Ghaziabad, U.P	Mini Science center
24.02.2022	4,99,977	District Supply and Sales Association, Erode	Civil work to the sales center
26.02.2022	4,66,100	Dev Nagri Inter College, Meerut, U.P	Mini Science center
15.03.2022	2,00,010	Lower Primary School Jattagi, Vijayapurt, Karnataka	Water Purifier, table and chairs
22.03.2022	2,95,000	Government Higher Secondary School, Vennala, Ernakualam	Distribution of Laptop

Date of creation or acquisition of the capital asset	Amount of CSR spent for creation or acquisition of capital asset (₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address	Provide details of the capital asset(s) created or acquired
30.03.2022	6,11,000	Sri Sathya Sai Orphanage Trust, Trivandurm, Kerala	Dialysis Machine
30.03.2022	9,41,159	Bhagawanpur Village Committee, Bhagawanpur, Haridwar, Uttarakhand	Hand Pumps
31.03.2022	9,48,602	District Hospital Singtam, Sikkim	Washer Extractor

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)**: Not Applicable.

For and on behalf of CSR Committee

Sd/-	Sd/-
B Jayaraj	**Mithun K Chittilappilly**
Chairman	Member
(DIN: 00027479)	(DIN: 00027610)

Date: May 16, 2022
Place: Ernakulam

For and on behalf of Board of Directors

Sd/-	Sd/-
Cherian N Punnoose	**Mithun K Chittilappilly**
Chairman	Member
(DIN: 00061030)	(DIN: 00027610)

Date: May 19, 2022
Place: Ernakulam

Anneuxre IV

DIVIDEND POLICY

Preamble

Distribution of profit by a Company among its shareholders is termed as payment of Dividend. A Company may either distribute, entire profits earned by it, among its shareholders or distribute a certain percentage of its profit and retain the balance in business for purposes like expansion, diversification and inorganic investments. A formal dividend policy, helps the Board of a Company, to arrive at a balanced dividend pay-out ratio, taking into account, factors such as profit made during the relevant Financial Year, expansion programmes, other strategic plans etc.

Objective of the Policy

This policy formulated by the Board of Directors ("the Board") of V-Guard Industries Ltd., ("the Company") will act as an aid to declare dividend and its pay-out by the Company in compliance with the provisions of Companies Act, 2013 ("the Act") (including any statutory re-enactment(s) made from time to time) read with applicable rules framed thereunder, as may be in force for the time being.

The objective of the policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all the stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profit retained in the business for various purposes. The Board, will refer to this policy, while declaring / recommending dividend and would endeavour to maintain a consistent approach to dividend pay-out plans and also provide greater clarity on the dividend pay-out philosophy of the Company.

Final Dividend

Payment of dividend which is approved by the shareholders of a Company in their Annual General Meeting, based on the recommendation of Board of Directors, subsequent to adoption of audited annual financial statements of a Financial Year is the final dividend for that particular Financial Year.

Process for approval of payment of Final Dividend

- Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;
- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a Financial Year.

Interim Dividend

The Board of the Company may declare interim dividend during a Financial Year, based on the profits of any particular quarter or half year or in exceptional circumstances.

Process of approval of payment of Interim Dividend

- Board may declare Interim Dividend at its discretion in line with this Policy;
- Based on profits arrived at as per quarterly (or half-yearly) financial statements including exceptional items;
- One or more times in a Financial Year.

Declaration of Dividend

Subject to the provisions of the Act Dividend shall be declared or paid only out of-

- i) Current Financial Year's profit:
  - a) after providing for depreciation in accordance with law and
- ii) The profits for any previous Financial Year(s):
  - a) after providing for depreciation in accordance with law; and
  - b) remaining undistributed; or
- iii) out of i) & ii) both.

The Board may, while declaring or recommending Dividend, transfer to reserves such amount as may be considered appropriate. However, transfer of amount to reserves, before declaring or recommending Dividend is not mandatory, as per the provisions of the Act.

The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

Factors to be considered while declaring or recommending Dividend

While declaring or recommending Dividend, the Board shall take into account, the external and internal factors and arrive at an optimum percentage for distributing the profits of the Company.

The Board may consider the external factors such as economic, business and market conditions and if the conditions are not favourable, the Board may decide to retain larger part of profits to build up reserves. The Board may also consider the restrictions imposed by the Act with regard to declaration of Dividend.

Apart from the external factors, the Board may also consider various internal factors, while declaring Dividend. The Board may take into account, the present and future capital requirements for both existing and new units, business acquisition plans and any other matters that the Board may deem fit.

Dividend Range

The Company aims in ensuring sustainable wealth creation for its shareholders and with this objective, would distribute an optimum level of profits among the shareholders and retain the balance for meeting the expansion requirements. The Board will endeavour to maintain a Dividend pay-out in the range of 15-25% of the Company's Profit After Tax on standalone financials.

The Board may, at its discretion, consider declaring or recommending special dividends, at times, when the Company has huge cash surpluses, which is not deployed or earmarked for expansion programmes or makes extraordinary profits, from sale of assets or investments.

Review

The Board may review this policy on periodical basis, considering various external and internal factors.

For and on behalf of the Board of Directors of

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K. Chittilappilly**
Date : May 19, 2022	Chairman	Managing Director
Place : Ernakulam	DIN: 00061030	DIN: 00027610

Anneuxre V

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

1 Disclosure in terms of Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time

Disclosed in the notes to financial statements - Refer to Note 47 of Standalone Financial Statements 2021-22 which forms the part of this Annual Report.

2 Material Changes in the Scheme

No material change has been carried out during the Financial Year under review. The Scheme was primarily adopted as per the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and the same was aligned as per the provisions and requirements under the SEBI (Share Based Employee Benefits) Regulations, 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3 Diluted EPS on issue of shares pursuant to ESOS: ₹ 5.23

4 (i) Details related to ESOS

Sr. No.	Particulars	ESOS 2013
1	Details of the Shareholders Approval	May 14, 2013, July 26, 2016, April 30, 2017, December 09, 2017 and August 12, 2020
2	Total number of Options approved under the scheme	1,61,50,000 no. of options
	Additional options granted on account of Corporate Action of Bonus Issue	33,66,710 no. of options
3	Vesting requirements	Options are granted with a vesting period of 4 years and vesting shall be on time and performance basis subject to the fulfillment of terms and conditions attached to the Grant.
4	Exercise Price / Pricing Formula	The Company grants options at both face value and fair market price. During the Financial Year 2021-22, 5,73,173 no. of options were granted at face value.
5	Maximum Term of Options granted	As per the terms attached to each of the grants, the total term of the options for the grants 1 & 2 is 9 years and for the grants 3 to 22 is 10 years. (Exercise period will be for a period of 6 years from each year of vesting)
6	Source of Shares	Primary
7	Variation in terms of options	No Variation
8	Method used for accounting of ESOS	Fair Value Method
9	For Options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed seperately for options whose exercise price either equals or is less than the market price of the stock.	

Sr. No.	Particulars	ESOS 2013
	Weighted average exercise price of Options whose	₹
	Exercise price equals market price	Nil
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	1/-
	Weighted average fair value of options whose	₹
	Exercise price equals market price	Nil
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	228.34

4 (ii) Employee-wise details of options granted during the financial year 2021-22 to:

(i)	**Senior Managerial Personnel**		
	Name of employee & Designation	**Number of Options & Exercise Price**	
a	Nil	Nil	
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year		
	Name of employee & Designation	**Total number of Options**	**Exercise Price per Option (in ₹)**
a	Mr. Roopak Ahluwalia - Sr General Manager & Head - Legal	55,494	1/-
b	Mr. Yogender Kumar - Regional Key Account Manager	36,087	1/-
c	Mr. Chandan Arora - Head Sales Commercial	31,597	1/-
d	Mr. Vinay Kumar Pandey – GM & Plant Head	32,406	1/-
e	Mr. Umesh Menon – DGM – Finance & Accounts	41,450	1/-
f	Mr. Amit Kumar Jain - Asst. Vice President & Head - EC&DI	40,744	1/-
g	Mr. Cherala Sridhar -Sr General Manager – Battery	49,676	1/-
h	Mr. Shaik Asad Parwez -Head - Logistics & Warehousing	33,245	1/-
i	Mr. Kunal Sukhla -General Manager – Modern Trade	32,560	1/-
(iii)	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.		
	Name of employee & Designation	**Total number of Options**	
a	Nil		

4 (iii) A description of the method and significant assumption used during the year to estimate the fair values of options.

a)	The fair value has been calculated using the Binomial Method. The assumptions used in the model are as follows	Weighted Average Assumptions
	Price of the underlying shares in market at the time of Option granted (₹)	238.16
	Expected Volatility %	30.44% to 32.15%
	Riskfree Rate %	5.00 % to 6.68%
	Exercise Price (₹)	1/-
	Expected Life (In Years)	4.01 to 7.01
	Expected Dividend %	0.48% to 0.56%
b)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is based on historical prices for the period equivalent to the expected life of the Options
c)	The method used and the assumptions made to incorporate the effects of expected early exercise;	It is assumed that the options will be exercised within the exercise period
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other features incorporated

5. Options Movement During the year

Sr. No	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant VA	ESOS 2013 Grant V B	ESOS 2013 Grant VI	ESOS 2013 Grant VIII	ESOS 2013 Grant IX	ESOS 2013 Grant X	ESOS 2013 Grant XI	ESOS 2013 Grant XII	ESOS 2013 Grant XIII	ESOS 2013 Grant XIV	ESOS 2013 Grant XV	ESOS 2013 Grant XVI	ESOS 2013 Grant XVII	ESOS 2013 Grant XVIII	ESOS 2013 Grant XIX	ESOS 2013 Grant XX	ESOS 2013 Grant XXI	ESOS 2013 Grant XXII
1	Number of options outstanding at the beginning of the year	5,42,581 number of options of ₹ 34.64 each and 38,942 number of options of ₹ 1/- each	1,13,725 number of options of ₹ 71.36 each.	22,68,000 number of options of ₹ 68.75 each	19,745 number of options of ₹ 1/- each	1,57,410 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8 each	8,120 number of options of ₹ 1/- each	37,706 number of options of ₹1/- each	17,688 number of options of ₹1/- each	67,940 number of options of ₹1/- each	34,063 number of options of ₹1/- each	51,416 number of options of ₹1/- each	47,618 number of options of ₹1/- each	31,444 number of options of ₹1/- each	12,59,200 number of options of ₹172.05 each and 2,60,000 number of options of ₹1/- each	10,42,530 number of options of ₹1/- each	3,16,325 number of options of ₹1/- each	24907 number of options of ₹1/- each	NA	NA	NA	NA
2	Options exercisable at the beginning of the year	5,42,581 number of options of ₹ 34.64 each and 38,942 number of options of ₹ 1/- each	1,13,711 number of options of ₹ 71.36	22,68,000 number of options of ₹ 68.75	19,745 number of options of ₹ 1/- each	1,57,410 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8	8,120 number of options of ₹ 1/- each	Nil	Nil	20,917 number of options of ₹1/- each	5,091 number of options of ₹1/- each	Nil	Nil	5,895 number of options @ ₹1/- each	Nil	Nil	Nil	Nil	NA	NA	NA	NA
3	Number of options Granted during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,47,685 number of options of ₹1/- each	1,14,365 number of options of ₹1/- each	2,51,143 number of options of ₹1/- each	59,980 number of options of ₹1/- each
4	Number of options vested during the year	NA	NA	NA	NA	NA	NA	NA	37,706 number of options of ₹1/- each	17,688 number of options of ₹1/- each	47,023 number of options of ₹ 1/- each	8,691 number of options of ₹1/- each	11,765 number of options of ₹1/- each	14,286 number of options of ₹1/- each	5,896 number of options of ₹1/- each	3,14,800 number of options of ₹172.05 each	2,05,478 number of options of ₹1/- each	55,822 number of options of ₹1/- each	4,396 number of options of ₹1/- each	NA	NA	NA	NA
5	Number of options exercised during the year	5,54,848 number of options were exercised of ₹ 34.64 and 39,054 number of options were exercised of ₹1/- each	27,248 number of options were exercised of ₹ 71.36	3,50,000 number of options of ₹ 68.75	19,745 number of options were exercised of ₹1/- each	68,442 number of options were exercised of ₹1/- each	Nil	8,120 number of options were exercised of ₹1/- each	37,706 number of options of ₹1/- each	17,688 number of options of ₹1/- each	56,148 number of options of ₹1/- each	11,782 number of options of ₹1/- each	11,765 number of options of ₹1/- each	14,286 number of options of ₹1/- each	Nil	Nil	1,36,644 number of options of ₹1/- each	Nil	Nil	NA	NA	NA	NA
6	Number of shares arised as a result of exercise of options	593,902	27,248	350,000	19,745	68,442	Nil	8,120	37,706	17,688	56,148	11,782	11,765	14,286	Nil	Nil	136,644	Nil	Nil	NA	NA	NA	NA
7	Number of options lapsed during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Number of options cancelled during the year	Nil	14 number of options of ₹ 71.36 each.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	11,590 number of options of ₹1/- each	27,886 number of options of ₹1/- each	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Sr. No	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant VA	ESOS 2013 Grant V B	ESOS 2013 Grant VI	ESOS 2013 Grant VIII	ESOS 2013 Grant IX	ESOS 2013 Grant X	ESOS 2013 Grant XI
9	Money realised by exercise of options (INR)	1,92,58,988.72	19,44,417.28	2,40,62,500	19,745	68,442	Nil	8,120	37,706	17,688	56,148	11,782
10	Number of options outstanding at the end of the year	Nil#	86,463 number of options of ₹ 71.36 each$	19,18,000 number of options of ₹ 68.75 each	Nil	88,968 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8 each	Nil	Nil	Nil	11,792 number of options of ₹1/- each	10,691 number of options of ₹1/- each
11	Number of options exercisable at the end of the year	Nil#	86,463 number of options of ₹ 71.36 each.	19,18,000 number of options of ₹ 68.75 each	Nil	88,968 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8	Nil	Nil	Nil	11,792 number of options of ₹1/- each	2,000 number of options of ₹1/- each
12	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Sr. No	Particulars	ESOS 2013 Grant XII	ESOS 2013 Grant XIII	ESOS 2013 Grant XIV	ESOS 2013 Grant XV	ESOS 2013 Grant XVI	ESOS 2013 Grant XVII	ESOS 2013 Grant XVIII	ESOS 2013 Grant XIX	ESOS 2013 Grant XX	ESOS 2013 Grant XXI	ESOS 2013 Grant XXII
9	Money realised by exercise of options (INR)	11,765	14,286	Nil	Nil	136,644	Nil	Nil	NA	NA	NA	NA
10	Number of options outstanding at the end of the year	11,765 number of options of ₹1/- each	33,332 number of options of ₹1/- each	31,444 number of options of ₹1/- each	12,59,200 number of options of ₹172.05 each and 2,60,000 number of options of ₹1/- each	9,05,886 number of options of ₹1/- each	3,16,325 number of options of ₹1/- each	24,907 number of options of ₹1/- each	1,47,685 number of options of ₹1/- each	1,14,365 number of options of ₹1/- each	2,51,143 number of options of ₹1/- each	59,980 number of options of ₹1/- each
11	Number of options exercisable at the end of the year	Nil	Nil	11,791 number of options @ ₹1/- each	3,14,800 number of options of ₹172.05 each	68,834 number of options of ₹1/- each	55,822 number of options of ₹1/- each	4,396 number of options of ₹1/- each	NA	NA	NA	NA
12	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: The disclosures made above are available on the Company's website, www.vguard.in under the section "Investor Relations".

#Options to the extent of 12,267 and 112 numbers exercisable @ ₹34.64 and ₹1/- respectively, which were vested during the financial year 2016-17 for achievement of performance criteria, were inadvertently recorded as cancelled in the said financial year. Hence these options were not forming part of the Outstanding options at the beginning of the year. Options were exercised and reversal of cancellation will be put up for ratification.

$ Options to the extent of 14 numbers with exercise price of ₹71.36 arised due to rounding off difference were cancelled during the year under review and the outstanding no. of options at the end of the year has been adjusted accordingly.

For and on behalf of the Board of Directors of

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

Sd/-
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Date : May 19, 2022
Place : Ernakulam

Anneuxre VI

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

A. Conservation of Energy

i. Steps taken or impact on Conservation of Energy:

The Company is always keen on identifying and implementing feasible ideas for conserving energy in products and manufacturing processes and has framed a structured approach for conservation of energy and resources at its various plants with deeper engagement of employees and cost saving initiatives are encouraged for optimal / reduced usage of energy.

The following measures were taken during the financial year 2021-22 at various plants of the Company for conservation of energy and the same has resulted in considerable reduction in energy consumption:

Description of the projects	Energy saved during the FY 2021-22
A. Energy Saved (in kWh):	
Smart Water Monitoring System - Use of smart water meters to monitor and control the water consumptions inside the plant.	2,700
Smart Energy Management System – Monitoring section wise electrical energy consumption and it helps to run the plant in an optimized way of energy utilization.	1,260
Automatic turn off system installed in all packing lines which helps to switch off the machines automatically during its idle condition.	2,100
Installation of Motion sensor lights and exhaust fans at various locations & energy saving ceiling fans (BLDC)	10,919
Energy conservation through implementation of energy efficient lamps instead of conventional lights.	3,900
Optimization of electrical wiring to reduce electrical leakage losses	7,500
Hydraulic press automation to avoid idle run	600
Energy conservation through implementation of timers in lighting which will be automatically turned off during daytime	13,500
Introduction of VFD technology at Coolant pumping system for MMH machine to conserve power	5,055
Conservation of energy through reduction in operating duration of Vacuum turbo unit, Mixer motor & Dust collector at PVC Unit	26,989
Conservation of energy by reducing the number of Air wiping system as per new model machines at MMH & replacement of Air wiping system to Air blowers at Extruder unit	33,328
Machine speed increase of MMH m/cs from 26.7 to 27.5 meter/sec and of RBD m/c speed increase from 27.5 to 30 meter/sec to reduce the power consumption	39,738
Process optimization in Buncher to reduce the power consumption	4,468
Productivity improvement in MMH to reduce the power consumption	81,671
Automatic switching off of the exhaust blower of Buncher machines, spark tester and Dual take up lights when idle.	2,927
Energy saving through the replacement of SV/MH lamps with LED lamps.	1,06,433
Total	**3,43,088 kWh**
Mitigation of CO2 Emission	**1,86,150 Kg**
Water Conservation	**18,41,326 ltrs**

ii. Steps taken for utilizing alternate energy sources:

The Company's Wires & Cables Division (WCD) is utilizing renewable energy in the form of Wind & Solar to reduce its carbon footprint and environmental impact due to usage of conventional fuel-based electricity. The Company has two wind turbines of capacity 0.23MW each situated in Tamil Nadu and utilizing outsourced solar energy as well. The Green power consumption of the division for the FY 2021-22 was 59% which has resulted in mitigation of 26,97,663 Kg of CO2 through utilizing alternate energy sources.

The Company's Electronics Division introduced new solar inverters with high efficiency and performance which helps reduce the Carbon Footprint.

Description of the projects	Energy saved during the FY 2021-22
Energy Saved (in kWh):	
Implementation of photo voltaic (PV) energy source, there by reduced the electrical energy consumption.	2,11,079

iii. Capital investment on Energy Conservation Equipment

The Company always makes capital investment for conservation of energy. During the year under review, total capital invested in energy conservation projects at various plants is ₹ 32.30 Lakhs.

B. Technology Absorption:

i. Efforts made towards Technology absorption.

The Company is continuously driving to increase the consumer satisfaction index by investing and expanding the research and development for adapting new techniques. The Company reinforce its commitment to the consumers through strong R&D, to address the fast-changing needs and aspirations of the consumer and has been able to keep up with the ever-growing demand by offering smart products. Details of efforts made towards Technology absorption are as follows:

1. Performed cost optimization activities in running models by:
   - Efficient thermal management
   - Synchronized relay switching technology.
   - Transformer design optimization
   - Packaging design optimization
2. Initiated development of BOM and change management system through Product Life Cycle Management platform.
3. Introduced on-grid solar system.
4. Introduced automatic strapping machines for product packing.
5. Wifi enabled stabilizer with geo-fencing and energy monitoring.
6. Solar inverter solutions with high energy efficiency.
7. Value Engineering.
8. Research and development on regenerative self-priming pump for enhanced hydraulic efficiency and performance.
9. Enhancing efficiency of centrifugal pumps.
10. Design and development of smart products for pumping application.
11. Research and Adoption of alternative engineering materials for different pump components.
12. Design and development of energy efficient induction motor for ceiling fans.
13. Research on low and high voltage BLDC motors with both IR & RF Remote based technology for ceiling fans.
14. Research on regulator operated BLDC motor technology for ceiling fan.
15. Study on development of testing methodologies for acoustic and air delivery validation of product under development.
16. Research on noise reduction in ceiling fans and eco-friendly packaging solutions.

17. Research on developing graphic transfer technologies for decorative parts of ceiling fans.
18. Conducted research on different anti-microbial paint coating technology, which can inhibit growth of microbes on the coated surface.
19. Study on online temperature recording methods in high temperature environments.
20. Design and development of DC Miniature Circuit Breaker.
21. Adoption of BLDC technology for pumping application.
22. Study on industrial practice for product packaging.
23. In-house PVC development to meet the Termite & Rodent repellent house wiring cables.
24. Developed ROHS (Restriction of Hazardous Substances) technology and Halogen Free Flame Retardant (HFFR) in house wiring cables.
25. Introduction of Outdoor wires & fixed installation segment.
26. RM Optimisation
27. Technology absorption in process improvement.
28. Development of advance version of IOT applications for smart water heaters which can be operated from anywhere in the world & with customization as per individual needs.
29. Usage of thermostat which has been tested for more than 1,00,000 cycles to have precious and reliable temperature reading which will further improve the product safety.
30. Developing compact and quick heating tankless water heaters which eliminates the requirement to store heated water and associated energy losses.
31. Developed "In-Direct Heat exchanger" model in solar water heater category in 200/300/500L which is suitable for sub-zero temperature areas, which imparts better efficiency and reliability of the product.
32. Developed "Efficient Heat pump model" for domestic market in 150/200/300/500L capacity which is suitable for any water heater condition with the better efficiency.
33. Developing VET tank with indirect heat exchange model in 1000L capacity.

The Company is investing significantly in R&D to explore new technologies and have product wise multiple labs for performance and endurance testing, prototyping, materials testing. By adopting advanced software in product life cycle management such as "Windchill" through multiple stage gate approach, the Company has been able to meet fastest changing need of consumers by refined design through all aspects of manufacturing activities right from concept stage. This has been achieved through with virtual engineering and Multiphysics simulations and using highly sophisticated software for digital mock-up, engineering analyses for FEA, CFD.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

1. Customer Satisfaction through product diversification. Enhanced business growth by reducing COGS.
2. Productivity enhancement.
3. Quality improvement and increased productivity.
4. Better ergonomics, quality, and productivity.
5. Superior product with best quality.
6. Novel hydraulic design of self-prime regenerative pump has been designed and developed which helped to improve the efficiency of products.
7. Introduced 17 pump models with BEE energy star rating and 21 pump models with ISI marking.
8. Design and development of Digital automatic pump with a modular design. This is aimed to offer a new range of automatic pumps which works without manual intervention.
9. Research and Adoption of alternative engineering materials for different pump components has enabled enhanced product life with optimised product cost.
10. Design and development of energy efficient induction motor for ceiling fans enabled development of BEE star rated ceiling fans from 1-Star up to 3-Star.

11. Launched 3 models in BLDC segment which will give 50% of energy saving per fan.
12. Research on regulator-based BLDC solutions has helped in development of BLDC models with comparatively lower cost to market.
13. Adopted testing methodologies in computerised fluid dynamics (CFD) to test the air delivery and sound level of fans under development, which helps reduce physical validations and hence reduce product development lead time.
14. Extensive study happened in case of noise reduction in ceiling fan and helped in formulating design guidelines for achieving minimum noise level in fans.
15. Developed eco-friendly paper pulp trays, which can replace non-biodegradable packaging materials like thermocol.
16. Launched models with innovative In-mould Decorative technology which is giving superior aesthetics and life to graphics transferred on decorative surfaces of ceiling fans.
17. Launched Model with anti-microbial coating which prevent growth of microbes on coated surface. Properties are tested as per Standard JIS Z 2801 & ISO 21702.
18. Developed instruments which are capable for measuring and recording temperature in high temperature environments like paint and varnish baking ovens, which ensures desired temperature is maintained at different stages of baking cycle.
19. Developed DC Miniature Circuit Breaker.
20. Developed new pump model with BLDC technology which will significantly reduce energy consumption for customers.
21. Developed optimized packing solution in ceiling fan to reduce the cost of product.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Details of technology imported	Year of Import	Whether technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
Motor testing Equipment	2020	Yes	NA
High Performance Analyser	2021	Yes	NA

iv. The expenditure incurred on Research and Development:

a. Capital : ₹ 47.46 Lakhs
b. Recurring : ₹ 1702.20 Lakhs
c. Total :₹ 1749.66 Lakhs
d. % of R&D expenditure to total sales : 0.50%

C. Foreign Exchange Earnings and outgo:

The details of foreign exchange earnings and outgo during the year under review is as under:

Foreign Exchange earned : ₹ 501.39 Lakhs

Foreign Exchange outgo : ₹ 23,471.14 Lakhs

For and on behalf of the Board of Directors of

Date : May 19, 2022 Place : Ernakulam	Sd/- **Cherian N Punnoose** Chairman DIN: 00061030	Sd/- **Mithun K. Chittilappilly** Managing Director DIN: 00027610

Annexure VII

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 employee of the Company for the Financial Year.	**Name**	**Ratio to Median**
		Mr. Mithun K Chittilappilly	109.9
		Mr. Ramachandran V	237.8
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	**Name**	
		Mr. Mithun K Chittilappilly	24%
		Mr. Ramachandran V	-33.5%
		Mr. Sudarshan Kasturi	-0.33%
		Ms. Jayasree K	6.97%
(iii)	Percentage increase in the median remuneration of employees in the Financial Year	3.2%	
(iv)	Number of permanent employees on the rolls of the Company.	2477 (As on March 31, 2022)	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase in the salary of employees other than managerial cadre in the Financial Year was "7.6%" Average percentage increase in the salary of managerial personnel in the Financial Year was "-5.00%"	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination Remuneration and Evaluation 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 19, 2022	Chairman	Managing Director
Place : Ernakulam	(DIN : 00061030)	(DIN : 00027610)

Report on Corporate Governance

Report on Corporate Governance of V-Guard Industries Limited (the Company) for the Financial Year ended March 31, 2022, as stipulated in the relevant provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time (the (the Listing Regulations), is set out as below:

I. CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is important for every organisation, as it creates a set of rules and practices, for steering the operations ethically and aligning the interest of all its stakeholders. Practise of good governance principles leads to operational and financial viability. The Company always endeavour to uphold the principles of transparency, accountability and fairness in its operations. The philosophy of practicing unwavering governance principles has enabled the Company to achieve a steadfast growth in its four decades of existence. The Company believes that good governance principles are to be followed relentlessly in its Onward and Upward growth trajectory to safeguard the interest of all the stakeholders and enhancing their values.

The practices followed by the Company are detailed herein below.

II. BOARD OF DIRECTORS

a) Composition of the Board

The Board of the Company has an optimum combination of Executive and Non-Executive Directors with more than fifty percent Non-Executive Independent Directors. As on March 31, 2022, the Board comprised of two Executive Directors, six Non-Executive Independent Directors and one Non-Executive Non-Independent Director. Out of the two Executive Directors, one Director is from promoter category and the other is in professional category. The Chairman of the Board is a Non-Executive Director. Composition of the Board meets the requirements laid down in Regulation 17(1) of the Listing Regulations.

During the year under review, Prof. Biju Varkkey was inducted as Non-Executive Independent Director for a period of five years effective from May 26, 2021. Total number of Non-Executive Independent Directors as on March 31, 2022, is six including woman Director. All the Independent Directors have declared that they meet the criteria of Independence as required under the provisions of Section 149 of the Companies Act, 2013 (the Act) read with the provisions of Regulation 16 of the Listing Regulations. As per the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, all the Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs (IICA) for inclusion of their names in the comprehensive repository maintained by the Ministry of Corporate Affairs and are exempted from online proficiency self-assessment test.

Details of name, position and category of Directors as on March 31, 2022 are as follows:

Name of Director	Position	Category
Mr. Cherian N Punnoose	Chairman	Non-Executive Independent
Mr. Mithun K Chittilappilly	Managing Director	Promoter and Executive
Mr. Ramachandran Venkataraman	Director & Chief Operating Officer	Executive
Mr. C J George	Director	Non-Executive Independent
Mr. Ullas K Kamath	Director	Non-Executive Independent
Ms. Radha Unni	Director	Non-Executive Independent
Mr. B Jayaraj	Director	Non-Executive Non- Independent
Mr. George Muthoot Jacob	Director	Non-Executive Independent
Prof. Biju Varkkey	Director	Non-Executive Independent

b) Attendance of each Director at the meeting of the Board and last Annual General Meeting (AGM).

During the year under review, the Board of Directors met seven times. Details of attendance of Directors at the Board Meetings and AGM held are given below:

Name of the Director	Attendance at	
	Board Meetings	AGM (held on August 5, 2021)
Mr. Cherian N Punnoose	7	Yes
Mr. Mithun K Chittilappilly	7	Yes
Mr. Ramachandran Venkataraman	7	Yes
Mr. C J George	5	No
Mr. Ullas K Kamath	7	No
Ms. Radha Unni	6	Yes
Mr. B Jayaraj	7	Yes
Mr. George Muthoot Jacob	6	Yes
Prof. Biju Varkkey	7	No

c) No. of directorship, membership and Chairmanship held by the Directors in the Board and Committees of other companies & Details of Directorship held by the Directors in other Listed Companies as on March 31, 2022.

i) **No. of directorship, membership and Chairmanship held by the Directors in other Companies:**

Name & Position of the Director	Category	Directorship on Board and Membership/Chairmanship of Board Committees in other companies as on March 31, 2022		
		Director	Committee Member	Committee Chairman
Mr. Cherian N Punnoose Chairman	Non-Executive Independent	Nil	Nil	Nil
Mr. Mithun K Chittilappilly Managing Director	Promoter and Executive	1	Nil	Nil
Mr. Ramachandran Venkataraman Director & Chief Operating Officer	Executive	2	Nil	Nil
Mr. C J George Director	Non-Executive Independent	5	3	Nil
Mr. Ullas K Kamath Director	Non-Executive Independent	3	3	1
Ms. Radha Unni Director	Non-Executive Independent	7	6	Nil
Mr. B Jayaraj Director	Non-Executive Non-Independent	Nil	Nil	Nil
Mr. George Muthoot Jacob Director	Non-Executive Independent	7	2	Nil
Prof. Biju Varkkey Director	Non-Executive Independent	1	Nil	Nil

Directorship, Membership and Chairmanship in other companies shown above do not include alternate directorship, Private Limited Companies that are neither a subsidiary nor a holding company of a Public Company, Companies incorporated under Section 8 of the Act, high value debt listed entities and Foreign Companies.

Membership and Chairmanship of Board Committees include Chairmanship/ Membership of Audit Committee and Stakeholders' Relationship Committee as per the Regulation 26(1)(b) of the Listing Regulations. Details of no. of Membership given above include the details of Chairmanship held by the Directors.

Directorship, Membership and Chairmanship held by the Directors of the Company, in other companies are within the limits prescribed. None of the Independent Directors of the Company is serving on the Board of more than seven listed companies, as an Independent Director. Further, Independent Directors of the Company, serving as Whole-time Director in any other listed companies are not holding the position of Independent Director in more than three listed companies, as prescribed under Regulation 17A of the Listing Regulations.

ii) **Details of Directorship held by the Directors in other Listed Companies as on March 31, 2022**

Name of the Director	Name of the Company	Category of Directorship	Position
Mr. Cherian N Punnoose	Nil	Nil	Nil
Mr. Mithun K Chittilappilly	Nil	Nil	Nil
Mr. Ramachandran Venkataraman	Nil	Nil	Nil
Mr. C J George	Geojit Financial Services Limited	Promoter -Executive	Managing Director
	Aster DM Healthcare Limited	Nil	Nil
Mr. Ullas K Kamath	Nil	Nil	Nil
Ms. Radha Unni	Nitta Gelatin India Limited	Non-Executive Independent	Independent Director
	Western India Plywoods Limited	Non-Executive Independent	Independent Director
	The South Indian Bank Limited	Non-Executive Independent	Independent Director
Mr. B Jayaraj	Nil	Nil	Nil
Mr. George Muthoot Jacob	Muthoot Finance Limited	Promoter - Executive	Deputy Managing Director
Prof. Biju Varkkey	Aster DM Healthcare Limited	Non-Executive Independent	Independent Director

Directorship held in other companies whose equity shares are listed on stock exchanges are only shown above.

d) Number and dates of Meeting of Board of Directors

Details of meetings of Board of Directors of the Company held during the Financial Year 2021-22 are given below:

Number of Meetings held	Date of Meetings
7	May 26, 2021, July 2, 2021, July 30, 2021, October 28, 2021, December 20, 2021, February 2, 2022, March 25, 2022.

The maximum interval between any two meetings was not more than 120 days. The facility to attend the meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) was provided to the Directors, considering the second and third waves of COVID - 19 pandemic. During the year, all the meetings were deemed to be held at the registered office of the Company. The Board agenda with proper explanatory notes were prepared and circulated on time to all the Board members. All statutory and other matters of significant importance including information as mentioned in Part A of Schedule II to the Listing Regulations are tabled before the Board, to enable it to take appropriate decisions in both strategic and regulatory matters. The Board reviews compliances of all laws, rules and regulations on a quarterly basis. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations.

During the year under review, a separate meeting of Independent Directors of the Company was held on March 25, 2022, and the members discussed the matters enumerated in the Schedule IV to the Act and Regulation 25(3) of the Listing Regulations. The Board engaged an external agency for carrying out performance evaluation of the Board, Individual Directors, Sub-Committees and the Chairman for the financial year 2021-22, as per the criteria approved by the Nomination and Remuneration Committee. Performance evaluation was in line with the requirements of provisions of Schedule IV to the Act and Regulation 25(4) of the Listing Regulations.

During the year under review, meeting of Independent Directors was held on December 20, 2021 to consider the proposal of the Scheme of Arrangement between V-Guard Industries Limited (Transferee Company) & Simon Electric Private Limited (Transferor Company) and their respective shareholders and creditors.

e) Disclosure of relationship between Directors Inter-se

None of the other Directors have inter–se relationship.

f) Number of shares and convertible instruments held by Non-Executive Directors

Mr. B Jayaraj, Non-Executive Director was holding 1,50,200 equity shares of the Company as on March 31, 2022. No other Non-Executive Director of the Company is holding shares or convertible instruments in the Company.

g) Details of familiarization program imparted to Independent Directors and web link

The Company has conducted several programmes from time to time for all the Independent Directors of the Company, to enable them to familiarize with the nature of the industry in which the Company operates, its business model etc., and the role to be played by them. Their rights and responsibilities were intimated through the Letter of Appointment issued to them. During the Financial Year under review, the Company had conducted session on overall performance of the Company, strategic initiatives and regulatory updates. The details of such familiarization programmes are disclosed on the Company's website www.vguard.in under the head 'Investor Relations'.

h) List of core skills, competencies, and expertise of Board of Directors

The Company is engaged in the business of manufacture and marketing of electricals, electronics and consumer durables. To manage the operations and to formulate long term strategies for its growth, different skill sets are required. The Board of the Company consists of individuals who have experience and expertise in the following areas:

Strategy	**Expertise in formulating, managing and reviewing various strategic initiatives**
Innovation & Technology	Suggesting new technologies and innovation for the manufacture of various product category.
Finance	Evaluating various proposals with respect to its financial viability, review of capital budgets, financial results / statements, risks associated with the business and minimisation procedure
Sales / Marketing	Developing strategies to sales and marketing, brand building, foraying into newer markets.
Corporate Governance	Ensuring putting in place best in class practices for various activities to strengthen the governance system.
Digital application to consumer goods value chain	Understand developments across the digital landscape and their potential to disrupt consumer businesses. Evaluate plans and priorities to leverage digital effectively for growth and efficiency. Promote adoption of appropriate digital priorities consistent with consumer business value chain.

Skills and Description	Mr. Cherian N Punnoose	Mr. Mithun K Chittila-ppilly	Mr. Rama-chandran Venkata-raman	Mr. C J George	Mr. Ullas K Kamath	Ms. Radha Unni	Mr. B Jayaraj	Mr. George Muthoot Jacob	Prof. Biju Varkkey
Strategy & Transformation Experience in developing and reviewing long term business strategy for sustainable growth and profitability of businesses in highly competitive landscape. Enabling organisation and functional capability building through transformational strategic initiatives.	√	√	√	√	√	√	√	√	√
Innovation & Technology Understanding the Management of product innovation value chain, emerging technology and business risks thereof, their commercial and disruptive potential to enable evaluation/ propose new technologies/ innovation ideas for adoption in the manufacture of various product categories.		√	√		√			√	
Finance Evaluating the financial viability of various strategic proposals, review of capital budgets, financial results/ statements, risks associated with business and the minimisation procedure.	√	√	√	√	√	√	√	√	√
Sales/ Marketing Developing strategies to protect and grow brand equity and distribution reach. Understanding evolution in channels and strategies required to protect and grow the business.	√	√	√		√			√	

Skills and Description	Mr. Cherian N Punnoose	Mr. Mithun K Chittila-ppilly	Mr. Rama-chandran Venkata-raman	Mr. C J George	Mr. Ullas K Kamath	Ms. Radha Unni	Mr. B Jayaraj	Mr. George Muthoot Jacob	Prof. Biju Varkkey
Corporate Governance Understanding and promoting best in class practices across various functional areas to enhance enterprise governance.	√	√	√	√	√	√	√	√	√
Digital application to consumer goods value chain Understand developments across the digital landscape and their potential to disrupt consumer businesses. Evaluate plans and priorities to leverage digital effectively for growth and efficiency. Promote adoption of appropriate digital priorities consistent with consumer business value chain.		√	√		√			√	

i) Confirmation that the Independent Directors fulfils the condition and are independent in the management

The Independent Directors, appointed in the Board have fulfilled all the necessary condition and criteria as enumerated under Regulation 16(1)(b) of the Listing Regulations and have provided their declaration in relation to their Independence as required under Regulation 25(8) of the Listing Regulations. All the Independent Directors are Independent and not related to any members of the Board and they have registered themselves with the IICA for the purpose of Independent Director registration, which is mandated by the Ministry of Corporate Affairs and are exempted from online self-assessment proficiency test.

j) Detailed reason of the resignation of the Independent Director before the expiry of his/her tenure along with confirmation that there are no material reasons other than those provided

During the year under review, no Independent Director has resigned from the Board of the Company.

III. AUDIT COMMITTEE

a) Brief description of terms and reference

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Act.

The broad terms of reference of the Audit committee are as follows:

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2) Recommending to the Board the appointment/ re-appointment, remuneration and terms of appointment of auditors of the Company;

3) Approval of payments to the statutory auditors for any other services rendered by them;

4) Reviewing with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:

    a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause(c) of sub-section (3) of Section 134 of the Act;

    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 judgement by management;

    d) Significant adjustments made in the financial statements arising out of audit findings;

    e) Compliance with listing and other legal requirements relating to financial statements;

    f) Disclosure of any related party transactions;

    g) Modified opinion(s) in the draft audit report;

5) Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;

6) Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

7) Review and monitor the auditor's independence and performance and effectiveness of audit process;

8) Approval of any subsequent modification of transactions of the Company with related parties;

9) Scrutiny of inter-corporate loans and investments;

10) Valuation of undertakings or assets of the Company wherever it is necessary;

11) Evaluation of internal financial controls and risk management systems;

12) Reviewing with the Management, the performance of statutory and internal auditors and adequacy of the internal control systems;

13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

14) Discussion with internal auditors any significant findings and follow up thereon;

15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matters to the Board;

16) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18) Reviewing the functioning of the whistle blower mechanism;

19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the candidate;

20) 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.

21) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc.

22) Carrying out any other function as is mentioned in terms of reference of the Audit committee.

b) Composition, Name of Members and Chairperson

The Company's Audit Committee consists of seven members, of which five are Non-Executive Independent Directors. All the members of the Audit Committee have adequate knowledge in the areas of finance and accounting. Mr. Cherian N Punnoose, Chartered Accountant, is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The Committee invites the heads of various business verticals, Chief Financial Officer and representatives of Statutory and Internal Auditors to attend the meetings of Audit Committee.

The Composition of Audit committee as on March 31, 2022, is as under:

Name	Category	Position
Mr. Cherian N Punnoose	Non–Executive Independent	Chairman
Mr. C J George	Non–Executive Independent	Member
Mr. Mithun K Chittilappilly	Executive	Member
Mr. Ullas K Kamath	Non–Executive Independent	Member
Ms. Radha Unni	Non–Executive Independent	Member
Mr. George Muthoot Jacob	Non–Executive Independent	Member
Mr. B Jayaraj	Non–Executive Non- Independent	Member

Mr. George Muthoot Jacob and Mr. B Jayaraj, Directors were inducted to the Committee effective from August 1, 2021.

c) Meetings and Attendance during the year

During the Financial Year 2021-22, the Committee members met five times, i.e. May 25, 2021 & May 26, 2021 (Adjourned Meeting), July 30, 2021, October 27, 2021 & October 28, 2021 (Adjourned Meeting), December 20, 2021, February 1, 2022 & February 2, 2022 (Adjourned Meeting) respectively. The gap between two meetings was not more than 120 days and requisite quorum was there for all the meetings. The audited standalone and consolidated financial statements of the Company for the Financial Year ended March 31, 2022, were reviewed by the Committee members at their meeting held on May 19, 2022. Attendance of Committee members at the meetings held during the Financial Year 2021-22 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Cherian N Punnoose	5	5
Mr. C J George	5	5
Mr. Mithun K Chittilappilly	5	5
Mr. Ullas K Kamath	5	5
Ms. Radha Unni	5	5
Mr. George M Jacob	3	2
Mr. B Jayaraj	3	3

IV. NOMINATION AND REMUERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of the Listing Regulations read with Section 178 of the Act.

a) Brief description of terms and reference

The broad terms of reference of Nomination and Remuneration Committee includes the following:

1) Formulate the criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

2) For every appointment of an independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For identifying suitable candidates, the Committee may:

   a) use the services of an external agencies, if required

   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) consider the time commitments of the candidates.

3) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

4) Devising suitable policy on board diversity;

5) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

6) To extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

7) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company www.vguard.in in the page 'Investor Relations'. A copy of the said Policy forms part of this Annual Report.

b) Composition, Name of Members and Chairperson

The Composition of the Committee as on March 31, 2022 was as follows:

Name	Category	Position
Mr. C J George	Non–Executive Independent	Chairman
Mr. Cherian N Punnoose	Non–Executive Independent	Member
Ms. Radha Unni	Non–Executive Independent	Member
Mr. Ullas K Kamath	Non–Executive Independent	Member
Prof. Biju Varkkey*	Non–Executive Independent	Member

*Prof. Biju Varkkey, Independent Director, was inducted as a member effective from June 1, 2021 and appointed as Chairman from April 1, 2022.

c) Meetings and attendance during the year

The members of Nomination and Remuneration Committee met five times i.e. on May 26, 2021, July 30, 2021, October 28, 2021, February 02, 2022 & March 25, 2022. Attendance of the members at the meetings held during the Financial Year 2021-22 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. C J George	5	5
Mr. Cherian N Punnoose	5	5
Ms. Radha Unni	5	5
Mr. Ullas K Kamath	5	5
Prof. Biju Varkkey	4	4

d) Performance evaluation criteria for Independent Directors

As per the Nomination, Remuneration and Evaluation Policy of the Company, the key criteria for evaluation of Independent Directors includes highest personal and professional ethics, integrity, values and Independence, inquisitive and objective perspective, practical wisdom and mature judgment, contribution to Board deliberations, generation of new ideas and ability to challenge customs and practices being followed, ability to contribute to and monitor corporate governance practices and addition of value and unique perspective and insight to the Board deliberations.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Committee to look into various aspects of interest of investors such as non-receipt of dividend, notices and annual report, approve transmission of shares, issue of duplicate share certificates, dematerialisation and rematerialisation of equity shares etc.

a) Composition, Name of Members and Chairperson

The Committee consists of two Non–Executive Independent Directors and one Executive Director as members. The composition of the Stakeholders' Relationship Committee as on March 31, 2022 is as follows:

Name	Category	Position
Mr. Cherian N Punnoose	Non-Executive Independent	Chairman
Mr. C J George	Non-Executive Independent	Member
Mr. Mithun K Chittilappilly	Executive	Member

The Board of Directors in their meeting held on May 19, 2022, co-opted Mr. George Muthoot Jacob and Prof. Biju Varkkey, as members of Stakeholders' Relationship Committee, effective from June 1, 2022.

b) Terms of reference

The terms of reference of Stakeholders' Relationship Committee are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Approving of dematerialisation and rematerialisation requests and authorize fixation of common seal of the Company on the share certificate(s).
3. Review of measures taken for effective exercise of voting rights by shareholders.
4. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent.
5. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

c) Name and designation of the Compliance officer

The Board of Directors has appointed Ms. Jayasree K, Company Secretary as Compliance Officer of the Company.

d) Meeting and attendance during the year

During the financial year 2021-22, the Committee met on March 25, 2022. Attendance of the members at the meeting held is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Cherian N Punnoose	1	1
Mr. Mithun K Chittilappilly	1	1
Mr. C J George	1	1

e) Redressal of Investor Grievances

The Company addresses all the complaints, suggestions and grievances expeditiously. The details of complaints received and resolved during the year are as follows:

Sl. No.	Complaints received	Status
1	No. of investor complaints as on April 01, 2021	NIL
2	No. of investor complaints received during the year	
3	No. of investor complaints resolved during the year	
4	No. of investor complaints pending as on March 31, 2022	

VI. RISK MANAGEMENT COMMITTEE

The Company has formulated a Risk Management Committee in line with the Regulation 21 of the Listing Regulations.

a) Brief description of terms of references

The terms of reference of Risk Management Committee are as follows:

i. To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

ii. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

iii. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

iv. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

v. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

vi. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

b) Composition, Name of Members and Chairperson

The Committee consists of one Non–Executive Independent Director, two Executive Directors and a Senior Executive. The composition of the Risk Management Committee as on March 31, 2022, is as follows:

Name	Category	Position
Mr. Ullas K Kamath	Non-Executive Independent	Chairman
Mr. Mithun K Chittilappilly	Executive Director	Member
Mr. Ramachandran Venkataraman	Executive Director	Member
Mr. Sudarshan Kasturi	Chief Financial Officer	Member

c) Meeting and attendance during the year

The members of the Risk Management Committee met two times i.e. on February 28, 2022 and March 29, 2022. Attendance of the members at the meetings held during the Financial Year 2021-22 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Ullas K Kamath	2	2
Mr. Mithun K Chittilappilly	2	1
Mr. Ramachandran Venkataraman	2	2
Mr. Sudarshan Kasturi	2	2

VII. REMUNERATION OF DIRECTORS

a) Details of pecuniary relationship or transaction of Non-Executive Director(s) with the Company

Mr. Cherian N Punnoose, Independent Director is eligible for remuneration by way of commission during the Financial Year 2021-22 and the amount of commission payable has not exceeded 1% of the net profits of the Company.

All the Non-Executive Directors were paid sitting fees for attending the meetings of the Board and Sub-Committees of the Board. There were no other pecuniary relationship or transaction between any other Non-Executive Director and the Company during the year under review.

b) Criteria of making payments to Non-Executive Directors

The Company has adopted Nomination, Remuneration and Evaluation Policy, which describes the criteria of making payments to Non-Executive Directors. The Policy is available on the website of the Company www.vguard.in, in the page 'Investor Relations'.

The Non-Executive Directors are paid sitting fees for attending meetings of Board and Sub-Committees, which is duly approved by the Board of Directors of the Company and the present fee payable to the Directors for attending the meetings is within the limits specified in Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Commission is paid to Non-Executive Director(s) with the approval of the members of the Company, considering his / her contributions in strengthening governance practices, review of strategic proposals, driving new initiatives etc.

c) Details of Remuneration paid to the Directors

The following are the details of remuneration and sitting fees paid to the Directors of the Company during the Financial Year under review:

(₹ In Lakhs)

Name	Salary	Retirement Benefits #	Perquisites $	Commission/ Variable Pay	Sitting fees	Total
Mr. Cherian N Punnoose	-	-	-	16.50	6.25	22.75
Mr. Mithun K Chittilappilly	174.00	18.00	7.55	451.03	-	650.58
Mr. Ramachandran Venkataraman*	277.16	26.15	5.35	-	-	308.66
Mr. C J George	-	-	-	-	4.95	4.95
Mr. Ullas K Kamath	-	-	-	-	5.80	5.80
Ms. Radha Unni	-	-	-	-	5.30	5.30
Mr. B Jayaraj	-	-	-	-	4.55	4.55
Mr. George Muthoot Jacob	-	-	-	-	3.80	3.80
Prof. Biju Varkkey	-	-	-	-	4.40	4.40
Total	**451.16**	**44.15**	**12.90**	**467.53**	**35.05**	**1010.79**

*As per the terms and reference of Reappointment, no notice of severance fee is payable to Mr. Ramachandran Venkataraman.

*During the year under review, Mr. Ramachandran Venkataraman has exercised options to the extent of 2,50,000 & 3,50,000 numbers at an exercise price of ₹ 34.64 & ₹ 68.75 respectively.

#The retirement benefits do not include the provisions made for gratuity and compensated absence, if any, as they were determined on an actuarial basis for the Company as a whole.

$ Perquisite value of options exercised by Mr. Ramachandran Venkataraman under ESOS 2013 amounting to ₹ 1,098.63 Lakhs is not included in the remuneration disclosed above.

VIII. GENERAL BODY MEETING

a) Details of Annual General Meeting held during the last three years

Financial Year	Date	Time	Address
2020-21	August 5, 2021	3.30 p.m.	The Annual General Meeting was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The venue of the meeting shall be deemed to be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028
2019-20	August 12, 2020	3.30 p.m.	The Annual General Meeting was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The venue of the meeting shall be deemed to be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028
2018-19	July 24, 2019	04:30 p.m.	The Renai Cochin, Palarivattom P.O, Kochi – 682025

b) Details of Special Resolutions passed in the previous three Annual General Meetings and Extra-Ordinary General Meetings:

Date of Annual General Meeting	Details of Special Resolutions passed if any;
25th Annual General Meeting held on August 5, 2021	a) Re-appointment of Ms. Radha Unni (DIN: 03242769) as Independent Director. b) Increase managerial remuneration payable to Mr. Ramachandran V (DIN: 06576300), Whole-time Director in excess of 5% of the net profits of the Company. c) Payment of remuneration by way of commission to Ms. Joshna Johnson Thomas, Past Non-Executive Director for the Financial Year 2020-21, above fifty percent of the total annual remuneration by way of commission payable to all the Non-Executive Directors of the Company.
24th Annual General Meeting held on August 12, 2020	a) Payment of remuneration by way of commission to Mr. Kochouseph Chittilappilly, Past Chairman and Non-Executive Director for the Financial Year 2019-20, above fifty percent of the total annual remuneration by way of commission payable to all the non-executive directors of the Company. b) Creating further number of options for grant under the existing Employee Stock Option Scheme of the Company. c) To increase the managerial remuneration payable to Mr. Ramachandran Venkataraman, Whole Time Director in excess of 5% of the net profit of the Company.
23rd Annual General Meeting held on July 24, 2019.	a) Re-appointment of Mr. Cherian N Punnoose as Independent Director of the Company, to hold office for five consecutive years with effect from July 29, 2019 to July 28, 2024. b) Re-appointment of Mr. C J George as Independent Director of the Company, to hold office for five consecutive years with effect from July 29, 2019 to July 28, 2024. c) Re-appointment of Mr. Ullas K Kamath as Independent Director of the Company, to hold office for five consecutive years with effect from July 29, 2019 to July 28, 2024. d) Payment of remuneration by way of commission to Mr. Kochouseph Chittilappilly, Chairman (Non-Executive Director) for the financial year 2019, above fifty percent of the total annual remuneration by way of commission payable to all the Non-Executive Directors of the Company. e) Payment of remuneration to Non-Executive Directors of the Company, by way of commission or otherwise, not exceeding 2% (two percent) of the net profits of the Company effective from April 01, 2019.

No Extra-Ordinary General Meeting was held during the last three financial years.

c) Postal Ballot:

During the year under review, the Company has not moved any resolution through postal ballot process.

IX. MEANS OF COMMUNICATION

a) Quarterly Results

The Company regularly intimates information like quarterly/half yearly/annual financial results and media releases on significant developments from time to time. The financial results and other official news releases are also placed in the 'Investor Relations' section of the website of the Company at www.vguard.in and have also been communicated to the stock exchanges in which shares of the Company are listed.

b) Newspaper wherein results are normally published

The financial results are normally published in the newspapers - Business Standard (English) and Deepika (Malayalam)

c) Details of website and display of official news releases and presentation made to the institutional investors or to analysts

The website of the Company, www.vguard.in contains comprehensive information about the Company, its business, Directors, Sub-Committees of the Board, terms and conditions of appointment/re-appointment of Independent Directors, products, branch details, distributor locator, media details, service helplines, various policies adopted by the Board, details of unpaid dividend, contact details for investor grievance redressal, credit rating details, financial statement of subsidiary, shareholding pattern, notice of meeting of Board of Directors, quarterly unaudited financial results, audited financial results, annual report, shareholder information, schedule of analyst or institutional investor conference, presentations made to analysts or institutional investor, audio recording and transcript of quarterly earnings calls, information on material events, other developments etc.

X. GENERAL SHAREHOLDER INFORMATION

a) Date, Venue and Time of the 26th Annual General Meeting

Day and Date	Thursday, July 28, 2022
Time	11 A.M.
Mode & Venue	Annual General Meeting will be convened through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The Company's registered office i.e 42/962, Vennala High School Road, Vennala, Ernakulam – 682028, shall be deemed to be the venue of AGM.

b) Board Meeting and Financial calendar

The financial year of the Company Starts from April 1st of a year and ends on March 31st of the following year.

Calendar of Board Meeting to adopt the accounts (tentative and subject to change) for the Financial Year 2022-23 is as follows:

For the quarter ended	Proposed Dates
June 30, 2022	July 27, 2022
September 30, 2022	October 27, 2022
December 31, 2022	January 24, 2023
March 31, 2023	May 18, 2023

c) Dividend for the Financial Year 2021-22

Considering the improved profits, the Board has recommended final dividend of ₹ 1.30 (130%) per equity share which is subject to the approval of the shareholders at the ensuing Annual General Meeting, and if approved, will be payable after July 28, 2022, but before August 26, 2022. The Company has formulated a policy on Distribution of Dividend and the same is available on the website of the Company www.vguard.in in the page 'Investor Relations' and forms part of this Annual Report.

Dividend in respect of shares held in electronic form will be paid to the beneficial owners as per the information furnished by NSDL and CDSL as on record date. Shareholders are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants. The Shareholders holding shares in physical form are requested to intimate his/ her PAN/ any change in their address/bank details/ email id/ mobile number instantly by filling the KYC Form, so that change could be effected in the Register of Members for availing National Electronic Clearing Service (NECS) facility. Under this system of payment of dividend, the shareholders will receive the credit directly in their specified bank account and this avoid any loss of warrant in transit or fraudulent encashment. The Company will make arrangement to pay Dividend through NECS to its members or dispatch dividend warrant/cheque.

Date of Book Closure

The Register of Members will remain closed from July 22, 2022 to July 28, 2022 (both days inclusive) and dividend will be paid to the members whose name(s) appear in the Register of Members / Register of Beneficial Owners as on July 21, 2022.

Unpaid dividend Amount

As per the provisions of Section 124(5) and (6), the Company is required to transfer the unpaid dividend amount which is unclaimed for a period of seven years from the date of declaration of dividend to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

The Company has transferred an amount of ₹ 3,71,322.00/- which was lying in Unpaid Dividend Account for the Financial Year 2013-14 to IEPF. The Unclaimed dividend in respect of the Financial Year

2014-15 is due for transfer to IEPF on September 2, 2022, in terms of section 124(6) of the Act. Claims against Unpaid/Unclaimed dividend pertaining to Financial Year 2014-15 may be lodged at the Registered Office or at the Office of Registrar and Transfer Agent of the Company on or before August 25, 2022.

Members who have not encashed their Dividend Warrants within the validity period, may write to the Company at its Registered Office or to Link Intime India Private Limited, Registrar and Transfer Agent (RTA) of the Company by giving details of their bank account for claiming dividend.

Given below are the due date of transfer of the unclaimed dividend amount to IEPF by the Company:

Financial Year	Dividend per Share (Amt in ₹)	Nature	Date of Declaration of Dividend	Due date of transfer to IEPF	Account balance as on March 31, 2022 (Amt in ₹)
2014-15	4.50	Final	August 3, 2015	September 2, 2022	3,76,015.50
2015-16	4.50	Interim	March 9, 2016	April 8, 2023	4,09,720.50
2015-16	2.50	Final	July 26, 2016	August 25, 2023	2,14,650.00
2016-17	0.70	Final	July 31, 2017	August 30, 2024	7,02,955.00
2017-18	0.70	Final	July 31, 2018	August 30, 2025	6,18,284.10
2018-19	0.80	Final	July 24, 2019	August 30, 2026	5,67,244.00
2019-20	0.90	Interim	February 14, 2020	March 22, 2027	7,56,759.60
2020-21	1.20	Final	August 5, 2021	September 11, 2028	6,16,629.40

Further the aforesaid provisions will also be followed for the balance unclaimed amount of ₹ 23,406/- on account of sale proceeds of the fractional shares with respect to the Bonus Issue made on March 17, 2017. The said amount will become due to transfer to IEPF by May 26, 2024.

As per the provisions of Section 124(6) of the Act and Investor Education and Protection Fund Authority Rules, 2016 (the Rules), if dividend on any shares have not been encashed or claimed during seven consecutive years or more, such shares are to be transferred to Investor Education and Protection Fund Authority (IEPFA).The Company has given intimation to all shareholders who has not claimed dividend for seven consecutive years from the Financial Year 2014-15, indicating that such shares shall be transferred to IEPFA. The shareholders can claim dividend on or before August 25, 2022, failing which the shares will be transferred to IEPFA at appropriate date. The said intimation has been published in newspapers and made available on the website of the Company www.vguard.in in the page 'Investor Relations'.

Details of shares transferred to IEPFA

During the year under review, the Company was required to transfer 9,102 equity shares to IEPFA as dividend had not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2013-14 to 2019-20. However, the Company could transfer only 8,302 equity shares to IEPFA, as 800 equity shares as the Demat account of the shareholder was inactive at the time of execution of Corporate Action for transfer of shares to IEPFA. The Company had intimated IEPFA, the details of shares not transferred by filing e-form IEPF-3. The voting rights on the shares transferred to IEPFA shall remain frozen till the shareholder claim those shares from IEPFA, by filing e-form Web IEPF-5, as prescribed under the Rules. The details of shares transferred to IEPFA is available on the website of the Company at www.vguard.in, in the page 'Investor Relations'.

The procedures to be followed by the shareholder for filing of e-form Web IEPF-5 for claiming both unpaid dividend and the shares from IEPFA is detailed on the website of the Company www.vguard.in in the page 'Investor Relations'.

d) Name and address of the stock exchange at which the shares of the Company are listed and details of annual listing fees paid

Shares of the Company are quoted on the National Stock Exchange of India Limited (NSE) and the BSE Ltd., since March 13, 2008. Listing fees for the Financial Year 2022-23 have been paid to both the Stock Exchanges. Address of the Stock Exchanges are as follows:

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	Exchange plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla complex, Bandra – East, Mumbai – 400051

Custodial Fees

The Company has paid the custodial fees to the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the year 2022-23.

e) Details of Stock code

The stock codes of the Company at the Stock Exchanges are as follows:

BSE Limited : Scrip code: 532953
National Stock Exchange of India Limited : Symbol VGUARD/Series: EQ
Company's ISIN: INE951I01027

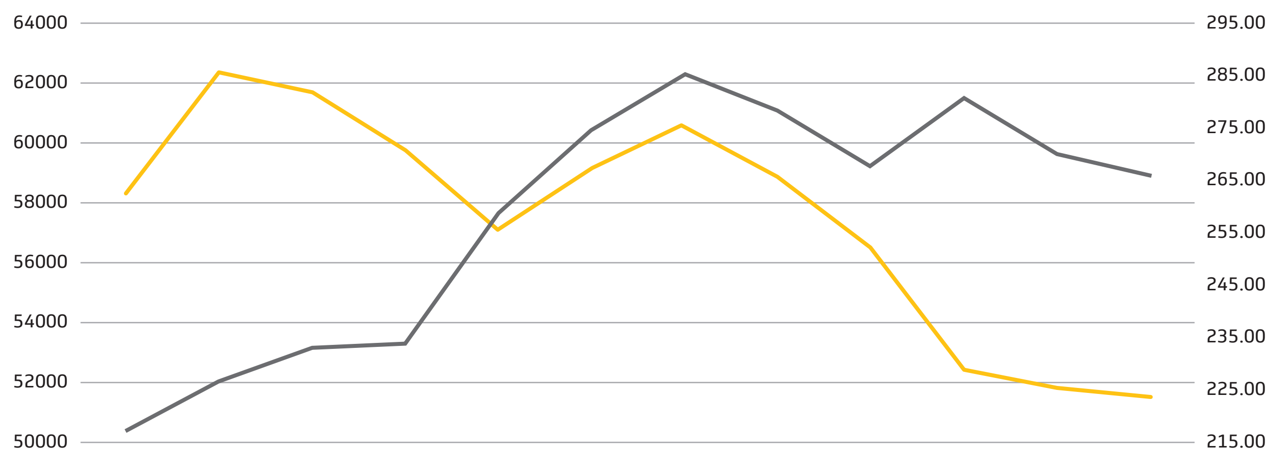
f) Market price data-high, low during each month in the Financial Year 2021-22

Monthly high and low quotations during each month during the Financial Year 2021-22 as well as the volume of shares traded at the National Stock Exchange of India Limited and BSE Limited are as follows:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (in Numbers)	High (₹)	Low (₹)	Volume (in Numbers)
April - 21	262.00	220.30	1,26,06,580	262.00	216.00	6,87,842
May - 21	285.00	219.00	3,26,74,807	285.00	220.25	17,56,583
June - 21	281.75	251.25	3,51,05,924	281.00	251.00	38,48,594
July - 21	267.85	246.25	1,77,64,928	270.00	246.15	9,35,472
August - 21	255.10	230.30	1,71,61,446	255.00	230.80	10,85,280
September - 21	265.55	240.00	2,11,05,617	266.60	240.15	11,05,119
October - 21	274.80	241.05	1,39,03,796	274.80	240.60	8,77,838
November - 21	263.90	222.00	90,77,126	264.90	222.15	9,40,230
December - 21	249.00	219.65	69,29,441	252.00	220.00	4,56,313
January – 22	228.75	210.70	84,74,536	228.60	210.90	14,23,964
February - 22	225.50	181.00	81,71,787	225.15	181.90	6,54,871
March - 22	223.55	194.05	1,10,68,535	223.60	194.35	18,20,685

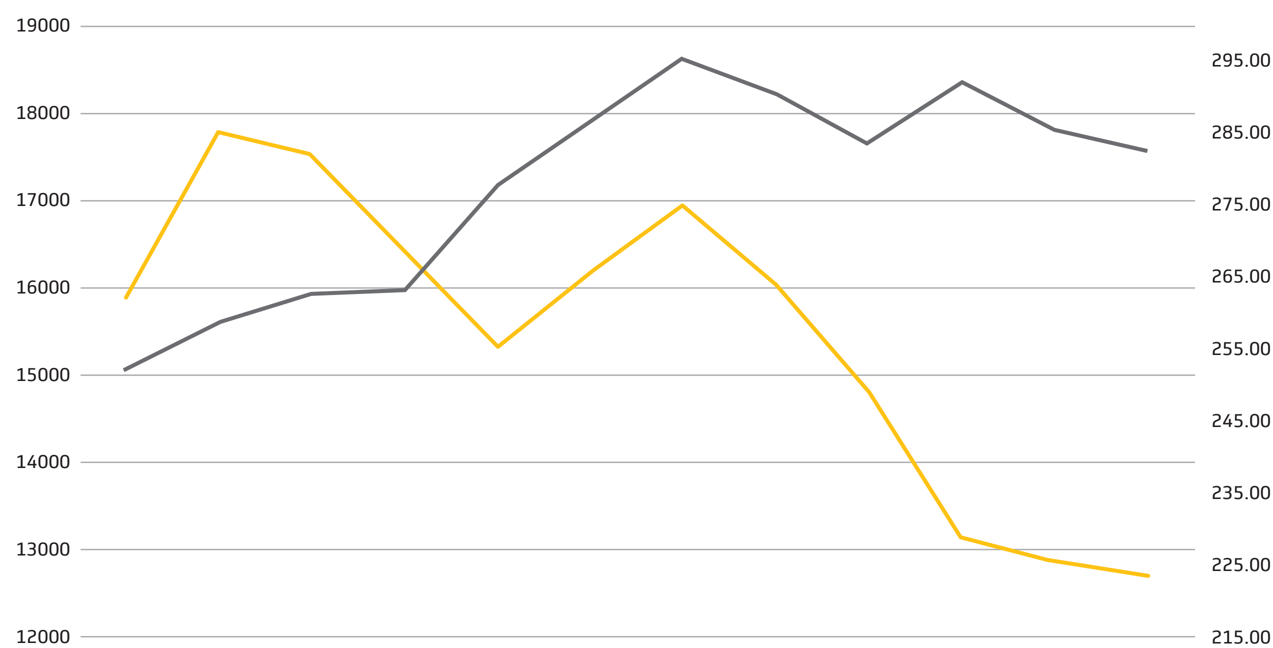
g) Performance in comparison to broad based indices such as BSE- Sensex, NSE – Nifty 50 etc.

Sensex High Vs. V-Guard High



	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Sensex High	50375.77	52013.22	53126.73	53290.81	57625.26	60412.32	62245.43	61036.56	59203.37	61475.15	59618.51	58890.92
V-Guard High	262.00	285.00	281.00	270.00	255.00	266.60	274.00	264.00	252.00	228.60	225.15	223.60

Nifty High Vs. V-Guard High



	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Nifty High	15044.35	15606.35	15915.65	15962.25	17153.50	17947.65	18604.45	18210.15	17639.50	18350.95	17794.60	17559.80
V-Guard High	262.00	285.00	281.75	267.85	255.10	265,55	274.80	263.90	249.00	228.75	225.50	223.55

h) The Company's shares were not suspended during the Financial Year under review.

i) Registrar and transfer agent

Link Intime India Private Limited
Surya, 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore – 641028
Phone: 0422-2314792, E-mail: coimbatore@linkintime.co.in

j) Share transfer

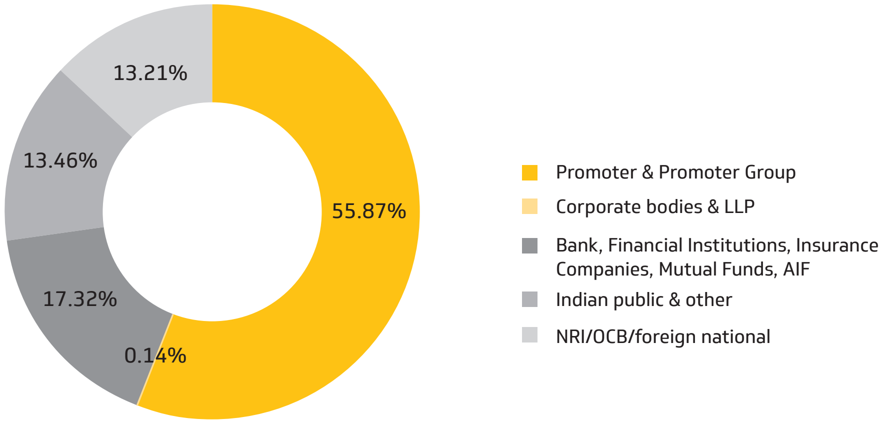
SEBI Vide Press Release No. 12/2019 dated March 27, 2019, effective from April 1, 2019, has discontinued transfer of shares in physical mode and hence, the Company is not required to process any transfer request on or after April 1, 2019. The Company holds Stakeholders' Relationship Committee Meetings for approving dematerialisation, requests for transmission and rematerialisation of equity shares. The Committee also reviews request for issue of duplicate share certificate and transmission of shares if any, received from shareholders or legal heirs respectively.

k) Distribution of shareholding as on March 31, 2022

Sl. no.	Shareholding of Nominal shares		Number of shareholders	% of shareholders	Number of shares	% of shares
	From	To				
1	1	500	1,35,787	92.05	98,83,115	2.29
2	501	1,000	4,975	3.37	37,98,096	0.88
3	1,001	2,000	3,989	2.70	53,84,632	1.25
4	2,001	3,000	1,105	0.75	27,33,317	0.63
5	3,001	4,000	329	0.22	11,70,772	0.27
6	4,001	5,000	426	0.29	18,69,199	0.43
7	5,001	10,000	396	0.27	28,51,929	0.66
8	10,001	Above	502	0.34	40,38,50,874	93.58
Total			**1,47,509**	**100.00**	**43,15,41,934**	**100.00**

Category of shareholder as on March 31, 2022

Category	No. of shares	% of total no. of shares
Promoter & Promoter Group	24,11,37,552	55.87
Corporate bodies & LLP	5,85,773	0.14
Banks, Financial Institutions, Insurance Companies, Mutual Funds, AIF	7,47,29,849	17.32
Indian public & other	5,81,00,333	13.46
NRI/OCB/ foreign nationals	5,69,88,427	13.21
Total	**43,15,41,934**	**100.00**



l) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory dematerialisation segment and are available for trading in the depository systems of both National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and actively traded in National Stock Exchange of India Ltd., and BSE Ltd. The status of shares held in dematerialised and physical forms as on March 31, 2022 are given below:

Particulars	No. of shares	Percentage
Shares held in Dematerialised form	43,08,99,760	99.8
Shares held in Physical form	6,42,174	0.2
Total	**43,15,41,934**	**100.00**

m) There were no outstanding GDR/ADR/warrants or any convertible instruments as at and for the year ended March 31, 2022.

n) Commodity price risk or foreign exchange risk and hedging activities

During the year ended March 31, 2022, the Company has managed its foreign exchange risk by entering into hedging arrangements as and when considered necessary. The details of foreign currency risk and commodity price risk are disclosed in notes to the financial statements, which forms part of this Annual Report.

o) Plant Locations

The details of manufacturing/plant locations and registered office are given in Page no. 31 of the Annual Report.

p) Address for investor correspondence is as follows:

The Company Secretary
V-Guard Industries Limited
42/962, Vennala High School Road,
Vennala, Ernakulam – 682028
Phone: 0484-433 5000; 200 5000
e-mail: jayasree@vguard.in; secretarial@vguard.in, investors@vguard.in

q) List of credit rating obtained by the company with revision during the financial year.

The Company's bank facilities are rated by Investment Information and Credit Rating Agency of India Limited (ICRA Ltd.). The Company continues to have long-term rating of [ICRA]AA (pronounced ICRA double A) and short-term rating of [ICRA]A1+ (pronounced ICRA A one plus). The outlook on the long-term rating remains stable.

XI. Other disclosures

a) Disclosure of material related party transaction that may have potential conflict with the interest of entity at large & web link for policy on dealing with related party transactions

During the year under review, no material related party transaction which had any potential conflict with the interest of entity at large was entered.

The Board of Directors of the Company, as per the provisions of Regulation 23 of the Listing Regulations, has formulated a policy on Material Related Party Transaction. The said policy is available on the website of the Company www.vguard.in in the page 'Investor Relations'. The related party transactions entered during the year under review are in the ordinary course of business and on arms' length basis. Further, a statement on all related party transactions is presented before the Audit Committee of the Company on quarterly basis for its review.

Also, refer note 45 of the Standalone financial statements as at March 31, 2022 which forms part of this Annual Report for details of related party transactions.

b) Details of Non-Compliance by the Company, Penalties, strictures imposed on the Company by Stock Exchange or the Board or any statutory authority, on any matter related to capital markets during lasts three years

The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority-imposed penalties or strictures on the Company, during the last three years, on any matter relating to capital markets.

c) Details of establishment of vigil mechanism and whistle blower policy

The Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Vigil Mechanism provides for adequate safeguards against victimization of Directors/employees who blows the whistle and to provide direct access to the Chairman of the Audit Committee in exceptional cases. No employee is denied the opportunity to meet the Chairman of the Audit Committee.

Vigil Mechanism adopted by the Company is posted on the website of the Company www.vguard.in in the page 'Investor Relations'.

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) Details of policy for determining material subsidiaries is disclosed

The Board of Directors have formulated a policy for determining material subsidiary and the same is posted on the website of the Company, www.vguard.in in the page 'Investor Relations'.

f) Governance of Subsidiary Companies – GUTS Electro-Mech Limited & V-Guard Consumer Products Limited

During the year under review, the Company has incorporated a Wholly Owned Subsidiary Company by the name of V-Guard Consumer Products Limited (VCPL) on July 19, 2021. The Company continues to hold 74% stake in Guts Electro-Mech Limited.

The minutes of the Board Meetings of the subsidiary companies, along with the details of the significant transactions and arrangements entered by the Company are shared with the Board of Directors on a quarterly basis. The Company does not have a material subsidiary as on the date of this report.

g) Web link where policy on dealing with related party transactions

The Board of Directors have formulated a policy for determining material subsidiary and the same is posted on the website of the Company, www.vguard.in in the page 'Investor Relations'.

h) Commodity price risk or foreign exchange price risk and hedging activities

During the year ended March 31, 2022, the Company has managed its foreign exchange risk by entering into hedging arrangements as and when considered necessary. The details of foreign currency risk and commodity price risk are disclosed in notes to the financial statements, which forms part of this Annual Report.

i) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of the Listing Regulations.

j) 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

The Company has obtained a certificate from M/s. Keyul M Dedhia & Associates, Company Secretaries (Firm Registration Number: S2009MH120800), Mumbai, in compliance with the provisions of Regulation 34(3) of the Listing Regulations read with Schedule V Para C clause (10)(i) of the Listing Regulations, confirming that none of the Directors of the Company are debarred or disqualified from being appointed or continuing as a Director of any company, by SEBI or Ministry of Corporate Affairs or any other Statutory Authority as on March 31, 2022. Certificate obtained from the Practising Company Secretary, forms part of this Report.

k) 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

During the year under review, the Board has accepted all the recommendations made by all the Committees of the Board.

l) Total fees paid to Statutory Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants with Firm Registration No. 101049W/E30004, were appointed as Statutory Auditors of the Company from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting of the Company to be held in the financial year 2022. The Company has paid or provided a consolidated amount of ₹ 78.50 lakhs to the Auditors for carrying out the audit of the Financial Year 2021-22 and for other certificates issued for the said year. The above amount is exclusive of Goods and Services Tax and reimbursement of out-of-pocket expenses.

The Board has proposed the appointment of M/s Price Waterhouse Chartered Accountants LLP, as statutory auditors in the place of the retiring auditor, M/s S R Batliboi & Associates LLP, Chartered Accountants.

m) Redressal of Grievances under Sexual Harassment Policy

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of complaints received and resolved during the year are as follows:

Sl. No.	Complaints received	Compliant Status
1	No. of grievances received during the Financial Year	Nil
2	No. of grievances disposed of during the Financial Year	
3	No. of complaints pending at end of Financial Year	

n) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.

During the year under review, the listed entity and its subsidiaries has not given any loans and advances to firms/companies in which directors are interested.

XII. DETAILS OF ADOPTION OF DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II TO THE LISTING REGULATIONS

The Company has adopted the following non-mandatory requirements of Part E of Schedule II to the listing Regulations.

a) The Chairperson of the Company is in Non-Executive Category.

b) The listed entity follows the regime of financial statements with unmodified audit opinion.

c) The Independent firms of the Internal Auditors of the Company are directly reporting to the Audit Committee of the Board.

XIII. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the requirements of Corporate Governance mentioned in the Regulation 17 to 27 and clauses (b) to (z) of sub-regulation (2) of Regulation 46 of the Listing Regulations wherever applicable.

XIV. DETAILS OF OTHER COMPLIANCES

Details of compliances of provisions relating to Corporate Governance in various Regulations of the Listing Regulations, other than those specified above are as under:

a) Code of conduct for Directors and Senior Management

The Board has put in place a Code of Conduct for Directors and Senior Management of the Company in line with the provisions of the Act and the Listing Regulations. The Code is available on the website of the Company www.vguard.in in the page 'Investor Relations'.

b) Notice of interest by Senior Management Personnel

The Senior Management team has confirmed to the Board of Directors that no material and commercial transactions have been entered into between the Company and Members of the Senior Management team, where they have personal interest.

c) Prevention of insider trading

The Company has in place a Code of Conduct – Insider Trading to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading (Regulations), 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Directors, Designated persons and their immediate relatives, on procedures to be followed and disclosures to be made by them while dealing with the shares of the Company and cautioning them of the consequences of violations. The Company has placed the Code as per the Listing Regulations in website of the Company www.vguard.in in the page 'Investor Relations'.

d) Risk management

The Board of the Company has adopted Risk Policy of the Company and has framed and implemented risk management plan for the Company and laid down the procedures to inform the members of Audit Committee and the Board about the risk assessment and minimization procedures. The members of the Committee consist of two Executive Directors, an Independent Director and Chief Financial Officer of the Company.

A detailed note on Risk Management is included in the Management Discussion and Analysis Report, which forms part of this Annual Report.

e) Review of compliance reports pertaining to all laws applicable to the Company

A comprehensive report on the status of compliance, with all the applicable laws to the Company is placed before the Board on a quarterly basis for their review and knowledge.

f) Submission of quarterly compliance report on Corporate Governance

The Company has submitted quarterly compliance report on Corporate Governance, duly signed by the Company Secretary of the Company, with all the Stock Exchanges wherein the shares of the Company are listed.

g) Management Discussion and Analysis Report

Management Discussion and Analysis Report detailing the industry developments, segment wise/ product wise performance and other matters, forms part of this Annual Report.

h) Non- compliance of any requirement of Corporate Governance Report, with reasons if any, thereof shall be disclosed

The Company has complied with all the requirements of Corporate Governance Report as specified in sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations.

XV. CEO/CFO CERTIFICATION

Pursuant to Regulation 17(8) of the Listing Regulations, Mr. Mithun K Chittilappilly, Managing Director and Mr. Sudarshan Kasturi, Chief Financial Officer had given CEO/CFO Certificate as per the format specified in part B to the Schedule II of the Listing Regulations, and said certificate was placed before the meeting of Board of Directors in their meeting held on May 19, 2022.

XVI. DECLARATION OF CODE OF CONDUCT

In compliance with the provisions of Schedule V(D) of the Listing Regulations, it is hereby affirmed that all the Board members and Senior Management personnel have complied with the Code of Conduct of the Company.

For and on behalf of the Board of Directors of

Sd/-
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Date : May 19, 2022
Place : Ernakulam

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,
V-Guard Industries Limited
Corporate Identity Number: L31200KL1996PLC010010
42/962, Vennala High School Road, Vennala, Kochi, Kerala- 682 028.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of V-Guard Industries Limited having Corporate Identity Number: L31200KL1996PLC010010 and having registered office at 42/962, Vennala High School Road, Vennala, Kochi, Kerala- 682 028 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our test check basis verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Keyul M. Dedhia & Associates**
Company Secretaries
Unique ICSI Code Number: S2009MH120800

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756D000347315
Peer Review Certificate No.: 876/2020

May 19, 2022, Mumbai

CEO/CFO CERTIFICATION TO THE BOARD

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Mithun K Chittilappilly, Managing Director and Sudarshan Kasturi, Chief Financial Officer of V-Guard Industries Limited, hereby certify that:

A. We have reviewed the financial statements and the cash flow statement for the quarter and year ended March 31, 2022 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with the 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 period under review which are fraudulent, illegal and violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and 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, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps have been taken or is proposed to be taken to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

(1) That there are no significant changes in the internal control over financial reporting during the period under review.

(2) That there are no significant changes in the accounting policies during the period under review and the same has been disclosed in the notes to financial statements; and

(3) That we are not aware of instances of any significant fraud with involvement therein of the management or any employee having any significant role in the Company's internal control system over financial reporting.

For **V-Guard Industries Limited**

Sd/-	Sd/-
Mithun K Chittilappilly	**Sudarshan Kasturi**
Managing Director	Chief Financial Officer

Date: May 19, 2022
Place: Ernakulam

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

To,
The Members of,
V-Guard Industries Limited
42/962, Vennala High School Road,
Vennala P.O., Kochi,
Kerala – 682 028

1. The Corporate Governance Report prepared by V-Guard Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) 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, 2022 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 ICAI.

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, 2022 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 during the period April 1, 2021 to March 31, 2022:

(a) Board of Directors;

(b) Audit Committee;

(c) Nomination and Remuneration Committee;

(d) Stakeholders Relationship Committee;

(e) Risk Management Committee

(f) Annual General Meeting (AGM);

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. 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.

viii. 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, 2022, 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 & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AMAGDL7847

Place of Signature: Bengaluru
Date: June 30, 2022

Business Responsibility Report

Introduction:

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) has mandated inclusion of a “Business Responsibility Report” (BRR) as part of Company’s Annual Report for top 1000 listed entities based on market capitalization at the BSE Ltd., (BSE) and the National Stock Exchange of India Ltd., (NSE). The reporting framework is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains nine Principles and Core Elements for each of those nine Principles. The report outlines the organization’s performance from the environmental, social and governance perspective and has been prepared as prescribed and in accordance with the Regulation 34(2)(f) of the Listing Regulations and provides the information as required by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identification Number	L31200KL1996PLC010010
2.	Name of the Company	V-Guard Industries Limited
3.	Registered Office Address	42/962, Vennala High School Road, Vennala, Ernakulam, Kerala – 682028
4.	Website	www.vguard.in
5.	Email ID	mail@vguard.in
6.	Financial Year Reported	2021-22
7.	Sector that the Company is engaged in	Consumer Electricals
8	Key products that the Company manufactures/ provides	(see table below)
9.	Total No. of locations where business activity is undertaken by the Company	a. Registered and Corporate Office at Ernakulam, Kerala, India. b. Own Manufacturing Locations – 9 facilities. spread across Coimbatore, Perundurai, Kashipur, Kala Amb, Sikkim and Haridwar. c. Branch Offices – 32
10.	Markets served by the Company	The Company predominantly serves the Indian Markets with share of exports being negligible.

Product	NIC Code 2008
House Wiring Cables	2732, 2733
Stabilizers	2710
Water Heaters (Electric & Solar)	2750, 2815
UPS (Digital & Standalone)	2710, 2790
Pump	2812
Fan	2750

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 43.15 crores
2.	Total Turnover	₹ 3474.65 crores
3.	Total Profit After Tax	₹ 226.80 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	a. Average net profit of the Company for last three financial years: ₹ 24,823.36 Lakhs. b. Total amount spent for the financial year 2021-22: ₹ 501.65 Lakhs
5.	List of activities, in which expenditure in 4 above, has been incurred	a. Edu-care and Skill development programs b. Health care programs c. Build India & Relief Activities

SECTION C: OTHER DETAILS

Subsidiary Information & Details of subsidiary participation or any other entities participation in Company's BR Initiatives	V-Guard Consumer Products Limited (VCPL), a Wholly Owned Subsidiary Company was formed on July 19, 2021, for focusing more on manufacturing and development activities and achieve manufacturing excellence. VCPL is engaged in the business of manufacturing and selling of various electronics, electricals and consumer durables. VCPL set up its first manufacturing facility for production of Stabilizer and Digital UPS in Pantnagar, Uttarakhand, and commercialized the unit in March 2022. Details of VCPL are given below: **Registered Office address:** 1st Floor, 42/962, Vennala High School Road, Vennala, Ernakulam – 682028 Guts Electro-Mech Ltd. is a subsidiary of the Company in which the Company is holding 74% equity investment. The subsidiary is engaged in the business of manufacture and supply of MCB & RCCB. **Registered Office address:** 163/C, 164/E, Phase II, IDA, Cherlapally, Hyderabad, Telangana – 500051 Subsidiary companies are not directly participating in the Company's BR initiatives. V-Guard Foundation, a Non-Profit Company, limited by guarantee, registered under Section 8 of the Companies Act, 2013 established in 2017 is the principal arm for implementing the Company's CSR programs. It takes forward the Company's CSR Vision and implement social upliftment programmes in a more collaborative and participative manner.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/ Directors responsible for BR:

a.	Details of the Director/ Directors Responsible for implementation of the BR policy/policies	DIN	00027610
		Name	Mr. Mithun K Chittilappilly
		Designation	Managing Director
b.	Details of the BR Head	DIN	06576300
		Name	Mr. Ramachandran V
		Designation	Director & Chief Operating Officer
		Tele No.	0484-4335000
		Email ID	mail@vguard.in

2. Principle-wise (as per NVGs) BR Policy / Policies:

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

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment principle.
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.

a. Details of Compliances (Reply in Y/N):

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	The relevant policies have evolved over a period of time by taking inputs from relevant internal stakeholders. However, the Company engages with key external stakeholders on a regular basis and their concerns are noted and discussed internally which helps in shaping our policies.								
3.	Does the policy conform to any national/ international standards? If yes, specify.	Yes. Policies have been developed considering relevant national/international standards and meet national regulatory requirements such as Factories Act, 1948, ISO Standards, Companies Act, 2013, the Listing Regulations and various other Statutes.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Yes. The policies are approved by the Board/ Competent Authority to which requisite authority has been delegated by the Board.								
5.	Does the Company have a specified committee of the Board/Directors /official to oversee the implementation of the policy?	Yes. The Internal Audit Division of the Company oversee the functioning of the policies.								
6.	Indicate the link for the policy to be viewed online?	Policies are uploaded in the website of the Company at www.vguard.in and in the Company's intranet portal.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies are communicated to internal stakeholders and are available on the Company's internal network. If required, the policies are also shared with our external stakeholders and are published on the Company's website.								
8.	Does the Company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. The policies are evaluated periodically by various divisions of the Company.								

b. If answer to the question at serial number 1 against any principle is 'No', please explain why:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the principles	Not Applicable as the Company has formulated policies based on all the nine Principles.								
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3. The Company does not have any financial or manpower resources available for the task									
4. It is planned to be done within the next 6 months.									
5. It is planned to be done within the next 1 year.									
6. Any other reason (please specify)									

3. Governance related to BR:

a.	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 Board / Committee of the Company generally meets on a quarterly basis. Further, the frequency of meetings is determined by the Chairman on need basis.
b.	Does the company publish a BRR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR forms part of Annual Report of the Company and the same is made available on the website of the Company at www. vguard.in.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

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?	The Company has adopted a Code of conduct applicable to the Board of Directors, Senior Management Personnel and employees of the Company as well. The Code requires the Directors, Senior Management Personnel and other employees of the Company to act honestly, ethically and with integrity.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by management? If so, provide details thereof	The Whistle blower policy serves as a mechanism for its Directors and Employees to report any genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. During the year the Company has not received any complaint under Whistle blower mechanism. In addition to this there are no complaints received during the year relating to ethics, bribery or corruption from any stakeholders.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1.	List three products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	None of the products have any potential impact on the environment as the materials used and the process followed strictly comply with prescribed standards. The Company's product folder consists of Solar Water Heater, Solar enabled UPS and power systems which promotes usage of renewable source of energy. Through the efforts of continuous Research and Development activities, the Company was able to reduce the lead content in Batteries. Further, the Company was able to produce and roll out products which consumes less energy and confirming to various energy standards.
2.	Procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably.	The Company's procurement of materials and goods are done by the Centralised Procurement Team. The procedures laid down in this regard endeavours to protect the environment and various stakeholders.
4.	Steps taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors	The Company procures goods and services from various local & small producers.
5.	Mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as 10%)	Products manufactured / waste generated are not recycled and hence no mechanism is laid down.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

<table>
<tr><td>1.</td><td>Total No. of employees</td><td>2477 (as on March 31, 2022)</td></tr>
<tr><td>2.</td><td>Total number of employees hired on temporary/ contractual/casual basis</td><td>Net Additions as on March 2022 is 507.
Total Head Count as on March 31, 2022 is 3417.</td></tr>
<tr><td>3.</td><td>Number of permanent women employees</td><td>161</td></tr>
<tr><td>4.</td><td>Number of permanent employees with disabilities</td><td>Nil</td></tr>
<tr><td>5.</td><td>Employee associations recognised by the management</td><td>Nil</td></tr>
<tr><td>6.</td><td>Percentage of permanent employees that are members of recognised employee associations</td><td>NA</td></tr>
<tr><td>7.</td><td>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</td><td>
<table>
<tr><th>Sl No.</th><th>Category</th><th>No. of complaints filed during the financial year</th><th>No. of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour/ forced labour/ involuntary labour</td><td rowspan="3">Nil</td><td rowspan="3">Nil</td></tr>
<tr><td>2</td><td>Sexual Harassment</td></tr>
<tr><td>3</td><td>Discriminatory Employment</td></tr>
</table>
</td></tr>
<tr><td>8.</td><td>Percentage of employees that were given safety and skill upgradation training in the previous year.</td><td>All employees, both permanent and temporary are regularly given training.</td></tr>
</table>

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes. The Company has mapped its key internal and external stakeholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company identifies underprivileged communities around its business locations who are disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders in identifying their needs and priorities to serve their needs.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	The Company is carrying out various welfare activities for the disadvantaged, vulnerable and marginalised stakeholders through its CSR programmes.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

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?	The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the HR policies and processes adequately address these aspects. The Company does not hire child /forced or involuntary labour. All the employees are treated in a just, fair and equal manner.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received pertaining to human rights violation during the reporting period.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors /NGOs/other	The Company has well-defined policies/principles in place relating to Health, Safety and Environment. These policies foster utmost employee safety and wellbeing which not only takes care of the wellness of employees but also the environment. The policy and principles are communicated to the relevant external stakeholders. At present, these policies are applicable to the permanent and contract employees of the Company.
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.	The Company's policy requires conduct of operations in such a manner, as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, all its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption, using solar energy, rain water harvesting etc. During the financial year under review, the Company was able to save energy of 5,54,167 kWh units and mitigated CO2 emission of 28,83,813 kg. The Company was also able to conserve water resources for 18,41,326 ltrs.

3.	Does the company identify and assess potential environmental risks? Y/N	Yes
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?	No, the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol. The requirement and standards on environmental concerns are assessed at product development stage.
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 utilises its resources in an optimal and responsible manner. Continuous efforts are carried on to improve energy efficiency in every sphere of Company's operations. Appropriate measures to check and prevent pollution are undertaken.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.
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.	The Company has not received any show cause/ legal notices from CPCB/SPCB during the financial year under review.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

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:	Indian Electrical & Electronics Manufacturers' Association (IEEMA) Kerala Management Association (KMA), Kerala State Productivity Council (KSPC)
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.	Presently, the Company is carrying out activities on advancement or improvement of public good both directly and through various associations.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1.	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company strongly believes in the true spirit of giving back to the society a certain percentage of the profits. To achieve the above objective, it has established V-Guard Foundation, a Non-Profit organization and is carrying out various CSR activities through this Foundation. The Company has a well-defined CSR policy which is in line with the provisions of the Companies Act, 2013. The report on the CSR projects carried by the Company is annexed to the Director's Report which forms part of this Annual Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO / government structures/any other organization?	Activities are carried out through V-Guard Foundation.
3.	Have you done any impact assessment of your initiative?	The Company is not required to conduct impact assessment as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	The Company has spent ₹ 501.65 lakhs on the CSR Activities during the financial year 2021-22. Please refer the Annual Report on CSR activities forming part of this Annual Report.

5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Initiatives are identified based on the requirement of the community in such a way that the benefits out of them are of an enduring nature. – Please refer to the Annual Report on CSR activities for the financial year ended March 31, 2022.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	A well-established system is in place for dealing with customer feedback and complaints. All complaints are appropriately addressed and resolved, in most of the cases at the earliest. At the end of the financial year, percentage of unresolved complaints was negligible.
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	Yes. Product information is displayed on all product/ goods of the Company in accordance with the Legal Metrology Act, 2011 and the applicable Rules thereunder/other laws. In addition, wherever it is considered relevant and appropriate for it to facilitate better usage of the product/goods by the consumer, additional information about the products/goods, the use and the mode of handling thereof are also provided.
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	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anticompetitive behavior against the Company.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Conduct of periodical consumer surveys and mapping of customer satisfaction trends are considered and utilised by the Company on a regular basis as effective tools of business strategy to understand the consumers and their needs better.

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of V-Guard Industries Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, 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, 2022, 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 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 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, 2022. 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 matter described below to be the key audit matter 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 this matter. 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 matter below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 2.2(d) and 48 of the standalone Ind AS financial statements)	
Revenue is measured at the fair value of consideration received / receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. We have considered this as a key audit matter on account of significant judgement and estimate involved in calculation of provision for such trade schemes as at the Balance Sheet date.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Assessed the Company's accounting policy for revenue recognition including the policy for recording trade schemes in accordance with Ind AS 115. • Obtained an understanding of the revenue process, the assumptions used by the management in calculation of accrual of trade schemes and design and implementation of controls. • Evaluated management's methodology and assumptions used in the calculations of such accruals for trade schemes. • Tested on sample basis management's calculation of the provisions for trade schemes at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used. • Tested, on sample basis, credit notes issued to customer / payments for incentives as per the approved trade schemes. • Performed analytical procedures to identify any unusual trends and items.

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.

Those 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 standalone Ind AS 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, 2022 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to 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, 2022 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 40(B)(i) 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. As detailed in Note 56 to the standalone Ind AS financial statements, except for 4,080 equity shares required to be transferred to the Investor Education and Protection Fund, there has been no other delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Out of the above, 800 equity shares remain pending to be transferred to the Investor Education and Protection Fund as at March 31, 2022.

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 20 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Sd / -
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJFVSG8807

Place of Signature: Bengaluru
Date: May 19, 2022

Annexure 1 referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: V-Guard Industries Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and confirmation.

(b) As disclosed in Note 24 to the accompanying standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone Ind AS financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) The Company has made investments in one subsidiary during the year. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clauses 3(iii)(a), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(b) In respect of the investments, the terms and conditions under which investments were made are not prejudicial to the Company's interest.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 Act, related to the products manufactured by the Company 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) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues as applicable to the Company have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us and based on the audit procedures performed by us, undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues as applicable to the Company which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months as at March 31, 2022:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
The Jharkhand Tax on Professions, Trades, Callings and Employments Act, 2011	Professional Tax	0.95	October 2018 to June 2021	January 2019 to July 2021	May 11, 2022

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Amount paid under protest (₹ in lakhs)	Forum where dispute is pending
Central Sales Tax Act	Central Sales tax	8.38	2011-12 & 2012-13	0.56	Sales Tax Tribunal
Orissa Entry Tax Act	Entry Tax	155.37	2011-12 & 2012-13	10.36	Sales Tax Tribunal
Orissa Value Added Tax Act	Value added tax	520.13	2007-08 to 2012-13	57.38	Sales Tax Tribunal
Orissa Value Added Tax Act	Value added tax	16.65	2014-15 & 2015-16	0.70	Sales Tax Tribunal
Bihar Entry Tax Act	Entry Tax	39.08	2013-14 & 2015-16	6.04	Joint Commissioner of Commercial Taxes (Appeals)
Bihar Value Added Tax Act	Value added tax	85.50	2015-16 & 2017-18	-	Joint Commissioner of Commercial Taxes (Appeals)
Andhra Pradesh Value Added Tax Act	Value added tax	12.82	April 2006 to June 2010	3.20	Appellate Tribunal (Commercial Taxes), Telangana
Uttarakhand Value Added Tax Act	Value added tax	3.78	2014-15	0.76	Joint Commissioner Commercial Taxes (Appeals)
Income Tax Act, 1961	Income tax	4,543.27	AY 2008-09; AY 2010-11 to AY 2014-15 & AY 2016-17 to AY 2018-19	837.08	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax	42.38	2014-15, 2015-16 & 2016-17	1.17	Commissioner (Appeals), GST & Central Excise

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Amount paid under protest (₹ in lakhs)	Forum where dispute is pending
Central Goods and Services taxes Act, 2017	Goods and Services tax	31.62	2017-18	1.83	Commissioner of Customs and Central Excise (Appeals)
Central Goods and Services taxes Act, 2017	Goods and Services tax	5.51	2020-21	5.51	Joint Commissioner (Appeals)
Central Excise Act, 1944	Central Excise duty	35.89	2016-17 & 2017-18	1.17	Commissioner of GST & Central Excise (Appeals)
Andhra Pradesh Value Added Tax Act	Value added tax	80.54	2016-17 & 2017-18	30.20	Appellate Joint Commissioner (Commercial Taxes)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the accompanying standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the accompanying standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Further, the Company does not have any associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Further, the Company does not have any associates or joint ventures.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the accompanying standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 53 to the accompanying standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 37 to the accompanying standalone Ind AS financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 37 to the accompanying standalone Ind AS financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Sd / -
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJFVSG8807

Place of Signature: Bengaluru
Date: May 19, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF V-GUARD INDUSTRIES 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 with reference to standalone Ind AS financial statements of V-Guard Industries Limited ("the Company") as of March 31, 2022 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS 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 standalone Ind AS 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 Company's internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial controls with reference to standalone 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 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Sd / -
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJFVSG8807

Place of Signature: Bengaluru
Date: May 19, 2022

Standalone Balance Sheet as at March 31, 2022

(₹ in lakhs)

Particulars		Notes	As at March 31, 2022	As at March 31, 2021
A.	**ASSETS**			
1.	**Non-current assets**			
	Property, plant & equipment	3	33,164.97	28,405.54
	Capital work-in-progress	3	864.37	1,849.70
	Investment property	4	27.90	27.90
	Other intangible assets	5	808.54	726.44
	Intangible assets under development	5	783.85	105.32
	Right of Use assets	3	6,025.69	6,246.57
	Investment in subsidiaries	6	6,864.70	884.95
	Financial assets			
	(a) Other investments	7	3,340.00	3,340.00
	(b) Loans	8	143.94	219.99
	(c) Other financial assets	9	1,525.43	1,452.79
	Income tax assets (net)	10	2,210.60	1,379.94
	Deferred tax assets (net)	11	862.92	267.04
	Other non-current assets	12	1,291.15	1,702.26
			57,914.06	**46,608.44**
2.	**Current assets**			
	Inventories	13	84,988.85	62,865.91
	Financial assets			
	(a) Trade receivables	14	47,924.29	38,471.76
	(b) Cash and cash equivalents	15A	5,344.86	28,072.31
	(c) Other bank balances	15B	42.86	41.29
	(d) Loans	16	175.18	145.86
	(e) Other financial assets	17	13.14	22.84
	Other current assets	18	10,809.40	9,750.72
			1,49,298.58	**1,39,370.69**
	TOTAL ASSETS		**2,07,212.64**	**1,85,979.13**
B.	**EQUITY AND LIABILITIES**			
1.	**Equity**			
	Equity share capital	19	4,315.42	4,301.88
	Other equity *		1,35,935.46	1,16,475.01
	TOTAL EQUITY		**1,40,250.88**	**1,20,776.89**
2.	**Non-current liabilities**			
	Financial liabilities			
	(a) Lease liabilities	21	4,843.31	4,988.71
	(b) Other financial liabilities	22	572.55	465.56
	Provisions	23	1,289.68	1,126.68
			6,705.54	**6,580.95**
3.	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	24	1,000.00	1,000.00
	(b) Lease liabilities	21	791.33	636.36
	(c) Trade payables	25		
	(i) Total outstanding dues of micro enterprises and small enterprises		4,272.32	7,645.59
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		43,918.97	39,666.99
	(d) Other financial liabilities	26	2,875.12	2,564.58
	Other current liabilities	27	2,456.67	1,801.62
	Provisions	28	4,758.35	4,244.94
	Current tax liabilities (net)	29	183.46	1,061.21
			60,256.22	**58,621.29**
	TOTAL EQUITY AND LIABILITIES		**2,07,212.64**	**1,85,979.13**
Refer Standalone Statement of changes in equity				
Summary of significant accounting policies		2		

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

As per our report of even date
For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Standalone Statement of Profit and Loss for the year ended March 31, 2022

(₹ in lakhs)

Particulars		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Income**			
	(a) Revenue from operations	30	3,47,465.52	2,69,900.41
	(b) Other income	31	559.67	291.42
	(c) Finance income	32	733.81	1,818.19
	Total income		**3,48,759.00**	**2,72,010.02**
2	**Expenses**			
	(a) Cost of raw materials consumed	33.a	1,37,476.66	87,292.11
	(b) Purchase of stock-in-trade		1,17,888.24	1,04,653.06
	(c) (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	33.b	(13,969.56)	(7,071.70)
	(d) Employee benefits expenses	34	26,688.06	22,466.80
	(e) Depreciation and amortisation expenses	35.a	4,750.00	3,732.08
	(f) Finance costs	35.b	752.49	559.72
	(g) Other expenses	36	46,168.34	31,910.85
	Total expenses		**3,19,754.23**	**2,43,542.92**
3	**Profit before tax (1 - 2)**		**29,004.77**	**28,467.10**
4	**Tax expenses**	38		
	(a) Current tax expenses		7,709.69	8,228.11
	(b) Deferred tax (credit) / expense		(575.97)	(61.76)
	(c) Current tax relating to earlier years		(808.67)	402.51
	Total income tax		**6,325.05**	**8,568.86**
5	**Profit for the year (3 - 4)**		**22,679.72**	**19,898.24**
6	**Other comprehensive (loss) / income**			
	Other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods:			
	(a) Re-measurement (losses) / gains on defined benefit plans	43	(74.89)	63.62
	(b) Income tax effect		19.91	(18.35)
	Other comprehensive (loss) / income for the year, net of tax		**(54.98)**	**45.27**
	Total comprehensive income for the year, net of tax		**22,624.74**	**19,943.51**
7	**Earnings per equity share (basic and diluted) (₹)** (Nominal value of equity share - ₹ 1 each) :	46		
	Basic earnings per share		5.27	4.64
	Diluted earnings per share		5.23	4.61
Summary of significant accounting policies		2		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Standalone Statement of changes in equity

for the year ended March 31, 2022

A) Equity Share Capital

Particulars	No. of shares	₹ in lakhs
As at April 1, 2020	**42,82,87,535**	**4,282.88**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	19,00,923	19.00
As at March 31, 2021	**43,01,88,458**	**4,301.88**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,53,476	13.54
As at March 31, 2022	**43,15,41,934**	**4,315.42**

B) Other Equity

(₹ in lakhs)

Particulars	Attributable to the equity holders				Total
	Securities Premium	General Reserve	Retained Earnings	Share based payment reserve	
As at April 1, 2020	**10,635.46**	**6,489.01**	**75,094.88**	**2,875.27**	**95,094.62**
Net profit for the year	-	-	19,898.24	-	19,898.24
Other comprehensive income for the year*					
Remeasurement gains / (losses) on defined benefit plans (net of taxes)	-	-	45.27	-	45.27
Total Comprehensive Income	**-**	**-**	**19,943.51**	**-**	**19,943.51**
Equity shares issued under ESOS 2013	443.40	-	-	-	443.40
Transfer from Share based payments reserve on exercise of options under ESOS 2013	862.92	-	-	(862.92)	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	993.48	993.48
As at March 31, 2021	**11,941.78**	**6,489.01**	**95,038.39**	**3,005.83**	**1,16,475.01**
Net profit for the year	-	-	22,679.72	-	22,679.72
Other comprehensive income for the year*					
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(54.98)	-	(54.98)
Total Comprehensive Income	**-**	**-**	**22,624.74**	**-**	**22,624.74**
Equity shares issued under ESOS 2013	442.95	-	-	-	442.95
Final dividend (Refer Note 20)	-	-	(5,162.26)	-	(5,162.26)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	870.03	-	-	(870.03)	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	1,555.02	1,555.02
As at March 31, 2022	**13,254.76**	**6,489.01**	**1,12,500.87**	**3,690.82**	**1,35,935.46**

* As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains / (losses) on defined benefit plans as part of retained earnings.

Standalone Statement of changes in equity

for the year ended March 31, 2022

Nature and purpose of reserves:

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. It is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve: Represents the amounts transferred from the Retained Earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained Earnings: Represents the profits / losses of the Company earned till date, net of appropriations.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Refer Note 2 for Summary of significant accounting policies

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Standalone Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit before tax	29,004.77	28,467.10
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expenses	4,750.00	3,732.08
	Loss on property, plant and equipment sold / scrapped / written off (net)	67.49	28.99
	Finance costs	668.51	475.39
	Finance income	(319.46)	(1,248.79)
	Carrying value adjustment of put option liability	106.99	68.96
	Dividend income / income on sale of current investments	(17.38)	(3.95)
	Liabilities / provisions no longer required written back	(14.83)	(12.23)
	Impairment allowance for doubtful trade and other receivables, loans and advances (net)	551.56	709.83
	Share based payment expense	1,555.02	993.48
		7,347.90	**4,743.76**
	Operating profit before working capital changes	**36,352.67**	**33,210.86**
	Movement in working capital		
	(Increase) / Decrease in inventories	(22,122.94)	(15,225.73)
	(Increase) / Decrease in trade receivables	(9,659.77)	(6,397.35)
	(Increase) / Decrease in financial and other assets	(1,563.18)	(151.06)
	Increase / (Decrease) in trade payables	841.97	17,251.88
	Increase / (Decrease) in provisions	601.52	830.40
	Increase / (Decrease) in financial and other liabilities	761.00	(97.10)
		(31,141.40)	**(3,788.96)**
	Cash generated from operations	**5,211.27**	**29,421.90**
	Income tax paid (net of refunds)	(8,690.01)	(7,246.43)
	Net cash flow (used in) / from operating activities (A)	**(3,478.74)**	**22,175.47**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment including capital work-in--progress and capital advances	(7,744.93)	(6,448.88)
	Proceeds from sale of property, plant and equipment	8.64	12.81
	Investment in equity shares of subsidiary company	(5,979.75)	-
	Purchase of non current investments	-	(3,340.00)
	Sale / (purchase) of current investments (net)	-	3,600.14
	Redemption of / (investment in) fixed deposits with maturity more than 3 months (net)	20.80	8,513.99
	Refund of loans	105.21	396.31
	Finance income	329.16	1,382.88
	Dividend income / income on sale of current investments	17.38	3.95
	Net cash flow (used in) / from investing activities (B)	**(13,243.49)**	**4,121.20**

Standalone Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
C.	**Cash flow from financing activities**		
	Proceeds from exercise of share options (including share application money)	456.49	462.40
	Payment of principal portion of lease liabilities	(713.09)	(545.60)
	Finance costs paid	(587.93)	(475.39)
	Dividends paid on equity shares	(5,160.69)	(6.85)
	Net cash flow used in financing activities (C)	**(6,005.22)**	**(565.44)**
	Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	**(22,727.45)**	**25,731.23**
Cash and cash equivalents at the beginning of the year		**28,072.31**	**2,341.08**
Cash and cash equivalents at the end of the year		**5,344.86**	**28,072.31**
Components of cash and cash equivalents: (Refer Note 15A)			
(a)	Cash on hand	0.19	0.18
(b)	Balances with bank:		
	On current accounts	5,344.67	1,016.63
	In fixed deposits with original maturity of less than 3 months	-	27,055.50
		5,344.86	**28,072.31**

Refer Note 2 for Summary of significant accounting policies

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

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Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Notes Forming Part of the Financial Statements

1. CORPORATE INFORMATION

V-Guard Industries Limited ('V-Guard' or 'the Company') is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Company is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS, UPS and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches
Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers

The Company's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur and Roorkee, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu and at Majitar, Rangpo and Mamring in Sikkim. The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The standalone financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 19, 2022.

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.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under 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), as applicable to the standalone financial statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities that are measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs upto two decimal places (INR 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a) 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 the 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 the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

Notes Forming Part of the Financial Statements

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and 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.

b) *Foreign currencies*

The Company's financial statements are presented in INR which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are 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. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

c) *Fair value measurement*

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or

- 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

Notes Forming Part of the Financial Statements

value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised 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.

The Company has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

d) Revenue

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(i) Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations. The normal credit term is 15 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes

Notes Forming Part of the Financial Statements

a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide customers with a right of return, cash discounts and volume rebates / trade incentives. The rights of return, cash discounts and volume rebates / trade incentives give rise to variable consideration.

- ***Rights of return***

  As a practice, the Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

- ***Volume rebates***

  The Company provides retrospective volume rebates / trade incentives to customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Company estimates the variable consideration for the expected future rebates / trade incentives based on its experience of the expected value. The Company then applies the requirements on constraining estimates of variable consideration.

(ii) Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (n) Provisions.

(iii) Contract balances

Contract assets

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.

Trade receivables

A receivable represents the Company's right to 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 (q) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Notes Forming Part of the Financial Statements

is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(iv) Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

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 finance income in the Statement of Profit and Loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend. Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

e) Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Notes Forming Part of the Financial Statements

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or equity). Current tax items are recognised 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- 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.

- 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:

- 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.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

Notes Forming Part of the Financial Statements

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where 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 concerned entity'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.

Goods and services taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and services taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

g) *Property, plant and equipment*

Property, plant and equipment are stated at cost, net of 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 tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 de-recognised.

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 a straight-line basis using the rates

Notes Forming Part of the Financial Statements

arrived at based on the useful lives estimated by the management. The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The Company has used the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & fixtures	10
Vehicles	8 to 10

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

h) *Investment properties*

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2022 and March 31, 2021 comprise of land.

Investment properties are de-recognised either when they have been disposed off 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 Statement of Profit and Loss in the period of de-recognition.

i) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the 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 amortised 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 recognised in the Statement of Profit and Loss.

Notes Forming Part of the Financial Statements

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised 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 recognised in the Statement of Profit and Loss when the assets are disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure 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 amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Asset Category	Useful life (in years)
Software	5 years
Trademark	10 years

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) 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, buildings and vehicles. 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

Notes Forming Part of the Financial Statements

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.

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 in the nature of buildings are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying asset (i.e. 30 and 60 years). The right-of-use assets comprising of land is depreciated based on the lease term.

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 (m) 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.

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 financial liabilities (refer Note 21).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases

Notes Forming Part of the Financial Statements

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 of office equipment 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.

Company as a lessor

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.

l) *Inventories*

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The 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.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m) *Impairment of non-financial assets*

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, 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

Notes Forming Part of the Financial Statements

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 entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, 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.

n) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be

Notes Forming Part of the Financial Statements

confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised 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.

o) Retirement and other employee benefits

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no obligation, other than the contribution payable to the fund towards such schemes. The Company recognizes contribution payable 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 recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial

Notes Forming Part of the Financial Statements

valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet, as the Company believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

p) Share-based payments

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

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through Statement of Profit and Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) 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.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at

Notes Forming Part of the Financial Statements

amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

1. Financial assets at amortised cost (debt instruments)

2. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)

4. Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance

Notes Forming Part of the Financial Statements

income in Statement of Profit and Loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or 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 de-recognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

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. Investments in other entity and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the Statement of Profit and Loss when the right of payment has been established.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e, removed from the Company's Balance Sheet) 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 the expected credit losses (ECL) model

Notes Forming Part of the Financial Statements

for measurement and recognition of impairment loss.

The Company follows "simplified approach" for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.5%	5%	25%	30%	70%	100%

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. For financial assets measured as at amortised cost, contractual revenue receivables and lease receivables 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.

Notes Forming Part of the Financial Statements

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, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 Put Option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the present value of the amount payable on exercise of the option.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, put option liability and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Put option liability

The subsequent changes in carrying amount of the Put Option on NCI of subsidiary is recognised in the Statement of Profit and Loss. If the put option is exercised, the entity de-recognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is de-recognised with a corresponding adjustment to investment.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

De-recognition

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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

Notes Forming Part of the Financial Statements

reclassification of a financial asset out of the fair value through profit or loss category.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

r) *Investment in Subsidiaries, associates and joint ventures*

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in 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

Notes Forming Part of the Financial Statements

contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in subsidiaries, associate and Joint venture are carried at cost as per Ind AS 27. Investment accounted for at cost is accounted for in accordance with Ind AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per Ind AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

s) *Derivative financial instruments*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such 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.

t) *Segment accounting*

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- 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 un-allocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- 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.

Notes Forming Part of the Financial Statements

u) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

v) Cash dividend and non-cash distribution

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized 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 in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

w) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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 effects of all dilutive potential equity shares.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

a) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments have no impact on the standalone financial statements of the Company.

Notes Forming Part of the Financial Statements

b) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments have no impact on the standalone financial statements of the Company.

c) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments have no impact on the standalone financial statements of the Company.

2.4 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(a) Onerous contracts – Costs of fulfilling a contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company’s accounting policy disclosures.

(b) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI’s “Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for Financial Reporting under Indian Accounting Standard” without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business

Notes Forming Part of the Financial Statements

Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

(c) Property, plant and equipment: Proceeds before intended use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

(d) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for de-recognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.

Notes Forming Part of the Financial Statements

Note 3 : Property, plant & equipment; Right of Use assets and Capital work-in-progress

(₹ in lakhs)

	Property, plant & equipment								Right of Use asset				Capital work-in-progress
	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total	Leasehold land	Leasehold building	Leased vehicles	Total	
Gross block (Cost / Deemed cost)													
As at April 1, 2020	**1,916.14**	**11,065.95**	**12,137.61**	**934.03**	**54.71**	**1,135.56**	**1,622.73**	**28,866.73**	**1,332.05**	**2,968.16**	**-**	**4,300.21**	**6,686.51**
Additions	-	588.53	7,723.35	201.61	-	151.00	199.23	8,863.72	623.94	2,102.30	354.00	3,080.24	2,414.97
Disposals / adjustments	-	-	(161.65)	(8.71)	(19.39)	(12.97)	-	(202.72)	-	-	-	-	(7,251.78)
As at March 31, 2021	**1,916.14**	**11,654.48**	**19,699.31**	**1,126.93**	**35.32**	**1,273.59**	**1,821.96**	**37,527.73**	**1,955.99**	**5,070.46**	**354.00**	**7,380.45**	**1,849.70**
Additions	-	1,933.83	5,818.05	160.38	-	154.01	269.29	8,335.56	-	409.47	313.19	722.66	5,083.55
Disposals	-	(2.73)	(43.28)	(7.06)	(8.91)	(10.24)	(26.35)	(98.57)	-	-	-	-	-
Adjustments *	-	0.09	571.68	58.69	41.22	21.75	68.71	762.14	-	-	-	-	(6,068.88)
As at March 31, 2022	**1,916.14**	**13,585.67**	**26,045.76**	**1,338.94**	**67.63**	**1,439.11**	**2,133.61**	**46,526.86**	**1,955.99**	**5,479.93**	**667.19**	**8,103.11**	**864.37**
Accumulated depreciation													
As at April 1, 2020	**-**	**1,055.10**	**3,830.84**	**294.41**	**20.17**	**534.19**	**809.13**	**6,543.84**	**77.53**	**255.55**	**-**	**333.08**	**-**
Charge for the year	-	341.17	1,750.77	159.51	9.03	175.14	309.09	2,744.71	78.69	684.76	37.35	800.80	-
Disposals	-	-	(127.39)	(7.77)	(19.39)	(11.81)	-	(166.36)	-	-	-	-	-
As at March 31, 2021	**-**	**1,396.27**	**5,454.22**	**446.15**	**9.81**	**697.52**	**1,118.22**	**9,122.19**	**156.22**	**940.31**	**37.35**	**1,133.88**	**-**
Charge for the year	-	617.29	2,315.86	139.05	7.98	182.38	289.01	3,551.57	84.49	743.50	115.55	943.54	-
Disposals	-	(1.75)	(22.74)	(4.96)	(8.91)	(9.84)	(25.81)	(74.01)	-	-	-	-	-
Adjustments *	-	0.09	571.68	58.69	41.22	21.75	68.71	762.14	-	-	-	-	-
As at March 31, 2022	**-**	**2,011.90**	**8,319.02**	**638.93**	**50.10**	**891.81**	**1,450.13**	**13,361.89**	**240.71**	**1,683.81**	**152.90**	**2,077.42**	**-**
Net Block													
As at March 31, 2021	**1,916.14**	**10,258.21**	**14,245.09**	**680.78**	**25.51**	**576.07**	**703.74**	**28,405.54**	**1,799.77**	**4,130.15**	**316.65**	**6,246.57**	**1,849.70**
As at March 31, 2022	**1,916.14**	**11,573.77**	**17,726.74**	**700.01**	**17.53**	**547.30**	**683.48**	**33,164.97**	**1,715.28**	**3,796.12**	**514.29**	**6,025.69**	**864.37**

* Includes adjustments amounting to ₹ 762.14 lakhs in gross block and accumulated depreciation for the year ended March 31, 2022 relating to earlier years. Further, adjustments includes capital work-in-progress capitalised during the respective years.

Notes Forming Part of the Financial Statements

Note 3 : Property, plant & equipment (Contd...)

Notes:

1. Capital work-in-progress (CWIP) as at March 31, 2022 represents property, plant and equipment under construction at various plants, warehouses and office buildings. Adjustments in relation to capital work-in-progress relates to addition in property, plant and equipment during the year.

2. Capital work-in-progress ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	811.98	52.39	-	-	864.37
Projects temporarily suspended	-	-	-	-	-

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,458.15	391.55	-	-	1,849.70
Projects temporarily suspended	-	-	-	-	-

3. The Company has not capitalised any borrowing cost in the current and previous year.

4. Right of Use asset includes:-

   (a) Leasehold land which represents land obtained on long term lease from Government authorities and others.

   (b) Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 42.

   (c) Leased vehicles which represent cars taken on lease for use by employees.

5. During the previous year, the Company capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

(₹ in lakhs)

Particulars	FY 2021-22	FY 2020-21
Employee benefits expenses	-	58.91
Cost of raw materials consumed	-	121.03
Power and fuel	-	9.75
Others	-	15.38
Total	**-**	**205.07**

6. The Company, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company had availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Notes Forming Part of the Financial Statements

Note 4 : Investment property

(At cost)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	27.90	27.90
Additions (subsequent expenditure)	-	-
Balance as at the end of the year	**27.90**	**27.90**

Notes:

(i) Investment Property represents land at Coimbatore acquired by the Company at fair market value. The carrying amount of the investment property is a reasonable approximation of fair value and hence fair value disclosure has not been made.

(ii) The Company, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company had availed the exemption available under Ind AS 101, wherein the carrying value of investment property has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Note 5 : Other intangible assets and Intangible assets under development

(₹ in lakhs)

Particulars	Other intangible assets			Intangible assets under development
	Computer software	Trademark	Total	
Gross block (Cost / Deemed cost)				
As at April 1, 2020	**1,236.86**	**4.60**	**1,241.46**	**-**
Purchase / additions	454.74	-	454.74	105.32
Capitalised during the year	-	-	-	-
As at March 31, 2021	**1,691.60**	**4.60**	**1,696.20**	**105.32**
Purchase / additions	336.99	-	336.99	814.17
Capitalised during the year	-	-	-	(135.64)
As at March 31, 2022	**2,028.59**	**4.60**	**2,033.19**	**783.85**
Accumulated amortisation				
As at April 1, 2020	**778.59**	**4.60**	**783.19**	**-**
Charge for the year	186.57	-	186.57	-
As at March 31, 2021	**965.16**	**4.60**	**969.76**	**-**
Charge for the year	254.89	-	254.89	-
As at March 31, 2022	**1,220.05**	**4.60**	**1,224.65**	**-**
Net block				
As at March 31, 2021	**726.44**	**-**	**726.44**	**105.32**
As at March 31, 2022	**808.54**	**-**	**808.54**	**783.85**

Notes Forming Part of the Financial Statements

Notes:

1. Intangible assets under development (IAUD) ageing schedule

(₹ in lakhs)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	678.53	105.32	-	-	783.85
Projects temporarily suspended	-	-	-	-	-

(₹ in lakhs)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	105.32	-	-	-	105.32
Projects temporarily suspended	-	-	-	-	-

2. The Company, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company had availed the exemption available under Ind AS 101, wherein the carrying value of other intangible assets has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Note 6: Investment in subsidiaries

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in subsidiaries (unquoted) (carried at cost):		
Guts Electro-Mech Limited		
1,454,722 (March 31, 2021 : 1,454,722) equity shares of ₹ 10 each fully paid up (Refer Note 41)	884.95	884.95
V-Guard Consumer Products Limited		
59,797,507 (March 31, 2021 : NIL) equity shares of ₹ 10 each fully paid up (Refer Note 41)	5,979.75	-
Total	**6,864.70**	**884.95**

Notes Forming Part of the Financial Statements

Note 7: Other investments

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments (at fair value through profit or loss) (unquoted):		
Investment in Gegadyne Energy Labs Private Limited		
7 (March 31, 2021 : 7) equity shares of ₹ 10 each fully paid up	8.04	8.04
2,900 (March 31, 2021 : 2,900) Optionally Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up	3,331.96	3,331.96
Total	**3,340.00**	**3,340.00**

Note: On January 15, 2021, the Company entered into a share subscription and shareholder's agreement to invest in Gegadyne Energy Labs Private Limited ("Gegadyne") for a cash consideration of ₹3,340 lakhs in return for 18.77% stake on a fully diluted basis, the right to nominate 1 director on the Board as well as various other rights under the share subscription and shareholder's agreement. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions. The management is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne and accordingly have accounted the aforesaid stake as investment at fair value through profit or loss under Ind AS -109 "Financial Instruments". Refer Note 48.

Note 8: Loans (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	76.60	26.97
(b) Other loans (Refer Note (i) below)	67.34	193.02
Total	**143.94**	**219.99**

Notes:

(i) Others represents unsecured loan given to Mr. Gopal Singh, the landlord, for construction of building to be occupied by the Company, at an interest rate of 9% p.a. The loan is repayable by adjustment of monthly rent payable to the landlord pursuant to lease agreement entered for a period of five years. The landlord's son has provided personal guarantee for the repayment of loan.

(ii) There are no loans as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired.

(iii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.

Note 9: Other non-current financial assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Security deposits (unsecured, considered good) (carried at amortised cost)	1,139.85	1,046.41
(b) Non-current bank balance (carried at amortised cost) (Refer Note 15B)	327.01	347.81
(c) Derivative Instrument - Call option (valued at fair value through profit or loss) (Refer Note 41)	58.57	58.57
Total	**1,525.43**	**1,452.79**

Note: There are no financial assets as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired.

Notes Forming Part of the Financial Statements

Note 10: Income tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provisions)	2,210.60	1,379.94
Total	**2,210.60**	**1,379.94**

Note 11: Deferred tax asset / (liability) (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment	(1,402.05)	(2,338.75)
	(1,402.05)	**(2,338.75)**
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	1,081.82	1,344.12
Disallowances under Section 43B of the Income Tax Act, 1961	542.73	644.71
Others	640.42	616.96
	2,264.97	**2,605.79**
Net deferred tax asset / (liability) [Refer Note 38(e)]	**862.92**	**267.04**

Note 12: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
(a) Capital advances	1,031.79	1,449.58
(b) Deposits with statutory / Government authorities	245.78	239.70
(c) Prepaid expenses	13.58	12.98
Total	**1,291.15**	**1,702.26**

Note 13: Inventories

(Valued at lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Raw Materials	20,245.64	12,377.00
(b) Work-in-Progress	4,939.77	2,718.30
(c) Finished Goods	25,980.28	19,517.72
(d) Stock-in-Trade	30,599.56	25,697.45
(e) Stores and Spares	1,774.84	1,391.42
(f) Packing Materials and Consumables	1,448.76	1,164.02
Total	**84,988.85**	**62,865.91**

Notes Forming Part of the Financial Statements

Notes:

(a) The above includes goods in transit as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	995.64	1,581.92
Stock-in-Trade	445.13	697.27
Packing Materials and Consumables	42.98	113.61
Total	**1,483.75**	**2,392.80**

(b) During the year ended March 31, 2022, ₹ 267.40 lakhs (March 31, 2021: ₹ 136 lakhs) was recognised as an expense for inventories carried at net realisable value.

(c) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 14: Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	1,106.54	1,130.18
Unsecured, considered good	47,337.75	37,836.19
Trade receivables which have significant increase in credit risk	212.67	147.04
Trade receivables - credit impaired	2,540.05	2,738.77
	51,197.01	**41,852.18**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 51C)		
Unsecured, considered good based on expected credit loss provisioning	624.03	573.74
Trade receivables which have significant increase in credit risk	108.64	67.91
Trade receivables - credit impaired	2,540.05	2,738.77
	3,272.72	**3,380.42**
Total	**47,924.29**	**38,471.76**

Notes Forming Part of the Financial Statements

Trade receivables ageing schedule

(₹ in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2022
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	41,298.44	7,145.85	-	-	-	-	48,444.29
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	212.67	-	-	-	212.67
iii) Undisputed trade receivables - credit impaired	-	-	-	134.64	215.29	194.86	544.79
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	291.37	181.85	1,522.04	1,995.26
Total	**41,298.44**	**7,145.85**	**212.67**	**426.01**	**397.14**	**1,716.90**	**51,197.01**

(₹ in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2021
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	32,627.24	6,339.13	-	-	-	-	38,966.37
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	147.04	-	-	-	147.04
iii) Undisputed trade receivables - credit impaired	-	-	-	378.35	129.94	155.54	663.83
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	243.19	298.12	1,533.63	2,074.94
Total	**32,627.24**	**6,339.13**	**147.04**	**621.54**	**428.06**	**1,689.17**	**41,852.18**

Notes:

(i) Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Notes Forming Part of the Financial Statements

Note 15: Cash and cash equivalents and Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
15A. Cash and cash equivalents		
(a) Cash on hand	0.19	0.18
(b) Balances with banks:		
On current accounts	5,344.67	1,016.63
In fixed deposits with original maturity of less than 3 months	-	27,055.50
Total	**5,344.86**	**28,072.31**
15B. Other bank balances		
(a) Unpaid dividend accounts	42.86	41.29
(b) Fixed deposits (Refer note (i) below)	327.01	347.81
Total	**369.87**	**389.10**
Less: Amount disclosed under other non-current financial assets (Refer Note 9)	(327.01)	(347.81)
Total	**42.86**	**41.29**

Notes:

(i) A charge of ₹ 327.01 lakhs (March 31, 2021 ₹ 347.81 lakhs) has been created towards various guarantees in favour of vendors, statutory authorities and others.

(ii) As at March 31, 2022, the Company had ₹ 18,307.71 lakhs (March 31, 2021: ₹ 19,824.02 lakhs) of undrawn committed borrowing / credit facilities including non fund based facilities.

(iii) For the purpose of cashflows, cash and cash equivalents is same as stated above.

(iv) Changes in liabilities arising from financing activities are as follows: (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Lease liabilities		Short term borrowings	
Balance outstanding as at beginning of the year	5,625.07	3,714.37	1,000.00	1,000.00
Additions made during the year	722.66	2,456.30	15,100.00	-
Finance costs	507.06	458.23	78.00	-
Cash outflows	(1,220.15)	(1,003.83)	(15,178.00)	-
Balance outstanding as at end of the year	**5,634.64**	**5,625.07**	**1,000.00**	**1,000.00**
Disclosed as:				
Short term borrowings	-	-	1,000.00	1,000.00
Current portion of lease liabilities (Refer Note 21)	791.33	636.36	-	-
Non-current portion of lease liabilities (Refer Note 21)	4,843.31	4,988.71	-	-

Notes Forming Part of the Financial Statements

Note 16: Loans (Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	68.72	59.87
(b) Other loans (Refer Note 8(i))	106.46	85.99
Total	**175.18**	**145.86**

Note: There are no loans as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired. Also refer Note 8 (iii).

Note 17: Other current financial assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good (carried at amortised cost)		
Interest accrued on fixed deposits	13.14	22.84
Total	**13.14**	**22.84**

Note: There are no current financial assets as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired.

Note 18: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers (Refer Note below)		
Considered good	4,340.92	3,271.65
Considered doubtful	1,025.67	681.35
	5,366.59	**3,953.00**
Less: Provision for doubtful advances	(1,025.67)	(681.35)
	4,340.92	**3,271.65**
(b) Balances with Government authorities	4,360.42	4,734.95
(c) Prepaid expenses	1,395.26	1,155.92
(d) Right to return asset (Refer Note 30 (iv))	645.36	566.51
(e) Others	67.44	21.69
Total	**10,809.40**	**9,750.72**

Note: There are no advances as at March 31, 2022 and March 31, 2021 which are considered doubtful, except as disclosed above.

Notes Forming Part of the Financial Statements

Note 19: Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised:				
Equity shares of ₹ 1 / - (March 31, 2021: ₹ 1 / -) each with voting rights	50,00,00,000	5,000.00	50,00,00,000	5,000.00
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1 / - (March 31, 2021: ₹ 1 / -) each with voting rights	43,15,41,934	4,315.42	43,01,88,458	4,301.88

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the period	43,01,88,458	4,301.88	42,82,87,535	4,282.88
Issued during the period	13,53,476	13.54	19,00,923	19.00
Outstanding at the end of the period	**43,15,41,934**	**4,315.42**	**43,01,88,458**	**4,301.88**

(b) Terms / rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹ 1 per share (March 31, 2021: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	4,54,05,394	10.52%	5,04,05,394	11.72%
Mr. Arun K Chittilappily	3,77,77,828	8.75%	3,77,77,828	8.78%
Mr. Mithun K Chittilappilly	8,63,89,878	20.02%	10,76,87,278	25.03%
Kotak Mahindra Mutual Fund	2,18,37,838	5.06%	65,66,947	1.53%
SBI Mutual Fund	3,64,51,087	8.45%	1,43,97,865	3.35%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes Forming Part of the Financial Statements

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2022	As at March 31, 2021
	No. of shares	No. of shares
Equity shares allotted as fully paid bonus shares by capitalization of profits	-	12,13,29,846

In addition, the Company has issued 6,887,473 shares of face value of ₹ 1 each (March 31, 2021: 8,006,172 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 47.

(f) Details of shares held by promoters:

As at March 31, 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	5,04,05,394	(50,00,000)	4,54,05,394	10.52%	-9.92%
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.53%	0.00%
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.75%	0.00%
Mr. Mithun K Chittilappilly	10,76,87,278	(2,12,97,400)	8,63,89,878	20.02%	-19.78%
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.82%	0.00%
Mr. Mithun Kochouseph Chittilappilly, Trustee of Anekha Chittilappilly Trust	-	2,13,00,000	2,13,00,000	4.94%	100.00%
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.29%	0.00%

As at March 31, 2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	7,36,57,964	(2,32,52,570)	5,04,05,394	11.72%	-31.57%
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.54%	0.00%
Promoter group					
Mr. Arun K Chittilappilly	3,70,50,508	7,27,320	3,77,77,828	8.78%	1.96%
Mr. Mithun K Chittilappilly	10,76,86,278	1,000	10,76,87,278	25.03%	0.00%
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.84%	0.00%
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.31%	0.00%

Notes Forming Part of the Financial Statements

Note 20: Distribution made and proposed

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2021 - ₹ 1.20 per share of face value of ₹ 1 each (March 31, 2020 - NIL)	5,162.26	-
Total	**5,162.26**	**-**
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2022 - ₹ 1.30 per share of face value of ₹ 1 each (March 31, 2021 - ₹ 1.20 per share of face value of ₹ 1 each)	5,610.05	5,162.26
Total	**5,610.05**	**5,162.26**

Notes:

(i) Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date.

(ii) With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the Company under section 115(O) of Income Tax Act, 1961 was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Note 21: Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 42)	4,843.31	4,988.71
(b) Current portion of lease liabilities (Refer Note 42)	791.33	636.36
Total	**5,634.64**	**5,625.07**

Note 22: Other non-current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Put option liability (Refer Note 41)	572.55	465.56
Total	**572.55**	**465.56**

Note 23: Provisions (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for warranty (Refer Note 28)	1,289.68	1,126.68
Total	**1,289.68**	**1,126.68**

Notes Forming Part of the Financial Statements

Note 24: Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
Working capital facilities from banks - Unsecured (Refer Note (i) below)	1,000.00	1,000.00
Total	**1,000.00**	**1,000.00**

Notes:

(i) The Company has arranged Channel Finance Facilities for its customers from various banks. As per the terms of these facilities, should the customers default in making payment, after exhausting other modes of recovery the bankers have recourse on the Company up to ₹ 1,000 lakhs. The total amount guaranteed by the Company towards such recourses under the Channel Financing Facilities as at March 31, 2022 is ₹ 1,000 lakhs (March 31, 2021: ₹ 1,000 lakhs) and is included under Borrowings.

(ii) The Company has not made any defaults in the repayment of working capital loans availed from banks during the year.

(iii) The Company has borrowings from banks on the basis of security of current assets. The Company has complied with the requirement of filing of quarterly returns / statements of current assets with the banks as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022.

Note 25: Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Total outstanding dues of micro enterprises and small enterprises	4,272.32	7,645.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	43,918.97	39,666.99
Total	**48,191.29**	**47,312.58**

Trade payables ageing schedule

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total as at March 31, 2022
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Total outstanding dues of micro enterprises and small enterprises	4,055.55	216.77	-	-	-	4,272.32
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	31,818.43	9,086.26	1,472.99	838.53	702.76	43,918.97
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total as at March 31, 2021
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Total outstanding dues of micro enterprises and small enterprises	5,019.59	2,626.00	-	-	-	7,645.59
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	23,378.27	14,292.62	1,180.96	604.88	210.26	39,666.99
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

Notes:

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Company's risk management process, refer Note 51.

(ii) Trade payables are unsecured and for amounts due to related parties, refer Note 45.

(iii) Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the year:		
Principal amount due to micro and small enterprises	4,272.32	7,645.59
Interest due on above	-	-
	4,272.32	**7,645.59**
(b) 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	-	-
(c) 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 with out adding interest specified under the MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) The amount of further interest due and payable even in the succeeding year, 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	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Notes Forming Part of the Financial Statements

Note 26: Other current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Unpaid dividends (Refer Note below)	42.86	41.29
(b) Trade / Security deposits received	1,379.37	1,353.97
(c) Capital creditors	437.46	234.44
(d) Refund liabilities arising from right to return assets (Refer Note 30 (iv))	934.77	795.22
(e) Other payables	80.66	139.66
Total	**2,875.12**	**2,564.58**

Note: Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

Note 27: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Statutory dues*	773.83	320.52
(b) Contract liability (Refer Note 30 (iii))	1,648.61	1,399.50
(c) Others	34.23	81.60
Total	**2,456.67**	**1,801.62**

*Represents contributions to Provident Fund, Employee State Insurance, withholding taxes etc.

Note 28: Provisions (Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits		
(i) Provision for leave benefits	1,600.86	1,317.68
(ii) Provision for gratuity (Refer Note 43)	555.55	527.50
(b) Other provisions		
(i) Provision for warranty (Refer Note below)	2,601.94	2,399.76
Total	**4,758.35**	**4,244.94**

Notes:

Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, 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 five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

Notes Forming Part of the Financial Statements

The table below gives information about movement in Provision for warranty : (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	3,526.44	3,084.49
Additions	4,712.77	4,388.15
Utilisation / reversal / payments	(4,347.59)	(3,946.20)
Balance as at the end of the year	**3,891.62**	**3,526.44**
Disclosed as:		
Non-current (Refer Note 23)	1,289.68	1,126.68
Current	2,601.94	2,399.76

Note 29: Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax (net of advance tax)	183.46	1,061.21
Total	**183.46**	**1,061.21**

Note 30: Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Revenue from contracts with customers		
Sale of products	3,44,132.65	2,67,873.80
Services of products*	17.13	5.73
Sale of scrap*	2,705.75	1,624.16
	3,46,855.53	**2,69,503.69**
(b) Government budgetary support (Refer note (i) below)*	609.99	396.72
Total	**3,47,465.52**	**2,69,900.41**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Government to the Company in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.

Notes Forming Part of the Financial Statements

(ii) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	80,444.63	1,58,463.29	1,05,224.73	3,44,132.65
Services of products	3.35	8.28	5.50	17.13
Sale of scrap	642.33	1,137.04	926.38	2,705.75
Total revenue from contracts with customers	**81,090.31**	**1,59,608.61**	**1,06,156.61**	**3,46,855.53**
India	80,613.81	1,59,608.61	1,05,986.63	3,46,209.05
Outside India	476.50	-	169.98	646.48
Total revenue from contracts with customers	**81,090.31**	**1,59,608.61**	**1,06,156.61**	**3,46,855.53**
Timing of revenue recognition				
Goods transferred at a point in time	81,086.96	1,59,600.33	1,06,151.11	3,46,838.40
Services transferred over time	3.35	8.28	5.50	17.13
Total revenue from contracts with customers	**81,090.31**	**1,59,608.61**	**1,06,156.61**	**3,46,855.53**

(₹ in lakhs)

Particulars	For the year ended March 31, 2021			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	75,060.60	1,19,304.08	73,509.12	2,67,873.80
Services of products	1.31	2.95	1.47	5.73
Sale of scrap	496.47	1,028.93	98.76	1,624.16
Total revenue from contracts with customers	**75,558.38**	**1,20,335.96**	**73,609.35**	**2,69,503.69**
India	74,994.75	1,20,319.20	73,602.29	2,68,916.24
Outside India	563.63	16.76	7.06	587.45
Total revenue from contracts with customers	**75,558.38**	**1,20,335.96**	**73,609.35**	**2,69,503.69**
Timing of revenue recognition				
Goods transferred at a point in time	75,557.07	1,20,333.01	73,607.88	2,69,497.96
Services transferred over time	1.31	2.95	1.47	5.73
Total revenue from contracts with customers	**75,558.38**	**1,20,335.96**	**73,609.35**	**2,69,503.69**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 44):

(₹ in lakhs)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	81,512.36	1,59,615.12	1,06,338.04	75,887.51	1,20,346.11	73,666.79
Government budgetary support	(422.05)	(6.51)	(181.43)	(329.13)	(10.15)	(57.44)
Total revenue from contracts with customers	**81,090.31**	**1,59,608.61**	**1,06,156.61**	**75,558.38**	**1,20,335.96**	**73,609.35**

Notes Forming Part of the Financial Statements

(iii) Contract balances

The following are the contract balances:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables (Current)	47,924.29	38,471.76
Contract liabilities (Current)	1,648.61	1,399.50

Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments. Contract liabilities represents advance received from customers for sale of products.

(iv) Right of return assets and refund liabilities arising from right of return assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Right of return assets (Current)	645.36	566.51
Refund liabilities arising from rights of return assets (Current)	934.77	795.22

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contract price	3,64,638.93	2,86,136.28
Adjustments:		
Discounts, rebates and trade incentives	(16,848.63)	(15,837.37)
Sales return	(934.77)	(795.22)
Total revenue from contracts with customers	**3,46,855.53**	**2,69,503.69**

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / despatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Company offers standard warranty on selected products. The Company makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for product repair services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied or partially satisfied performance obligations as at March 31, 2022 and March 31, 2021.

During the year ended March 31, 2022, revenue recognised from the amount included in contract liability at the beginning of the year is ₹ 1,302.65 lakhs (March 31, 2021: ₹ 1,602.12 lakhs).

Notes Forming Part of the Financial Statements

Note 31: Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend income / income on sale of current investments	17.38	3.95
Mould hire charges	3.76	1.40
Liabilities / provisions no longer required written back	14.83	12.23
Miscellaneous income	523.70	273.84
Total	**559.67**	**291.42**

Note 32: Finance income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on overdue trade receivables	414.35	569.40
Interest income from banks on deposits	289.02	1,189.15
Interest income on loans and advances	30.44	59.64
Total	**733.81**	**1,818.19**

Note 33.a: Cost of raw materials consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	12,377.00	4,778.42
Add: Purchases	1,45,345.30	94,890.69
	1,57,722.30	**99,669.11**
Less: Inventory at the end of the year	20,245.64	12,377.00
Total	**1,37,476.66**	**87,292.11**

Note 33.b (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year:		
Finished goods	25,980.28	19,517.72
Work-in-progress	4,939.77	2,718.30
Traded goods (including stores and spares)	32,374.40	27,088.87
Total (A)	**63,294.45**	**49,324.89**

Notes Forming Part of the Financial Statements

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year:		
Finished goods	19,517.72	13,087.83
Work-in-progress	2,718.30	1,430.73
Traded goods (including stores and spares)	27,088.87	27,734.63
Total (B)	**49,324.89**	**42,253.19**
(Increase) / decrease in inventories		
Finished goods	(6,462.56)	(6,429.89)
Work-in-progress	(2,221.47)	(1,287.57)
Traded goods (including stores and spares)	(5,285.53)	645.76
Net (increase) / decrease (B - A)	**(13,969.56)**	**(7,071.70)**

Note 34: Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries, wages and bonus	22,594.03	19,285.66
(b) Contributions to provident and other funds	1,091.93	916.81
(c) Share based payment expense (Refer Note (i) below and Note 47)	1,555.02	993.48
(d) Gratuity expense (Refer Note 43)	401.52	371.65
(e) Staff welfare expenses	1,045.56	899.20
Total	**26,688.06**	**22,466.80**

Notes:

(i) The Company had granted stock options under the Employees Stock Option Scheme, 2013 (ESOS 2013) to eligible employees of the Company. According to the scheme, the eligible employees were to be granted stock options subject to satisfaction of prescribed vesting conditions. The Company has been accruing the cost of these options over the vesting period. During the year ended March 31, 2022, management evaluated that the vesting condition for few of its options linked to the achievement of a certain threshold of profit before tax will not be satisfied and accordingly, the Company reversed the cost accrued over the years / periods for such options amounting to ₹ 44.31 lakhs to the statement of profit and loss. The reversal of such costs to the statement of profit and loss for the year ended March 31, 2021 amounted to ₹ 259.54 lakhs.

(ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(iii) Also refer Note 3 and Note 39.

Notes Forming Part of the Financial Statements

Note 35.a: Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Depreciation of property, plant and equipment (Refer Note 3)	3,551.57	2,744.71
(ii) Depreciation of right of use assets (Refer Note 3)	943.54	800.80
(iii) Amortisation of intangible assets (Refer Note 5)	254.89	186.57
Total	**4,750.00**	**3,732.08**

Note 35.b: Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Interest on income tax and borrowings	161.45	17.16
(ii) Interest on deposits from distributors	83.98	84.33
(iii) Interest on lease liability (Refer Note 42)	507.06	458.23
Total	**752.49**	**559.72**

Note 36: Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of packing materials and consumables	6,476.36	3,238.34
Power and fuel	1,564.11	1,311.30
Rent	1,581.86	1,145.62
Repairs and maintenance	3,045.38	2,133.51
Rates and taxes	196.03	180.79
Travelling and conveyance	2,202.58	1,195.36
Freight and forwarding charges	5,450.83	3,576.33
Advertisement and business promotion expenses	5,713.88	2,822.76
Donations and contributions	0.45	2.77
CSR expenditure (Refer Note 37)	498.21	424.41
Legal and professional fees	2,049.55	977.05
Directors' sitting fees	35.05	30.95
Payments to statutory auditors (Refer Note (i) below)	85.61	68.83
Loss on foreign currency transactions and translation (net)	-	225.80
Loss on property, plant and equipment sold / scrapped / written off (net)	67.49	28.99
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	551.56	709.83
Outsourced manpower cost	5,963.88	4,369.80
Warranty expenses	4,712.77	4,388.15
Contributions to political parties (Refer Note (ii) below)	4.12	1.72
Miscellaneous expenses	5,968.62	5,078.54
Total	**46,168.34**	**31,910.85**

Notes Forming Part of the Financial Statements

Notes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Payments to statutory auditors comprises:		
Statutory audit fees	43.00	39.00
Tax audit fees	4.00	3.50
Limited review fees	21.00	18.00
Fees for other services (certifications)	9.00	4.00
Reimbursement of expenses	8.61	4.33
Total	**85.61**	**68.83**
(ii) Contribution to political parties		
National Democratic Alliance	2.12	1.07
United Democratic Front	2.00	0.25
Left Democratic Front	-	0.40
Total	**4.12**	**1.72**

Note 37: Details of CSR expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent during the year	496.47	422.13
b) Amount approved by the Board to be spent during the year	496.47	423.00
c) Amount spent during the year:		
(i) In cash		
- Construction / acquisition of any asset	-	-
- On purposes other than (i) above	498.21	424.41
(ii) Yet to be paid in cash		
- Construction / acquisition of any asset	-	-
- On purposes other than (i) above	-	-
d) Details related to spent / unspent obligations:		
(i) Contribution to public trust	-	-
(ii) Contribution to charitable trust	-	-
(iii) Contribution to Section 8 Company (Refer Note 45)	492.39	418.80
(iv) Others	5.82	5.61
(v) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

Notes Forming Part of the Financial Statements

Details of CSR expenditure under Section 135(5) of the Companies Act, 2013 in respect of other than ongoing projects				
Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	496.47	498.21	1.74

Note 38: Income taxes

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

(a) Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax		
Current income tax charge	7,709.69	8,228.11
Adjustments of current tax relating to earlier years	(808.67)	402.51
Deferred tax		
Relating to origination and reversal of temporary differences	(575.97)	(61.76)
Income tax expense reported in the Statement of profit and loss	6,325.05	8,568.86

(b) OCI section

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Re-measurement (losses) / gains on defined benefit plans	(74.89)	63.62
Income tax related to items recognised in OCI during the year	19.91	(18.35)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before income tax	29,004.77	28,467.10
Applicable tax rate (Refer Note 38 (d) below)	25.168%	34.944%
Computed tax expense at statutory rate	7,299.92	9,947.54
Adjustments of current tax relating to earlier years	(808.67)	402.51

Notes Forming Part of the Financial Statements

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of opting new tax regime from year ended March 31, 2021 (Refer Note 38 (d) below)	(301.07)	-
Tax benefits under sections 80IE of the Income Tax Act, 1961	-	(1,617.49)
Temporary differences reversing during tax holiday period	(1.23)	11.30
Other adjustments	136.10	(175.00)
Income tax expense reported in to the Statement of profit and loss	**6,325.05**	**8,568.86**

(d) On September 20, 2019, the Taxation Laws (Amendment) Ordinance, 2019 ('ordinance') was passed introducing section 115BAA of the Income-tax Act, 1961 which allowed domestic Companies to opt for an alternative tax regime from financial year 2019-20. As per the new tax regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions which were allowed earlier. Pursuant to the aforesaid amendment, the Company, during the quarter ended March 31, 2022 opted for lower rate of tax from financial year ended March 31, 2021 while filing income tax return for the year ended March 31, 2021 and accordingly recomputed income tax provision as per new tax regime for the year ended March 31, 2021 and has reversed current tax provision of ₹ 808.67 lakhs relating to prior year in the current year ended March 31, 2022. Further the Company has restated the deferred tax assets and liabilities as on April 01, 2021 at the rate of 25.17%.

(e) Reconciliation of deferred tax asset / (liability) (net):

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance as at beginning of the year	267.04	223.63
Tax income / (expense) during the year recognised in Statement of profit and loss	575.97	61.76
Tax income / (expense) during the year recognised in other comprehensive income	19.91	(18.35)
Closing balance as at end of the year	**862.92**	**267.04**

Note 39: Details of research and development expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employee benefits expenses	1,300.56	1,226.51
Travelling and conveyance	44.85	19.05
Other expenses	356.79	176.35
Total	**1,702.20**	**1,421.91**

Notes Forming Part of the Financial Statements

Note 40: Commitments and contingencies

A) Capital Commitments (Net of advances)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,583.70	1,950.22

B) Contingent Liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Litigations (see note below)		
(a) Claims against the Company not acknowledged as debt	286.93	293.77
(b) Direct tax matters under dispute / pending before Income Tax Authorities	4,365.26	2,590.52
(c) Indirect tax matters for demands raised by sales tax / VAT department pending before various appellate authorities	1,037.65	1,391.51
(d) Others	6.82	6.82
Total	**5,696.66**	**4,282.62**
(ii) Others		
(a) Bank Guarantees	20,353.00	19,167.10
(b) Letter of credit outstanding	7,291.39	6,509.59
(c) Corporate Guarantee given on behalf of subsidiaries for bank loans (Refer Note 45 & 55)	5,800.00	800.00
Total	**33,444.39**	**26,476.69**

Notes:

(i) There are numerous interpretative issues relating to the Supreme Court ("SC") judgement on Provident Fund ("PF") dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

(ii) The Company is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Company's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.

(iii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.

(iv) Also refer Note 34(ii).

Notes Forming Part of the Financial Statements

Note 41: Investment in Subsidiaries

a) These financial statements are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".

b) The Company's investment in Subsidiaries are as follows:

Name of the Subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2022	Portion of ownership interest as at March 31, 2021	Method used to account for the investment
Guts Electro-Mech Limited	India	74%	74%	At cost
V-Guard Consumer Products Limited	India	100%	NIL	At cost

With effect from August 31, 2017, the Company acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") for a total purchase consideration of ₹ 618.26 lakhs which represents amount paid to promoters of Guts and subscription to fresh issue of equity shares of Guts. Guts is a public limited company engaged in the business of Switch Gear. The Company has a Call Option to acquire the balance 26% stake in Guts, which option can be exercised by the Company any time. Similarly, the original promoter of Guts, holding 26% stake has a Put Option to sell his stake to the Company, which Put Option can be exercised by him after the end of three years from the aforesaid date. The Call Option / Put Option is exercisable by the parties at the price specified in the purchase agreement linked to the time of exercise. The Put Option liability is initially measured at the present value of the amount payable on exercise of the option, as a financial liability amounting to ₹ 317.15 lakhs, with corresponding increase in investment cost of subsidiary. The subsequent changes in carrying amount of the Put Option liability is recognised in the standalone statement of profit and loss. The Call Option is initially measured at fair value as a financial asset amounting to ₹ 50.46 lakhs with corresponding reduction in investment cost of subsidiary and subsequent changes in fair value through profit or loss. There has been no change in the fair value of Call Option during the current and previous year.

Pursuant to the approval of the Board of directors in their meeting held on July 02, 2021, the Company incorporated a wholly owned subsidiary by the name of V-Guard Consumer Products Limited ("VCPL") on July 19, 2021 and invested in 59,797,507 equity shares of ₹ 10 each as at March 31, 2022. VCPL is incorporated with an objective of engaging in establishment and carrying on the business of manufacturing, selling and dealing in various consumer electrical, electronics, electromechanical products and home and kitchen appliances of all kinds both electrical and non-electrical and such other allied products.

Note 42: Leases

(i) The Company's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. The Company also has certain leases with lease terms of 12 months or less. The Company applies the short term lease recognition exemptions for these leases.

Notes Forming Part of the Financial Statements

(ii) Following is carrying value of right of use assets recognised and the movements thereof during the year ended March 31, 2022 and March 31, 2021.

(₹ in lakhs)

Particulars	Right of Use assets			Total
	Leasehold land	Leasehold buildings	Leased vehicles	
Balance as at April 1, 2020	**1,254.52**	**2,712.61**	**-**	**3,967.13**
Additions during the year	623.94	2,102.30	354.00	3,080.24
Deletions during the year	-	-	-	-
Depreciation of Right of Use assets (Refer Note 3)	(78.69)	(684.76)	(37.35)	(800.80)
Balance as at March 31, 2021	**1,799.77**	**4,130.15**	**316.65**	**6,246.57**
Additions during the year	-	409.47	313.19	722.66
Deletions during the year	-	-	-	-
Depreciation of Right of Use assets (Refer Note 3)	(84.49)	(743.50)	(115.55)	(943.54)
Balance as at March 31, 2022	**1,715.28**	**3,796.12**	**514.29**	**6,025.69**

(iii) The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Amount
Balance as at April 1, 2020	**3,714.37**
Additions during the year	2,456.30
Finance cost accrued during the year	458.23
Payment of lease liabilities	(1,003.83)
Balance as at March 31, 2021	**5,625.07**
Additions during the year	722.66
Finance cost accrued during the year	507.06
Payment of lease liabilities	(1,220.15)
Balance as at March 31, 2022	**5,634.64**
Disclosed as:	
Current portion of lease liability (Refer Note 21)	791.33
Non-current portion of lease liability (Refer Note 21)	4,843.31
Total	**5,634.64**

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Right of Use assets	943.54	800.80
Finance cost accrued during the year (included in finance costs) (Refer Note 35.b)	507.06	458.23
Expense related to short term leases (included in other expenses) (Refer Note 36)	1,581.86	1,145.62
Total	**3,032.46**	**2,404.65**

Notes Forming Part of the Financial Statements

(v) The maturity analysis of lease liabilities are disclosed in Note 51A.

(vi) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Company had total cash outflows for leases of ₹ 2,802.01 lakhs during the year ended March 31, 2022 (March 31, 2021 ₹ 2,149.45 lakhs).

Note 43: Employee Benefit Plans

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of employer expense:		
Current service cost	382.08	357.06
Net interest expense / (income) on net defined benefit obligation	19.44	14.59
Total expense recognised in the Statement of Profit and Loss	**401.52**	**371.65**
Actual contribution and benefit payments for year:		
Actual benefit payments	100.79	69.99
Actual contributions	448.36	4.28
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(3,679.19)	(3,106.62)
Fair value of plan assets	3,123.64	2,579.12
Net (liability) / asset recognised in the Balance Sheet	**(555.55)**	**(527.50)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	3,106.62	2,721.31
Current service cost	382.08	357.06
Interest cost on DBO	195.60	174.61
Actuarial (gains) / losses	95.68	(76.37)
Benefits paid	(100.79)	(69.99)
Present value of DBO at the end of the year	**3,679.19**	**3,106.62**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	2,579.12	2,497.56
Return on plan assets greater / (lesser) than discount rate	20.79	(12.75)

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actual company contributions	448.36	4.28
Interest income on plan assets	176.16	160.02
Benefits paid	(100.79)	(69.99)
Plan assets at the end of the year	**3,123.64**	**2,579.12**
Composition of the plan assets is as follows:		
Insurer Managed Assets	100%	100%
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	20.79	(12.75)
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(179.09)	100.41
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	83.41	(24.04)
Total amount recognised in OCI	**(74.89)**	**63.62**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Defined Benefit Obligation	3,679.19	3,106.62

(₹ in lakhs)

Particulars	March 31, 2022		March 31, 2021	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	291.49	(255.73)	259.65	(226.48)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(253.33)	282.76	(223.75)	251.08

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the

Notes Forming Part of the Financial Statements

policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and Funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Maturity profile of Defined Benefit Obligation

Expected Cash Flows (value on undiscounted basis)	Amount (₹ in lakhs)
March 31, 2023	359.58
March 31, 2024	402.71
March 31, 2025	460.24
March 31, 2026	467.75
March 31, 2027	506.67
March 31, 2028 to March 31, 2032	3,036.98

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2021: 7 years).

Particulars	March 31, 2022	March 31, 2021
Actuarial assumptions:		
Discount rate	6.70%	6.40%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	555.55	527.50

Notes:

i) Plan assets are fully represented by balance with the Life Insurance Corporation of India.

ii) The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

iii) The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes Forming Part of the Financial Statements

iv) **Plan Characteristics and Associated Risks:** The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. If bond yields fall, the defined benefit obligation will tend to increase.

b. Salary Inflation risk : The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 44: Segment Reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment". Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Accordingly, the management has identified, based on its products, three reportable segments namely, Electronics, Electricals and Consumer Durables as follows:

Electronics Segment includes Stabilizers, Digital UPS, UPS and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass-top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.

The Management Committee of the Company 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 and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind-AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Company operates in.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and property, plant and equipment. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Current taxes, deferred taxes, investment in subsidaries, other investments, cash and bank balances and certain other financial assets and liabilities are not allocated to segments as they are also managed on Company basis.

Capital expenditure consists of addition of property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and capital advances.

Transfer pricing between operating segments if any, are on an arm length basis in a manner similar to transaction with third parties.

Notes Forming Part of the Financial Statements

Year ended March 31, 2022 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	81,512.36	1,59,615.12	1,06,338.04	-	3,47,465.52
Inter-segment	-	-	-	-	-
Total revenue	**81,512.36**	**1,59,615.12**	**1,06,338.04**	**-**	**3,47,465.52**
Income / (Expenses)					
Depreciation and amortisation	(291.71)	(767.06)	(1,342.46)	-	(2,401.23)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(129.39)	(253.37)	(168.80)	-	(551.56)
Segment profit	13,900.71	15,206.23	1,709.60	-	30,816.54
Total assets	**37,970.49**	**60,096.14**	**71,647.32**	**-**	**1,69,713.95**
Total liabilities	**10,435.03**	**25,604.10**	**16,682.22**	**-**	**52,721.35**
Other disclosure: Capital expenditure	**479.16**	**4,215.79**	**2,057.52**	**-**	**6,752.47**

Year ended March 31, 2021 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	75,887.51	1,20,346.11	73,666.79	-	2,69,900.41
Inter-segment	-	-	-	-	-
Total revenue	**75,887.51**	**1,20,346.11**	**73,666.79**	**-**	**2,69,900.41**
Income / (Expenses)					
Depreciation and amortisation	(294.21)	(679.51)	(856.24)	-	(1,829.96)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(199.58)	(316.51)	(193.74)	-	(709.83)
Segment profit	14,416.24	10,648.60	4,025.62	-	29,090.46
Total assets	**33,870.25**	**49,249.27**	**50,408.99**	**-**	**1,33,528.51**
Total liabilities	**13,212.32**	**20,927.71**	**17,257.44**	**-**	**51,397.47**
Other disclosure: Capital expenditure	**340.55**	**1,197.54**	**2,679.68**	**-**	**4,217.77**

Reconciliation of amount reflected in the financial statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Reconciliation of profit		
Segment Profit	30,816.54	29,090.46
Other unallocable income	1,289.49	2,064.28
Other unallocable expenses	(2,348.77)	(2,127.92)
Finance cost	(752.49)	(559.72)
Profit before tax	**29,004.77**	**28,467.10**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
(b)	**Reconciliation of assets**		
	Segment operating assets	1,69,713.95	1,33,528.51
	Investment in Subsidiaries	6,864.70	884.95
	Investment property	27.90	27.90
	Other investments	3,340.00	3,340.00
	Deferred tax asset	862.92	267.04
	Cash and cash equivalents	5,344.86	28,072.31
	Other bank balances	42.86	41.29
	Income tax assets (net)	2,210.60	1,379.94
	Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of Use assets	14,466.10	13,801.64
	Other unallocable assets	4,338.75	4,635.55
	Total assets	**2,07,212.64**	**1,85,979.13**
(c)	**Reconciliation of liabilities**		
	Segment operating liabilities	52,721.35	51,397.47
	Borrowings	1,000.00	1,000.00
	Current tax liabilities	183.46	1,061.21
	Lease liabilities	2,066.43	2,140.94
	Provision for leave benefits	1,600.86	1,317.68
	Provision for gratuity	555.55	527.50
	Other unallocable liabilities	8,834.11	7,757.44
	Total liabilities	**66,961.76**	**65,202.24**

Revenue from external customer

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
India	3,46,209.05	2,68,916.24
Outside India	646.48	587.45

The revenue information above is based on the location of the customers. All non current operating assets of the Company are located in India and for this purpose consists of property, plant and equipment, capital work-in-progress, investment property, intangible assets, intangible assets under development and capital advances.

Notes Forming Part of the Financial Statements

Note 45: Related Party Transactions

(a) Details of Related Parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran Venkataraman - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Ms. Jayasree K - Company Secretary (Refer Note 2 below)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K Chittilapilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K Chittilapilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K Chittilapilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran Venkataraman
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran Venkataraman
Non - Executive Directors	Mr. Cherian N Punnoose
	Mr. Ullas K Kamath
	Mr. C J George
	Mr. George Jacob Muthoot (wef October 05, 2020)
	Prof. Biju Varkey (wef May 26, 2021)
	Mr. B Jayaraj (wef April 01, 2020)
	Ms. Joshna Johnson Thomas (till March 31, 2021)
	Ms. Radha Unni
Subsidiaries	Guts Electro-Mech Limited (Refer Note 41)
	V-Guard Consumer Products Limited (Refer Note 41)
Entities in which KMP / relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	Anekha Chittilapilly Trust
	V-Guard Foundation (Refer Note 3 below)

The Company has not entered in to any transactions with companies in which KMP / relatives of KMP can exercise significant influence.

(b) Transactions with related parties during the year

(₹ in lakhs)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Kochouseph Chittilappilly	Dividends paid	544.86	-
	Emoluments	75.17	73.44
Mr. Mithun K Chittilappilly	Dividends paid	1,036.65	-
	Salaries and allowances	181.16	143.58
	Company contribution to provident fund	18.00	13.25
	Commission	451.03	367.22

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Ramachandran Venkataraman	Dividends paid	14.25	-
	Salaries and allowances	282.12	270.49
	Company contribution to provident fund	26.15	23.02
	Employee stock compensation expense*	350.56	466.59
	Issue of Equity shares including premium	327.23	347.51
Mr. Sudarshan Kasturi	Dividends paid	0.02	-
	Salaries and allowances	208.37	203.98
	Company contribution to provident fund	11.58	9.60
	Employee stock compensation expense*	302.29	(22.79)
	Issue of Equity shares including premium	0.38	0.53
Ms. Jayasree K	Dividends paid	0.54	-
	Salaries and allowances	30.35	27.87
	Company contribution to provident fund	1.32	1.01
	Employee stock compensation expense*	15.11	12.52
	Issue of Equity shares including premium	0.05	0.08
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid	592.30	-
Enterprises in which KMP / relatives of KMP can exercise significant influence	Dividends paid	727.60	-
Non - Executive Directors	Dividends paid	1.80	-
	Sitting fees	35.05	30.95
	Commission	16.50	88.44
Guts Electro-Mech Limited	Purchase of stock-in-trade	3,590.90	3,312.94
	Reimbursement of expenses by subsidiary	45.53	49.83
V-Guard Consumer Products Limited	Investment in Equity Shares	5,979.75	-
	Corporate Guarantee given	5,000.00	-
	Purchase of stock-in-trade	40.48	-
	Rent received	2.36	-
	Rent deposit received	0.84	-
	Reimbursement of expenses by subsidiary	43.58	-

*Employee stock compensation expense is net of reversals (Refer Note 34).

(c) Related party balances

(₹ in lakhs)

Name of the Related Party	Nature of transactions	As at March 31, 2022	As at March 31, 2021
Mr. Kochouseph Chittilappilly	Emoluments payable	75.17	73.44
Mr. Mithun K Chittilappilly	Commission payable	451.03	367.22
Non - Executive Directors	Commission payable	16.50	88.44

Notes Forming Part of the Financial Statements

Name of the Related Party	Nature of transactions	As at March 31, 2022	As at March 31, 2021
Mr. Ramachandran Venkataraman	Salaries and allowances payable	63.00	60.00
Mr. Sudarshan Kasturi	Salaries and allowances payable	11.50	14.12
Ms. Jayasree K	Salaries and allowances payable	2.55	3.52
Guts Electro-Mech Limited	Investment in Equity Shares (including premium)	342.49	342.49
	Corporate Guarantee given on behalf of related party	800.00	800.00
	Trade payables	87.42	534.00
V-Guard Consumer Products Limited	Investment in Equity Shares	5,979.75	-
	Corporate Guarantee given	5,000.00	-
	Trade / Security deposits received	0.84	-
	Trade payables	2.89	-

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.
3. The Company has formed V-Guard Foundation, a company incorporated under Section 8 of the Companies Act, 2013, as its principal arm for implementing the Company's CSR programs / projects in compliance with Section 135 of the Companies Act, 2013. Two directors of the Company are the directors of V-Guard Foundation. During the year ended March 31, 2022, the Company has contributed ₹ 492.39 lakhs (year ended March 31, 2021: ₹ 418.80 lakhs) towards expenditure for CSR activities.
4. The purchases from 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.

Note 46: Earnings Per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year (₹ in lakhs)	22,679.72	19,898.24
Weighted average number of equity shares outstanding	43,06,31,935	42,88,30,019
Basic earnings per share (₹)	5.27	4.64
Net Profit for the year (₹ in lakhs)	22,679.72	19,898.24
Weighted average number of equity shares outstanding	43,38,64,144	43,19,07,592
Diluted earnings per share (₹)	5.23	4.61
Weighted average number of equity shares in calculating basic EPS	43,06,31,935	42,88,30,019
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	32,32,209	30,77,573
Weighted average number of equity shares in calculating diluted EPS	43,38,64,144	43,19,07,592

Notes Forming Part of the Financial Statements

Note 47: Share based payments

The members of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Company. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under the ESOS 2013 is 19,516,710 equity shares of ₹ 1 / - each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Grant	Financial Year	Date of Grant	No. of Options Granted	Exercise Price per share (₹)	Vesting Period	Vesting Conditions
Grant I	2013-14	11-Jun-13	21,87,216	1.00	Over 3 years	Two third of total entitlements are time based grants and the remaining one third are based on the performance of the Company and the Individual employee.
			79,51,888	34.64		
Grant II	2015-16	04-May-15	2,81,266	1.00	Over 3 years	
			9,20,564	71.36		
Grant III	2016-17	04-May-16	4,20,000	1.00	Over 4 years	60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			37,80,000	68.75		
Grant IV	2016-17	16-Jun-16	2,59,504	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant VI	2016-17	21-Oct-16	1,15,976	1.00	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
Grant VII	2016-17	30-Jan-17	82,460	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant VIII	2017-18	19-May-17	2,01,100	1.00	Over 4 years	
Grant IX	2017-18	31-Jul-17	1,54,854	1.00	Over 4 years	
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	
Grant XI	2018-19	30-May-18	46,354	1.00	Over 4 years	
Grant XII	2018-19	31-Jul-18	99,452	1.00	Over 4 years	
Grant XIII	2018-19	31-Jan-19	76,190	1.00	Over 4 years	
Grant XIV	2019-20	06-Nov-19	31,444	1.00	Over 4 years	

Notes Forming Part of the Financial Statements

Grant	Financial Year	Date of Grant	No. of Options Granted	Exercise Price per share (₹)	Vesting Period	Vesting Conditions
Grant XV	2020-21	22-May-20	12,59,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			2,60,000	1.00	Over 4 years	100% of the entitlements based on the Company's performance at the end of 4 years.
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	
Grant XIX	2021-22	30-Jul-21	1,47,685	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Grant	Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / Expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
Grant I	1.00	38,942	-	-	38,942	-	-	-
		(68,495)	-	-	(29,553)	(38,942)	(38,942)	(1.20)
	34.64	5,42,581	-	-	5,42,581	-	-	-
		(18,53,039)	-	-	(13,10,458)	(5,42,581)	(5,42,581)	(1.20)
Grant II	1.00	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	71.36	1,13,725	-	14	27,248	86,463	86,463	2.09
		(1,17,375)	-	-	(3,650)	(1,13,725)	(1,13,725)	(2.91)
Grant III	1.00	-	-	-	-	-	-	-
		(63,000)	-	-	(63,000)	-	-	-
	68.75	22,68,000	-	-	3,50,000	19,18,000	19,18,000	2.87
		(22,68,000)	-	-	-	(22,68,000)	(22,68,000)	(3.60)
Grant IV	1.00	19,745	-	-	19,745	-	-	-
		(63,793)	-	-	(44,048)	(19,745)	(19,745)	(4.82)
Grant V	1.00	1,45,091	-	-	68,442	76,649	76,649	3.61
		(3,49,505)	-	-	(2,04,414)	(1,45,091)	(1,45,091)	(4.49)
	1.00	12,320	-	-	-	12,320	12,320	3.60
		(24,640)	-	-	(12,320)	(12,320)	(12,320)	(4.60)
	1.00	-	-	-	-	-	-	-
		(42,000)	-	-	(42,000)	-	-	-
	121.79	6,72,000	-	-	-	6,72,000	6,72,000	2.80
		(6,72,000)	-	-	-	(6,72,000)	(6,72,000)	(3.79)

Notes Forming Part of the Financial Statements

Grant	Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / Expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
Grant VI	1.00	8,120	-	-	8,120	-	-	-
		(34,693)	-	-	(26,573)	(8,120)	(8,120)	(5.48)
Grant VII	1.00	-	-	-	-	-	-	-
		(36,076)	-	(20,614)	(15,462)	-	-	-
Grant VIII	1.00	37,706	-	-	37,706	-	-	-
		(1,25,687)	-	(50,275)	(37,706)	-	(37,706)	(6.14)
Grant IX	1.00	17,688	-	-	17,688	-	-	-
		(58,959)	-	(23,583)	(17,688)	-	(17,688)	(5.33)
Grant X	1.00	67,940	-	-	56,148	11,792	11,792	5.31
		(1,83,958)	-	(62,692)	(53,326)	(20,917)	(67,940)	(6.45)
Grant XI	1.00	34,063	-	11,590	11,782	2,000	10,691	5.98
		(41,854)	-	-	(7,791)	(5,091)	(34,063)	(6.47)
Grant XII	1.00	51,416	-	27,886	11,765	-	11,765	6.33
		(80,808)	-	(10,744)	(18,648)	-	(51,416)	(7.03)
Grant XIII	1.00	47,618	-	-	14,286	-	33,332	6.84
		(61,904)	-	-	(14,286)	-	(47,618)	(7.54)
Grant XIV	1.00	31,444	-	-	-	11,792	31,444	6.48
		(31,444)	-	-	-	(5,896)	(31,444)	(7.48)
Grant XV	1.00	2,60,000	-	-	-	-	2,60,000	8.15
		-	(2,60,000)	-	-	-	(2,60,000)	(9.15)
	172.05	12,59,200	-	-	-	3,14,800	12,59,200	6.64
		-	(12,59,200)	-	-	-	(12,59,200)	(7.64)
Grant XVI	1.00	10,42,530	-	-	1,36,644	68,834	9,05,886	7.63
		-	(10,62,635)	(20,105)	-	-	(10,42,530)	(8.36)
Grant XVII	1.00	3,16,325	-	-	-	55,822	3,16,325	7.79
		-	(3,16,325)	-	-	-	(3,16,325)	(8.79)
Grant XVIII	1.00	24,907	-	-	-	4,396	24,907	7.91
		-	(24,907)	-	-	-	(24,907)	(8.91)
Grant XIX	1.00	-	1,47,685	-	-	-	1,47,685	8.28
		-	-	-	-	-	-	-
Grant XX	1.00	-	1,14,365	-	-	-	1,14,365	8.52
		-	-	-	-	-	-	-
Grant XXI	1.00	-	2,51,143	-	-	-	2,51,143	8.88
		-	-	-	-	-	-	-
Grant XXII	1.00	-	59,980	-	-	-	59,980	8.99
		-	-	-	-	-	-	-

*During the year, 12,379 number of options were exercised pertaining to Grant I which were cancelled inadvertently in the earlier years by the Company. The Company is in the process of regularising the said exercise.

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2021.

Weighted average fair value of the options granted during the year was ₹ 228.34 (2020-21: ₹ 131.48).

Weighted average equity share price at the date of exercise of options during the year was ₹ 238.16 (2020-21: ₹ 193.27).

Notes Forming Part of the Financial Statements

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Binomial model:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Risk-free interest rate (%)	5.00 % to 6.68%	4.84 % to 6.16%
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	30.44% to 32.15%	30.72% to 32.87%
Dividend yield	0.48% to 0.56%	0.36% to 1.00%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome.

Note 48: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revenue from sale of products

Revenue is measured at the fair value of consideration received / receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Notes Forming Part of the Financial Statements

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk , volatility etc. Changes in assumptions / judgements about these factors could effect the reported fair value of financial instruments.

Put option liability

The Put Option liability granted on the non controlling interests of subsidiary is accounted for at the present value of the amount payable on exercise of the option, as a financial liability. The subsequent changes in carrying amount at each reporting date is recognised in the statement of profit and loss. The determination of the carrying value is based on discounted cash flows. The key assumption taken into consideration is the discount factor. As part of the accounting for the investment in subsidiary, put option liability with an estimated value of ₹ 317.15 lakhs was recognised at the acquisition date and remeasured to ₹ 572.55 lakhs as at the reporting date.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of Government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 43.

Share-based payments

Estimating fair value for share-based payment transactions requires evaluation of vesting conditions and determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, forfeitures and making assumptions about them. The assumptions and model used for estimating fair value for share based payment transactions are disclosed in Note 47.

Notes Forming Part of the Financial Statements

Warranty provision

Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold. It is very unlikely that actual warranty claims will exactly match the historical trend of warranty expenses and hence such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer Note 40(B) for further disclosures.

Taxes

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. 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.

Impairment allowance for trade receivables

The Company uses a provision matrix to calculate Expected Credit Losses (‘ECL’) for trade receivables. 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 is disclosed in Note 2.2(q) and Note 51(C).

Determination of control / significant influence for investments made by the Company

As detailed in Note 7, the Company entered into a share subscription and shareholder’s agreement to acquire 7 equity shares and 2,900 OCCPS of Gegadyne for a cash consideration of ₹ 3,340.00 lakhs in return for 18.77% stake on a fully diluted basis, right to nominate a director on the Board of Gegadyne as well as various other rights under the aforesaid agreement. The management, based on the terms and conditions as per the said agreement, is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne considering that: a) The equity shareholding of the Company is less than 1% of the total equity shareholding and OCCPS are convertible at the option of the Company and can be liquidated at a predetermined IRR. b) The Company do not intend to participate in the operations of Gegadyne and do not have any visitation or inspection rights in respect of the research facilities and research activities of Gegadyne which is the primary activity of Gegadyne at this juncture. c) On completion of the research activities, Gegadyne will seek additional investment from external investors whereby the Company’s stake

Notes Forming Part of the Financial Statements

in Gegadyne will be significantly reduced. d) All the other rights considered under 'reserved matters' in the aforesaid agreement are protective rights and not participative rights.

Accordingly, the Company has accounted the aforesaid investment as investment at fair value through profit or loss as per Ind AS 109 - Financial Instruments.

Note 49: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets at FVTPL				
Derivative Instrument - Call Option	58.57	58.57	58.57	58.57
Other investments	3,340.00	3,340.00	3,340.00	3,340.00
Financial assets at amortised cost				
Trade receivables	47,924.29	38,471.76	47,924.29	38,471.76
Cash and bank balances	5,387.72	28,113.60	5,387.72	28,113.60
Loans	319.12	365.85	319.12	365.85
Other financial assets	1,480.00	1,417.06	1,480.00	1,417.06
Total	**58,509.70**	**71,766.84**	**58,509.70**	**71,766.84**
Financial liabilities at amortised cost				
Borrowings	1,000.00	1,000.00	1,000.00	1,000.00
Lease liabilities	5,634.64	5,625.07	5,634.64	5,625.07
Put option liability	572.55	465.56	572.55	465.56
Trade payables	48,191.29	47,312.58	48,191.29	47,312.58
Other financial liabilities	2,875.12	2,564.58	2,875.12	2,564.58
Total	**58,273.60**	**56,967.79**	**58,273.60**	**56,967.79**

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables / advances given are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of the derivative instrument - call option has been determined using valuation techniques with market observable inputs. The valuation techniques incorporate various inputs including risk free interest rates and volatility. The fair value of other investments has been determined using precedent transaction analysis method. Refer note 50 (iv).

The fair value of loans, lease liabilities and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. The fair value of put option liability is determined based on the present value of the amount payable on exercise of the option. There are no unobservable inputs that impact fair value.

Notes Forming Part of the Financial Statements

Note 50: Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in lakhs)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4 (i))	31-Mar-22	27.90	-	-	27.90
	31-Mar-21	27.90	-	-	27.90
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-22	3,340.00	-	-	3,340.00
	31-Mar-21	3,340.00	-	-	3,340.00
FVTPL Financial Instrument - Call Option	31-Mar-22	58.57	-	58.57	-
	31-Mar-21	58.57	-	58.57	-
Assets carried at amortised cost for which fair value are disclosed					
Trade receivables	31-Mar-22	47,924.29	-	-	47,924.29
	31-Mar-21	38,471.76	-	-	38,471.76
Cash and bank balances	31-Mar-22	5,387.72	-	-	5,387.72
	31-Mar-21	28,113.60	-	-	28,113.60
Loans	31-Mar-22	319.12	-	-	319.12
	31-Mar-21	365.85	-	-	365.85
Other financial assets	31-Mar-22	1,480.00	-	-	1,480.00
	31-Mar-21	1,417.06	-	-	1,417.06
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings	31-Mar-22	1,000.00	-	1,000.00	-
	31-Mar-21	1,000.00	-	1,000.00	-
Lease liabilities	31-Mar-22	5,634.64	-	-	5,634.64
	31-Mar-21	5,625.07	-	-	5,625.07
Put option liability	31-Mar-22	572.55	-	572.55	-
	31-Mar-21	465.56	-	465.56	-
Trade payables	31-Mar-22	48,191.29	-	-	48,191.29
	31-Mar-21	47,312.58	-	-	47,312.58
Other financial liabilities	31-Mar-22	2,875.12	-	-	2,875.12
	31-Mar-21	2,564.58	-	-	2,564.58

(i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 49.

(ii) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Notes Forming Part of the Financial Statements

(iv) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivitiy of the input to fair value
FVTPL Investments	Precedent transaction analysis method	Premium for Management, product / technology, size of opportunity, competition etc.	Premium of 40%-60%	10% increase in premium will have a significant impact on the fair value of the investments.

Note 51: Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.

The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of Company's financial liabilities:

(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2022				
a) Borrowings	1,000.00	-	-	1,000.00
b) Lease liabilities	1,268.07	4,122.13	2,545.47	7,935.67
c) Put option liability	-	572.55	-	572.55
d) Trade payables	48,191.29	-	-	48,191.29
e) Other financial liabilities	2,875.12	-	-	2,875.12
Total	**53,334.48**	**4,694.68**	**2,545.47**	**60,574.63**
As at March 31, 2021				

Notes Forming Part of the Financial Statements

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
a) Borrowings	1,000.00	-	-	1,000.00
b) Lease liabilities	1,106.54	3,929.56	3,268.63	8,304.73
c) Put option liability	-	465.56	-	465.56
d) Trade payables	47,312.58	-	-	47,312.58
e) Other financial liabilities	2,564.58	-	-	2,564.58
Total	**51,983.70**	**4,395.12**	**3,268.63**	**59,647.45**

B. 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 risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk 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 borrowings which are at floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Company's import of goods. The Company manages this foreign currency risk by using foreign currency forward contracts to hedge its import liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ In lakhs)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2022	7.63	(7.63)
March 31, 2021	(6.89)	6.89

Commodity Price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper, the Company has entered into various purchase contracts for this material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations 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 and other financial assets.

Notes Forming Part of the Financial Statements

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. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Company creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 14. The Company does not hold any collateral as security except for the deposits and bank guarantees received from the customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss and credit impairment is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	3,380.42	3,352.91
Change in allowance for expected credit loss and credit impairment during the year	207.24	102.82
Bad debts written off	(314.94)	(75.31)
Balance as at the end of the year	**3,272.72**	**3,380.42**

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and deposits are managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 52: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company monitors Capital using Gearing ratio, which is net debt divided by total capital plus net debt.

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Borrowings	1,000.00	1,000.00
Less: Cash and cash equivalents and other bank balances	5,387.72	28,113.60
Net debt (A)	**(4,387.72)**	**(27,113.60)**
Equity	1,40,250.88	1,20,776.89
Capital and Net debt (B)	**1,35,863.16**	**93,663.29**
Gearing ratio (A / B)	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note 53: Ratios

(₹ In lakhs)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change
Current ratio	Current assets	Current liabilities	2.48	2.38	4%
Debt - Equity ratio	Total debt	Shareholder's equity	0.01	0.01	0%
Debt service coverage ratio (Refer (i) below)	Earnings available for debt service = Net Profit after taxes + depreciation and amortisation expenses + finance costs + other non-cash operating expenses	Debt service = Interest and lease payments + principal repayments	1.74	22.55	-92%
Return on equity ratio	Net profit after tax	Average shareholder's equity	0.17	0.18	-4%
Inventory turnover ratio	Cost of goods sold	Average inventory	3.27	3.35	-2%
Trade receivable turnover ratio	Net sales	Average trade receivables	8.04	7.64	5%
Trade payable turnover ratio	Net purchases	Average trade payables	5.51	5.16	7%
Net capital turnover ratio	Net sales	Working capital = Current assets – Current liabilities	3.90	3.34	17%
Net profit ratio	Net profit after tax	Net sales	0.065	0.074	-11%
Return on capital employed	Earnings before interest and tax	Capital employed = Net worth + Total borrowings	0.21	0.24	-12%
Return on investment	Income generated from invested funds	Average invested funds (excluding investment in subsidiaries and other investments)	0.03	0.04	-21%

(i) Variance is on account of debt repayments.

Notes Forming Part of the Financial Statements

Note 54: Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Cryptocurrency or Virtual Currency during the year ended March 31, 2022.

(iv) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company do not have any transactions with companies struck off.

(viii) The Company has not been declared as a Wilful Defaulter by any bank or financial institution or Government or any Government authority.

Note 55: Disclosures pursuant to Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013

As at March 31, 2022 and March 31, 2021, the Company has provided guarantee amounting to Rs. 800.00 lakhs (Maximum amount outstanding: Rs. 800.00 lakhs) to a bank for the borrowings availed by the subsidiary of the Company - Guts Electro-Mech Limited ("Guts"). The borrowing is availed by Guts for working capital requirements and purchase of machineries. Further, as at March 31, 2022, the Company has extended guarantee amounting to Rs. 5,000.00 lakhs (Maximum amount outstanding: Rs. 5,000.00 lakhs) to V-Guard Consumer Products Limited ("VCPL") for availing borrowings. The borrowing will be availed by VCPL for working capital requirements. Neither Guts nor VCPL has any investment in the shares of the Company. The Company has not given any loans and advances in the nature of loans to subsidiaries, associates or companies / firms in which directors are interested. Also refer Note 8 (i).

Notes Forming Part of the Financial Statements

Note 56: The Company was required to transfer 9,102 equity shares (including 3,280 equity shares pending to be transferred to the Investor Education and Protection Fund Authority ("IEPFA") in the previous year) to IEPFA. However, the Company could not transfer 800 equity shares as the demat account of one shareholder was suspended for trading and was inactive. The Company has intimated IEPFA the details of such shares by filing form IEPF-3.

Note 57: The Company's Board of Directors at its meeting held on December 20, 2021 has approved a Scheme of Amalgamation amongst the Company, Simon Electric Private Limited and their respective Shareholders and Creditors. The Company is in the process of obtaining necessary approvals from various authorities concerned.

Note 58: Events after the reporting period

The Board of Directors of the Company have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the Annual General Meeting. Refer Note 20.

Note 59: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

Note 60: Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of V-Guard Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, 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 auditors on separate financial statements and on the other financial information of the subsidiaries, 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, 2022, 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 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, 2022. 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 matter described below to be the key audit matter 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 the matter below. 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 matter below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 2.3(e) and 48 of the Consolidated Ind AS financial statements)	
Revenue is measured at the fair value of consideration received / receivable from its customers and in determining the transaction price for the sale of products, the Holding Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. We have considered this as a key audit matter on account of significant judgement and estimate involved in calculation of provision for such trade schemes as at the Balance Sheet date.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Assessed the Holding Company's accounting policy for revenue recognition including the policy for recording trade schemes in accordance with Ind AS 115. • Obtained an understanding of the revenue process, the assumptions used by the management in calculation of accrual of trade schemes and design and implementation of controls. • Evaluated management's methodology and assumptions used in the calculations of such accruals for trade schemes. • Tested on sample basis management's calculation of the provisions for trade schemes at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used. • Tested, on sample basis, credit notes issued to customer / payments for incentives as per the approved trade schemes. • Performed analytical procedures to identify any unusual trends and items.

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 consolidated Ind AS 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 and whose financial information we have audited, 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 Ind AS 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 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, 2022 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

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements (before adjustments on consolidation) include total assets of Rs 9,197.18 lakhs as at March 31, 2022, and total revenues (including other income) of Rs 6,020.25 lakhs and net cash inflows of Rs 856.34 lakhs for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 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 the reports of such other auditors.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We / the other auditors 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 auditors;

   (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, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India, to their 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, 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 40(B)(i) to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. As detailed in Note 56 to the consolidated Ind AS financial statements, except for 4,080 equity shares required to be transferred to the Investor Education and Protection Fund, there has been no other delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Out of the above, 800 equity shares remain pending to be transferred to the Investor Education and Protection Fund as at March 31, 2022. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries, incorporated in India, during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v) The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 19 to the consolidated Ind AS financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by the subsidiaries, incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Sd / -
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJFWUA2045

Place of Signature: Bengaluru
Date: May 19, 2022

ANNEXURE 1 REFERRED TO IN CLAUSE 1 OF PARAGRAPH ON THE 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

Re: V-Guard Industries Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Financial Statements are:

S.No	Name	CIN	Holding company / subsidiary	Clause number of the CARO report which is qualified or is adverse
1.	Guts Electro-Mech Limited	U52520TG1987PLC007245	Subsidiary	vii (a) xi (a)
2.	V-Guard Consumer Products Limited	U31904KL2021PLC069893	Subsidiary	xvii

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Sd / -
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJFWUA2045

Place of Signature: Bengaluru
Date: May 19, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF V-GUARD INDUSTRIES 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 V-Guard Industries Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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 Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 consolidated 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 consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group has maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Sd / -
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJFWUA2045

Place of Signature: Bengaluru
Date: May 19, 2022

Consolidated Balance Sheet as at March 31, 2022

(₹ in lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
A. ASSETS			
1. Non-current assets			
Property, plant & equipment	3	37,281.53	29,486.20
Capital work-in-progress	3	915.09	1,849.70
Investment property	4	27.90	27.90
Goodwill	5	366.40	366.40
Other intangible assets	5	846.63	814.63
Intangible assets under development	5	783.85	105.32
Right of Use assets	3	7,771.76	6,278.12
Financial assets			
(a) Other investments	6	3,340.00	3,340.00
(b) Loans	7	143.94	219.99
(c) Other financial assets	8	1,489.49	1,396.93
Income tax assets (net)	9	2,210.66	1,379.94
Deferred tax assets (net)	10	908.49	381.74
Other non-current assets	11	1,561.60	1,748.15
		57,647.34	**47,395.02**
2. Current assets			
Inventories	12	85,958.47	63,150.60
Financial assets			
(a) Trade receivables	13	48,412.63	38,807.10
(b) Cash and cash equivalents	14A	6,079.68	28,076.90
(c) Other bank balances	14B	46.86	41.29
(d) Loans	15	175.39	146.90
(e) Other financial assets	16	72.79	80.13
Other current assets	17	11,269.59	9,799.86
		1,52,015.41	**1,40,102.78**
TOTAL ASSETS		**2,09,662.75**	**1,87,497.80**
B. EQUITY AND LIABILITIES			
1. Equity			
Equity share capital	18	4,315.42	4,301.88
Other equity *		1,36,380.45	1,16,827.20
Equity attributable to equity holders of the parent		1,40,695.87	1,21,129.08
Non controlling interests *		546.79	471.13
TOTAL EQUITY		**1,41,242.66**	**1,21,600.21**
2. Non-current liabilities			
Financial liabilities			
(a) Lease liabilities	20	4,864.56	4,989.12
(b) Other financial liabilities	21	572.55	465.56
Provisions	22	1,342.58	1,170.42
		6,779.69	**6,625.10**
3. Current liabilities			
Financial liabilities			
(a) Borrowings	23	1,179.22	1,301.32
(b) Lease liabilities	20	791.39	636.41
(c) Trade payables	24	48,797.93	47,472.38
(d) Other financial liabilities	25	3,312.90	2,583.18
Other current liabilities	26	2,468.02	1,810.24
Provisions	27	4,843.31	4,325.64
Current tax liabilities (net)	28	247.63	1,143.32
		61,640.40	**59,272.49**
TOTAL EQUITY AND LIABILITIES		**2,09,662.75**	**1,87,497.80**
* Refer Consolidated Statement of changes in equity			
Summary of significant accounting policies	2		

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

As per our report of even date
For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Income**			
	(a) Revenue from operations	29	3,49,817.37	2,72,123.99
	(b) Other income	30	543.09	254.70
	(c) Finance income	31	734.49	1,818.19
	Total income		**3,51,094.95**	**2,74,196.88**
2	**Expenses**			
	(a) Cost of raw materials consumed	32	1,41,250.61	90,976.18
	(b) Purchase of stock-in-trade		1,14,256.86	1,01,340.12
	(c) (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	33	(14,118.04)	(7,065.28)
	(d) Employee benefits expenses	34	26,999.53	22,658.37
	(e) Depreciation and amortisation expenses	35.a	4,914.73	3,863.13
	(f) Finance costs	35.b	788.06	609.92
	(g) Other expenses	36	47,606.75	33,004.43
	Total expenses		**3,21,698.50**	**2,45,386.87**
3	**Profit before tax (1 - 2)**		**29,396.45**	**28,810.01**
4	**Tax expenses**	38		
	(a) Current tax expenses		7,869.69	8,370.61
	(b) Deferred tax (credit) / expense		(508.32)	(152.28)
	(c) Current tax relating to earlier years		(808.67)	402.51
	Total income tax		**6,552.70**	**8,620.84**
5	**Profit for the year (3 - 4)**		**22,843.75**	**20,189.17**
6	**Other comprehensive (loss) / income**			
	Other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods:			
	(a) Re-measurement (losses) / gains on defined benefit plans	43	(68.98)	65.24
	(b) Income tax effect		18.43	(18.76)
	Other comprehensive (loss) / income for the year, net of tax		**(50.55)**	**46.48**
	Total comprehensive income for the year, net of tax		**22,793.20**	**20,235.65**
7	**Profit for the year, net of tax attributable to:**			
	Equity holders of the parent company		22,769.24	20,081.79
	Non controlling interests		74.51	107.38
8	**Total comprehensive income for the year, net of tax attributable to:**			
	Equity holders of the parent company		22,717.54	20,127.96
	Non controlling interests		75.66	107.69
9	**Earnings per equity share (basic and diluted) (₹) :**	46		
	(Nominal value of equity share - ₹ 1 each)			
	Basic earnings per share		5.29	4.68
	Diluted earnings per share		5.25	4.65
	Summary of significant accounting policies	2		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

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Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Consolidated Statement of changes in equity

for the year ended March 31, 2022

A) Equity Share Capital

Particulars	No. of shares	₹ in lakhs
As at April 1, 2020	**42,82,87,535**	**4,282.88**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	19,00,923	19.00
As at March 31, 2021	**43,01,88,458**	**4,301.88**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,53,476	13.54
As at March 31, 2022	**43,15,41,934**	**4,315.42**

B) Other Equity

(₹ in lakhs)

Particulars	Attributable to the equity holders of the parent company							
	Securities Premium	General Reserve	Retained Earnings	Share based payment reserve	Put Option Liability	Total	Non Controlling Interests	Total
As at April 1, 2020	**10,635.46**	**6,489.01**	**75,579.77**	**2,875.27**	**(317.15)**	**95,262.36**	**363.44**	**95,625.80**
Net profit for the year	-	-	20,081.79	-	-	20,081.79	107.38	20,189.17
Other comprehensive income for the year*								
Remeasurement gains / (losses) on defined benefit plans (net of taxes)	-	-	46.17	-	-	46.17	0.31	46.48
Total Comprehensive Income	**-**	**-**	**20,127.96**	**-**	**-**	**20,127.96**	**107.69**	**20,235.65**
Equity shares issued under ESOS 2013	443.40	-	-	-	-	443.40	-	443.40
Transfer from Share based payments reserve on exercise of options under ESOS 2013	862.92	-	-	(862.92)	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	993.48	-	993.48	-	993.48
As at March 31, 2021	**11,941.78**	**6,489.01**	**95,707.73**	**3,005.83**	**(317.15)**	**1,16,827.20**	**471.13**	**1,17,298.33**
Net profit for the year	-	-	22,769.24	-	-	22,769.24	74.51	22,843.75
Other comprehensive income for the year*								
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(51.70)	-	-	(51.70)	1.15	(50.55)
Total Comprehensive Income	**-**	**-**	**22,717.54**	**-**	**-**	**22,717.54**	**75.66**	**22,793.20**
Equity shares issued under ESOS 2013	442.95	-	-	-	-	442.95	-	442.95
Final dividend (Refer Note 19)	-	-	(5,162.26)	-	-	(5,162.26)	-	(5,162.26)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	870.03	-	-	(870.03)	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	1,555.02	-	1,555.02	-	1,555.02
As at March 31, 2022	**13,254.76**	**6,489.01**	**1,13,263.01**	**3,690.82**	**(317.15)**	**1,36,380.45**	**546.79**	**1,36,927.24**

* As required under Ind AS compliant Schedule III, the Group has recognised remeasurement gains / (losses) on defined benefit plans as part of retained earnings.

Consolidated Statement of changes in equity

for the year ended March 31, 2022

B) Other Equity (Contd...)

Nature and purpose of reserves

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. It is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve: Represents the amounts transferred from the Retained Earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained Earnings: Represents the profits / losses of the Group earned till date, net of appropriations.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Put Option Liability: Refer Note 41

Refer Note 2 for Summary of significant accounting policies.

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit before tax	29,396.45	28,810.01
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expenses	4,914.73	3,863.13
	Loss on property, plant and equipment sold / scrapped / written off (net)	71.40	28.99
	Finance costs	704.08	507.67
	Finance income	(320.14)	(1,248.79)
	Carrying value adjustment of put option liability	106.99	68.96
	Dividend income / income on sale of current investments	(17.38)	(3.95)
	Liabilities / provisions no longer required written back	(14.83)	(19.80)
	Impairment allowance for doubtful trade and other receivables, loans and advances (net)	568.15	715.37
	Share based payment expense	1,555.02	993.48
		7,568.02	**4,905.06**
	Operating profit before working capital changes	**36,964.47**	**33,715.07**
	Movement in working capital		
	(Increase) / Decrease in inventories	(22,807.87)	(15,255.25)
	(Increase) / Decrease in trade receivables	(9,829.35)	(6,485.32)
	(Increase) / Decrease in financial and other assets	(1,987.88)	(107.23)
	Increase / (Decrease) in trade payables	1,284.15	16,972.81
	Increase / (Decrease) in provisions	620.85	838.50
	Increase / (Decrease) in financial and other liabilities	767.75	(96.64)
		(31,952.35)	**(4,133.13)**
	Cash generated from operations	**5,012.12**	**29,581.94**
	Income tax paid (net of refunds)	(8,882.84)	(7,366.85)
	Net cash flow (used in) / from operating activities (A)	**(3,870.72)**	**22,215.09**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment including capital work-in-progress and capital advances	(12,461.64)	(6,477.83)
	Proceeds from sale of property, plant and equipment	13.99	12.81
	Purchase of non current investments	-	(3,340.00)
	Sale / (purchase) of current investments (net)	-	3,600.14
	Redemption of / (investment in) fixed deposits with maturity more than 3 months (net)	16.80	8,513.99
	Refund of loans	105.20	396.31
	Finance income	329.84	1,382.88
	Dividend income / income on sale of current investments	17.38	3.95
	Net cash flow (used in) / from investing activities (B)	**(11,978.43)**	**4,092.25**

Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from exercise of share options (including share application money)	456.49	462.40
Proceeds / (repayment) of short term borrowings (net)	(122.10)	24.07
Payment of principal portion of lease liabilities	(713.10)	(545.60)
Finance costs paid	(608.67)	(507.67)
Dividends paid on equity shares	(5,160.69)	(6.85)
Net cash flow used in financing activities (C)	**(6,148.07)**	**(573.65)**
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	**(21,997.22)**	**25,733.69**
Cash and cash equivalents at the beginning of the year	**28,076.90**	**2,343.21**
Cash and cash equivalents at the end of the year	**6,079.68**	**28,076.90**
Components of cash and cash equivalents: (Refer Note 14A)		
(a) Cash on hand	0.53	0.42
(b) Balances with bank:		
On current accounts	6,079.15	1,020.98
In fixed deposits with original maturity of less than 3 months	-	27,055.50
	6,079.68	**28,076.90**

Refer Note 2 for Summary of significant accounting policies

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Notes Forming Part of the Consolidated Financial Statements

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of V-Guard Industries Limited ('V-Guard' or 'the Company' or 'the Holding Company' or 'the Parent Company') and its subsidiaries, Guts Electro-Mech Limited ('Guts') and V-Guard Consumer Products Limited ('VCPL') (collectively, the 'Group') for the year ended March 31, 2022. The Company is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Group is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS, UPS and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches
Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers

The Group's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur, Roorkee, Haridwar and Pantnagar, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu, Hyderabad, Telangana and at Majitar, Rangpo and Mamring in Sikkim. The Holding Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The consolidated financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 19, 2022.

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.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under 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), as applicable to the consolidated financial statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities that are measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs upto two decimal places (INR 00,000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- 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:

Notes Forming Part of the Consolidated Financial Statements

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- 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.

Consolidation procedure:

- 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;
- 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;
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup 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:

Notes Forming Part of the Consolidated Financial Statements

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- 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.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value 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. Acquisition- related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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 below:

- 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;
- 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;
- 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;
- 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;
- Reacquired rights are measured at a value determined on the basis of the remaining

Notes Forming Part of the Consolidated Financial Statements

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.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. 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.

Notes Forming Part of the Consolidated Financial Statements

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.

b) *Current versus non-current classification*

The Group presents assets and liabilities in the consolidated 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 the 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 the 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.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) *Foreign currencies*

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated 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. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation

Notes Forming Part of the Consolidated Financial Statements

differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

d) *Fair value measurement*

The Group measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised 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.

The Group has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets

Notes Forming Part of the Consolidated Financial Statements

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.

e) Revenue

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(i) Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations. The normal credit term is 15 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide customers with a right of return, cash discounts and volume rebates / trade incentives. The rights of return, cash discounts and volume rebates / trade incentives give rise to variable consideration.

➢ **Rights of return**

As a practice, the Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

➢ **Volume rebates**

The Group provides retrospective volume rebates / trade incentives to customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Group estimates the variable consideration for the expected future rebates / trade incentives based on its experience of the expected value. The Group then applies the requirements on constraining estimates of variable consideration.

Notes Forming Part of the Consolidated Financial Statements

(ii) Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent

Assets. Refer to the accounting policy on warranty provisions in section (o) Provisions.

(iii) Contract balances

Contract assets

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.

Trade receivables

A receivable represents the Group's right to 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 (r) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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.

(iv) Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

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

Notes Forming Part of the Consolidated Financial Statements

included in finance income in the Statement of Profit and Loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend. Investments in mutual funds are mandatorily classified as fair value through Statement of Profit and Loss. Fair value of mutual funds is determined based on the net asset value of the funds.

f) *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments.

g) *Taxes*

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the consolidated Statement of Profit and Loss is recognised outside the consolidated Statement of Profit and Loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- 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;
- 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:

Notes Forming Part of the Consolidated Financial Statements

- 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;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI / capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

In the situations where 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 concerned entity'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.

Goods and services taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and services taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

- When receivables and payables are stated

Notes Forming Part of the Consolidated Financial Statements

with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated Balance Sheet.

h) *Property, plant and equipment*

Property, plant and equipment are stated at cost, net of 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 tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 de-recognised.

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 a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Group identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has used the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & fixtures	10
Vehicles	8 to 10

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

i) *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 where applicable, borrowing costs. Subsequent to initial recognition, investment properties are

Notes Forming Part of the Consolidated Financial Statements

stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2022 and March 31, 2021 comprise of land.

Investment properties are de-recognised either when they have been disposed off 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 Statement of Profit and Loss in the period of de- recognition.

j) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated 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 amortised 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 recognised in the consolidated Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised 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 recognised in the consolidated Statement of Profit and Loss when the assets are disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Notes Forming Part of the Consolidated Financial Statements

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 amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Asset Category	Useful life (in years)
Software	5 years
Trademark	10 years
Customer relationships	5 years
Non Compete	5 years

k) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) *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, building and vehicles. 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.

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 in the nature of buildings are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying asset (i.e. 30 and 60 years). The right-of-use assets comprising of land is depreciated based on the lease term.

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.

Notes Forming Part of the Consolidated Financial Statements

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) 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 financial liabilities (refer Note 20).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 of office equipment 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.

Group as a lessor

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.

m) Inventories

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The 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;

Notes Forming Part of the Consolidated Financial Statements

- Finished goods and work-in-progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis;
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n) *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, 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 entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the consolidated Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, 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.

Notes Forming Part of the Consolidated Financial Statements

o) *Provisions*

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Statement of Profit and Loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not 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.

p) *Retirement and other employee benefits*

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Group has no obligation, other than the contribution payable to the fund towards such schemes. The Group recognizes contribution payable 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 recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Notes Forming Part of the Consolidated Financial Statements

Defined benefit scheme

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the consolidated Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the consolidated Balance Sheet, as the Group believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q) *Share-based payments*

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

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Notes Forming Part of the Consolidated Financial Statements

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through Statement of Profit and Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r) *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.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair

Notes Forming Part of the Consolidated Financial Statements

value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

1. Financial assets at amortised cost (debt instruments)

2. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)

4. Financial assets at fair value through profit or loss

Financial Assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans, deposits, trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or 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 de-recognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

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, investments in other entity and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the Statement of Profit and Loss when the right of payment has been established.

Notes Forming Part of the Consolidated Financial Statements

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e, removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

The Group follows "simplified approach" for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

Notes Forming Part of the Consolidated Financial Statements

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates the following provision matrix at the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.5%	5%	25%	30%	70%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the consolidated Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the consolidated Statement of Profit and Loss. For financial assets measured as at amortised cost, contractual revenue receivables and lease receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated 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.

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, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 Put Option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the present value of the amount payable on exercise of the option.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, put option liability and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated Statement of Profit and Loss.

Put option liability

The subsequent changes in carrying amount of the Put Option on NCI of subsidiary is recognised in the Statement of Profit and Loss. If the put option is exercised, the entity de-recognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is de-recognised with a corresponding adjustment to Other Equity.

Notes Forming Part of the Consolidated Financial Statements

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 recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

De-recognition

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Statement of Profit and Loss.

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.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in consolidated statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

Notes Forming Part of the Consolidated Financial Statements

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to consolidated statement of profit and loss at the reclassification date.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

s) *Derivative financial instruments*

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such 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.

t) *Segment accounting*

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue;
- 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 un- allocable expenditure;
- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income;
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group;
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment;
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer

Notes Forming Part of the Consolidated Financial Statements

price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

u) *Cash and cash equivalents*

Cash and cash equivalents in the consolidated 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 which are subject to insignificant risk of changes in value.

For the purpose of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

v) *Cash dividend and non-cash distribution*

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorized 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 in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

w) *Earnings Per Share*

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity holder of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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 of the Parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Changes in accounting policies and disclosures

New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(a) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;

- Provide temporary relief to entities from having to meet the separately identifiable

Notes Forming Part of the Consolidated Financial Statements

requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments have no impact on the consolidated financial statements of the Group.

(b) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments have no impact on the consolidated financial statements of the Group.

(c) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments have no impact on the consolidated financial statements of the Group.

2.5 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(a) Onerous contracts – Costs of fulfilling a contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

(b) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial

Notes Forming Part of the Consolidated Financial Statements

Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

(c) Property, plant and equipment: Proceeds before intended use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

(d) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for de-recognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

Notes Forming Part of the Consolidated Financial Statements

Note 3 : Property, plant & equipment; Right of Use assets and Capital work-in-progress

(₹ in lakhs)

	Property, plant & equipment								Right of Use asset				Capital work-in-progress
	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total	Leasehold land	Leasehold building	Leased vehicles	Total	
Gross block (Cost / Deemed Cost)													
As at April 1, 2020	**2,225.98**	**11,315.51**	**12,810.80**	**963.53**	**67.03**	**1,162.87**	**1,640.95**	**30,186.67**	**1,364.32**	**2,968.16**	**-**	**4,332.48**	**6,686.51**
Additions	-	588.53	7,744.10	202.08	-	154.78	202.10	8,891.59	623.94	2,102.30	354.00	3,080.24	2,414.97
Disposals / adjustments	-	-	(161.65)	(8.71)	(19.39)	(12.97)	-	(202.72)	-	-	-	-	(7,251.78)
As at March 31, 2021	**2,225.98**	**11,904.04**	**20,393.25**	**1,156.90**	**47.64**	**1,304.68**	**1,843.05**	**38,875.54**	**1,988.26**	**5,070.46**	**354.00**	**7,412.72**	**1,849.70**
Additions	-	2,924.65	7,852.11	162.79	24.29	194.23	322.46	11,480.53	1,724.67	409.47	313.19	2,447.33	7,983.60
Disposals	-	(2.73)	(43.28)	(7.06)	(20.97)	(10.24)	(26.35)	(110.63)	-	-	-	-	-
Adjustments *	-	0.09	571.68	58.69	41.22	21.75	68.71	762.14	-	-	-	-	(8,918.21)
As at March 31, 2022	**2,225.98**	**14,826.05**	**28,773.76**	**1,371.32**	**92.18**	**1,510.42**	**2,207.87**	**51,007.58**	**3,712.93**	**5,479.93**	**667.19**	**9,860.05**	**915.09**
Accumulated depreciation													
As at April 1, 2020	**-**	**1,079.71**	**3,966.12**	**299.70**	**24.70**	**545.15**	**814.89**	**6,730.27**	**77.92**	**255.55**	**-**	**333.47**	**-**
Charge for the year	-	349.01	1,809.23	162.70	10.78	179.74	313.91	2,825.37	79.02	684.76	37.35	801.13	-
Disposals*	-	-	(127.33)	(7.77)	(19.39)	(11.81)	-	(166.30)	-	-	-	-	-
As at March 31, 2021	**-**	**1,428.72**	**5,648.02**	**454.63**	**16.09**	**713.08**	**1,128.80**	**9,389.34**	**156.94**	**940.31**	**37.35**	**1,134.60**	**-**
Charge for the year	-	629.52	2,396.10	142.50	9.40	187.34	291.19	3,656.05	94.64	743.50	115.55	953.69	-
Disposals	-	(1.75)	(22.74)	(4.96)	(16.38)	(9.84)	(25.81)	(81.48)	-	-	-	-	-
Adjustments *	-	0.09	571.68	58.69	41.22	21.75	68.71	762.14	-	-	-	-	-
As at March 31, 2022	**-**	**2,056.58**	**8,593.06**	**650.86**	**50.33**	**912.33**	**1,462.89**	**13,726.05**	**251.58**	**1,683.81**	**152.90**	**2,088.29**	**-**
Net Block													
As at March 31, 2021	**2,225.98**	**10,475.32**	**14,745.23**	**702.27**	**31.55**	**591.60**	**714.25**	**29,486.20**	**1,831.32**	**4,130.15**	**316.65**	**6,278.12**	**1,849.70**
As at March 31, 2022	**2,225.98**	**12,769.47**	**20,180.70**	**720.46**	**41.85**	**598.09**	**744.98**	**37,281.53**	**3,461.35**	**3,796.12**	**514.29**	**7,771.76**	**915.09**

* Includes adjustments amounting to ₹ 762.14 lakhs in gross block and accumulated depreciation for the year ended March 31, 2022 relating to earlier years. Further, adjustments includes capital work-in-progress capitalised during the respective years.

Notes Forming Part of the Consolidated Financial Statements

Note 3 : Property, plant & equipment (Contd...)

Notes:

1. Capital work-in-progress (CWIP) as at March 31, 2022 represents property, plant and equipment under construction at various plants, warehouses and office buildings. Adjustments in relation to capital work-in-progress relates to addition in property, plant and equipment during the year.

2. Capital work-in-progress ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	862.70	52.39	-	-	915.09
Projects temporarily suspended	-	-	-	-	-

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,458.15	391.55	-	-	1,849.70
Projects temporarily suspended	-	-	-	-	-

3. The Group has not capitalised any borrowing cost in the current and previous year.

4. Right of Use asset includes:-

   (a) Leasehold land which represents land obtained on long term lease from Government authorities and others.

   (b) Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 42.

   (c) Leased vehicles which represent cars taken on lease for use by employees.

5. Land, buildings and plant (including movable assets) with a carrying amount of ₹ 695.50 lakhs as at March 31, 2022 (March 31, 2021 - ₹ 740.00 lakhs) are subject to a hypothecation to secure the Group's bank loans.

6. During the year, the Group has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

(₹ in lakhs)

Particulars	FY 2021-22	FY 2020-21
Employee benefits expenses	0.80	58.91
Cost of raw materials consumed	-	121.03
Power and fuel	14.46	9.75
Others	68.62	15.38
Total	**83.88**	**205.07**

7. The Group during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Notes Forming Part of the Consolidated Financial Statements

Note 4 : Investment property

(At cost)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	**27.90**	**27.90**
Additions (subsequent expenditure)	-	-
Balance as at the end of the year	**27.90**	**27.90**

Notes:

(i) Investment Property represents land at Coimbatore acquired by the Group at fair market value. The carrying amount of the investment property is a reasonable approximation of fair value and hence fair value disclosure has not been made.

(ii) The Group, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of investment property has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Note 5 : Goodwill; Other intangible assets and Intangible assets under development

(₹ in lakhs)

Particulars	Other intangible assets					Goodwill	Intangible assets under development
	Computer software	Trade-mark	Customer relationship	Non Compete	Total		
Gross block (Cost / Deemed cost)							
As at April 1, 2020	**1,248.10**	**4.60**	**153.69**	**90.77**	**1,497.16**	**366.40**	**-**
Purchase / additions	455.57	-	-	-	455.57	-	105.32
Capitalised during the year	-	-	-	-	-	-	-
As at March 31, 2021	**1,703.67**	**4.60**	**153.69**	**90.77**	**1,952.73**	**366.40**	**105.32**
Purchase / additions	336.99	-	-	-	336.99	-	814.17
Capitalised during the year	-	-	-	-	-	-	(135.64)
As at March 31, 2022	**2,040.66**	**4.60**	**153.69**	**90.77**	**2,289.72**	**366.40**	**783.85**
Accumulated amortisation							
As at April 1, 2020	**779.72**	**4.60**	**69.87**	**47.28**	**901.47**	**-**	**-**
Charge for the year	187.74	-	30.74	18.15	236.63	-	-
As at March 31, 2021	**967.46**	**4.60**	**100.61**	**65.43**	**1,138.10**	-	-
Charge for the year	256.10	-	30.74	18.15	304.99	-	-
As at March 31, 2022	**1,223.56**	**4.60**	**131.35**	**83.58**	**1,443.09**	-	-
Net block							
As at March 31, 2021	**736.21**	**-**	**53.08**	**25.34**	**814.63**	**366.40**	**105.32**
As at March 31, 2022	**817.10**	**-**	**22.34**	**7.19**	**846.63**	**366.40**	**783.85**

Notes Forming Part of the Consolidated Financial Statements

Notes:

1. Intangible assets under development (IAUD) ageing schedule

(₹ in lakhs)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	678.53	105.32	-	-	783.85
Projects temporarily suspended	-	-	-	-	-

(₹ in lakhs)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	105.32	-	-	-	105.32
Projects temporarily suspended	-	-	-	-	-

2. The Group during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of goodwill and other intangible assets has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Note 6: Other investments

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments (at fair value through profit or loss) (unquoted):		
Investment in Gegadyne Energy Labs Private Limited		
7 (March 31, 2021 : 7) equity shares of ₹ 10 each fully paid up	8.04	8.04
2,900 (March 31, 2021 : 2,900) Optionally Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up	3,331.96	3,331.96
Total	**3,340.00**	**3,340.00**

Note: On January 15, 2021, the Holding Company entered into a share subscription and shareholder's agreement to invest in Gegadyne Energy Labs Private Limited ("Gegadyne") for a cash consideration of ₹ 3,340 lakhs in return for 18.77% stake on a fully diluted basis, the right to nominate 1 director on the Board as well as various other rights under the share subscription and shareholder's agreement. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions. The management is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne and accordingly have accounted the aforesaid stake as investment at fair value through profit or loss under Ind AS -109 "Financial Instruments". Refer Note 48.

Notes Forming Part of the Consolidated Financial Statements

Note 7: Loans (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	76.60	26.97
(b) Other loans (Refer Note (i) below)	67.34	193.02
Total	**143.94**	**219.99**

Notes:

(i) Others represents unsecured loan given to Mr. Gopal Singh, the landlord, for construction of building to be occupied by the Group, at an interest rate of 9% p.a. The loan is repayable by adjustment of monthly rent payable to the landlord pursuant to lease agreement entered for a period of five years. The landlord's son has provided personal guarantee for the repayment of loan.

(ii) There are no loans as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired.

(iii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Group. The carrying value may be affected by the changes in the credit risk of the counter parties.

Note 8: Other non-current financial assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	1,151.39	1,049.12
(b) Non-current bank balance (Refer Note 14B)	338.10	347.81
Total	**1,489.49**	**1,396.93**

Note: There are no financial assets as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired.

Note 9: Income tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provisions)	2,210.66	1,379.94
Total	**2,210.66**	**1,379.94**

Notes Forming Part of the Consolidated Financial Statements

Note 10: Deferred tax asset / (liability) (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment	(1,582.53)	(2,499.77)
	(1,582.53)	**(2,499.77)**
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	1,090.36	1,351.07
Disallowances under Section 43B of the Income Tax Act, 1961	552.84	648.70
Others	847.82	881.74
	2,491.02	**2,881.51**
Net deferred tax asset / (liability) [Refer Note 38(e)]	**908.49**	**381.74**

Note 11: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
(a) Capital advances	1,283.63	1,469.07
(b) Deposits with statutory / Government authorities	245.78	239.70
(c) Prepaid expenses	27.19	29.38
(d) Other receivables	5.00	10.00
Total	**1,561.60**	**1,748.15**

Note 12: Inventories

(Valued at lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Raw Materials	21,190.17	12,785.08
(b) Work-in-Progress	5,134.87	2,968.69
(c) Finished Goods	26,131.24	19,607.39
(d) Stock-in-Trade	30,278.59	25,175.03
(e) Stores and Spares	1,774.84	1,450.39
(f) Packing Materials and Consumables	1,448.76	1,164.02
Total	**85,958.47**	**63,150.60**

Notes Forming Part of the Consolidated Financial Statements

Notes:

(a) The above includes goods in transit as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	1,009.13	1,591.54
Stock-in-Trade	445.13	697.27
Packing Materials and Consumables	42.98	113.61
Total	**1,497.24**	**2,402.42**

(b) During the year ended March 31, 2022, ₹ 267.40 lakhs (March 31, 2021: ₹ 130.13 lakhs) was recognised as an expense for inventories carried at net realisable value.

(c) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 13: Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	1,106.54	1,130.18
Unsecured, considered good	47,807.22	38,170.99
Trade receivables which have significant increase in credit risk	250.52	149.07
Trade receivables - credit impaired	2,555.01	2,764.91
	51,719.29	**42,215.15**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 51C)		
Unsecured, considered good based on expected credit loss provisioning	624.03	573.74
Trade receivables which have significant increase in credit risk	127.62	69.40
Trade receivables - credit impaired	2,555.01	2,764.91
	3,306.66	**3,408.05**
Total	**48,412.63**	**38,807.10**

Notes Forming Part of the Consolidated Financial Statements

Trade receivables ageing schedule

(₹ in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2022
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	41,298.44	7,615.32	-	-	-	-	48,913.76
ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	250.52	-	-	-	250.52
iii) Undisputed trade receivables – credit impaired	-	-	-	134.64	216.26	208.85	559.75
iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables – credit impaired	-	-	-	291.37	181.85	1,522.04	1,995.26
Total	**41,298.44**	**7,615.32**	**250.52**	**426.01**	**398.11**	**1,730.89**	**51,719.29**

(₹ in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2021
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	32,627.24	6,673.93	-	-	-	-	39,301.17
ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	149.07	-	-	-	149.07
iii) Undisputed trade receivables – credit impaired	-	-	-	378.35	145.05	166.57	689.97
iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables – credit impaired	-	-	-	243.19	298.12	1,533.63	2,074.94
Total	**32,627.24**	**6,673.93**	**149.07**	**621.54**	**443.17**	**1,700.20**	**42,215.15**

Notes:

(i) Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person; nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Notes Forming Part of the Consolidated Financial Statements

Note 14: Cash and cash equivalents and Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
14A. Cash and cash equivalents		
(a) Cash on hand	0.53	0.42
(b) Balances with banks:		
On current accounts	6,079.15	1,020.98
In fixed deposits with original maturity of less than 3 months	-	27,055.50
Total	**6,079.68**	**28,076.90**
14B. Other bank balances		
(a) Unpaid dividend accounts	42.86	41.29
(b) Fixed deposits (Refer note (i) below)	342.10	347.81
Total	**384.96**	**389.10**
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(338.10)	(347.81)
Total	**46.86**	**41.29**

Notes:

(i) A charge of ₹ 338.10 lakhs (March 31, 2021 ₹ 347.81 lakhs) has been created towards various guarantees in favour of vendors, statutory authorities and others.

(ii) As at March 31, 2022, the Group had ₹ 18,628.49 lakhs (March 31, 2021: ₹ 20,022.70 lakhs) of undrawn committed borrowing / credit facilities including non fund based facilities.

(iii) For the purpose of cashflows, cash and cash equivalents is same as stated above.

(iv) Changes in liabilities arising from financing activities are as follows: (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Lease liabilities		Short term borrowings	
Balance outstanding as at beginning of the year	5,625.53	3,714.82	1,301.32	1,277.25
Additions made during the year	743.52	2,456.30	15,100.00	-
Finance costs	507.89	458.28	78.00	-
Cash outflows	(1,220.99)	(1,003.87)	(15,300.10)	24.07
Balance outstanding as at end of the year	5,655.95	5,625.53	1,179.22	1,301.32
Disclosed as:				
Short term borrowings	-	-	1,179.22	1,301.32
Current portion of lease liabilities (Refer Note 20)	791.39	636.41	-	-
Non-current portion of lease liabilities (Refer Note 20)	4,864.56	4,989.12	-	-

Notes Forming Part of the Consolidated Financial Statements

Note 15: Loans (Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	68.92	60.91
(b) Other loans (Refer Note 7(i))	106.47	85.99
Total	**175.39**	**146.90**

Note: There are no loans as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired. Also refer Note 7 (iii).

Note 16: Other current financial assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	0.14	0.01
(b) Other receivables	72.65	80.12
Total	**72.79**	**80.13**

Note: There are no current financial assets as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired.

Note 17: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers (Refer Note below)		
Considered good	4,246.27	3,187.31
Considered doubtful	1,105.03	760.70
	5,351.30	**3,948.01**
Less: Provision for doubtful advances	(1,105.03)	(760.70)
	4,246.27	**3,187.31**
(b) Balances with Government authorities	4,893.98	4,855.60
(c) Prepaid expenses	1,416.54	1,168.75
(d) Right to return asset (Refer Note 29 (iv))	645.36	566.51
(e) Others	67.44	21.69
Total	**11,269.59**	**9,799.86**

Note: There are no advances as at March 31, 2022 and March 31, 2021 which are considered doubtful, except as disclosed above.

Notes Forming Part of the Consolidated Financial Statements

Note 18: Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised:				
Equity shares of ₹ 1 / - (March 31, 2021: ₹ 1 / -) each with voting rights	50,00,00,000	5,000.00	50,00,00,000	5,000.00
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1 / - (March 31, 2021: ₹ 1 / -) each with voting rights	43,15,41,934	4,315.42	43,01,88,458	4,301.88

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the period	43,01,88,458	4,301.88	42,82,87,535	4,282.88
Issued during the period	13,53,476	13.54	19,00,923	19.00
Outstanding at the end of the period	**43,15,41,934**	**4,315.42**	**43,01,88,458**	**4,301.88**

(b) Terms / rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹ 1 per share (March 31, 2021: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	4,54,05,394	10.52%	5,04,05,394	11.72%
Mr. Arun K Chittilappilly	3,77,77,828	8.75%	3,77,77,828	8.78%
Mr. Mithun K Chittilappilly	8,63,89,878	20.02%	10,76,87,278	25.03%
Kotak Mahindra Mutual Fund	2,18,37,838	5.06%	65,66,947	1.53%
SBI Mutual Fund	3,64,51,087	8.45%	1,43,97,865	3.35%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes Forming Part of the Consolidated Financial Statements

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2021 No. of shares
Equity shares allotted as fully paid bonus shares by capitalization of profits	-	12,13,29,846

In addition, the Company has issued 6,887,473 shares of face value of ₹ 1 each (March 31, 2021: 8,006,172 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 47.

(f) Details of shares held by promoters:

As at March 31, 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	50,405,394	(5,000,000)	45,405,394	10.52%	-9.92%
Mrs. Sheela Kochouseph	10,931,202	-	10,931,202	2.53%	0.00%
Promoter group					
Mr. Arun K Chittilappilly	37,777,828	-	37,777,828	8.75%	0.00%
Mr. Mithun K Chittilappilly	107,687,278	(21,297,400)	86,389,878	20.02%	-19.78%
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	20,808,000	-	20,808,000	4.82%	0.00%
Mr. Mithun Kochouseph Chittilappilly, Trustee of Anekha Chittilappilly Trust	-	21,300,000	21,300,000	4.94%	100.00%
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	18,525,250	-	18,525,250	4.29%	0.00%

As at March 31, 2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	73,657,964	(23,252,570)	50,405,394	11.72%	-31.57%
Mrs. Sheela Kochouseph	10,931,202	-	10,931,202	2.54%	0.00%
Promoter group					
Mr. Arun K Chittilappilly	37,050,508	727,320	37,777,828	8.78%	1.96%
Mr. Mithun K Chittilappilly	107,686,278	1,000	107,687,278	25.03%	0.00%
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	20,808,000	-	20,808,000	4.84%	0.00%
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	18,525,250	-	18,525,250	4.31%	0.00%

Notes Forming Part of the Consolidated Financial Statements

Note 19: Distribution made and proposed

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2021 - ₹ 1.20 per share of face value of ₹ 1 each (March 31, 2020 - NIL)	5,162.26	-
Total	**5,162.26**	**-**
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2022 - ₹ 1.30 per share of face value of ₹ 1 each (March 31, 2021 - ₹ 1.20 per share of face value of ₹ 1 each)	5,610.05	5,162.26
Total	**5,610.05**	**5,162.26**

Notes:

(i) Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date.

(ii) With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the Group under section 115(O) of Income Tax Act, 1961 was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Note 20: Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 42)	4,864.56	4,989.12
(b) Current portion of lease liabilities (Refer Note 42)	791.39	636.41
Total	**5,655.95**	**5,625.53**

Note 21: Other non-current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Put option liability (Refer Note 41)	572.55	465.56
Total	**572.55**	**465.56**

Notes Forming Part of the Consolidated Financial Statements

Note 22: Provisions (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 43)	38.85	30.97
(b) Other provisions		
(i) Provision for warranty (Refer Note 27)	1,289.68	1,126.68
(ii) De-commissioning liability (Refer Note 27)	14.05	12.77
Total	**1,342.58**	**1,170.42**

Note 23: Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Cash credit from banks - Secured (Refer Note (i) below)	179.22	301.32
(b) Other working capital facilities from banks - Unsecured (Refer Note (ii) below)	1,000.00	1,000.00
Total	**1,179.22**	**1,301.32**

Notes:

(i) Cash credits from banks availed by the subsidiary company have been secured by hypothecation by way of pari passu first charge on all current assets and certain movable plant and equipment of the borrowing company, both present and future, including stock of goods and book debts. The short term fund carries interest varying from 7.95% to 8.35% p.a. (March 31, 2021: 7.95% to 8.35% p.a.)

(ii) The Group has arranged Channel Finance Facilities for its customers from various banks. As per the terms of these facilities, should the customers default in making payment, after exhausting other modes of recovery the bankers have recourse on the Group up to ₹ 1,000 lakhs. The total amount guaranteed by the Group towards such recourses under the Channel Financing Facilities as at March 31, 2022 is ₹ 1,000 lakhs (March 31, 2021: ₹ 1,000 lakhs) and is included under Borrowings.

(iii) The Group has not made any defaults in the repayment of working capital loans availed from banks during the year.

(iv) The Group has borrowings from banks on the basis of security of current assets. The Group has complied with the requirement of filing of quarterly returns / statements of current assets with the banks, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022.

Notes Forming Part of the Consolidated Financial Statements

Note 24: Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
Trade payables	48,797.93	47,472.38
Total	**48,797.93**	**47,472.38**

Trade payables ageing schedule

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at March 31, 2022
i) Total outstanding dues	35,813.67	9,939.19	1,473.71	840.71	730.65	48,797.93
ii) Disputed outstanding dues	-	-	-	-	-	-

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at March 31, 2021
i) Total outstanding dues	28,130.66	17,311.58	1,182.21	637.14	210.79	47,472.38
ii) Disputed outstanding dues	-	-	-	-	-	-

Notes:

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Group's risk management process, refer Note 51.

(ii) Trade payables are unsecured and for amounts due to related parties refer Note 45.

Note 25: Other current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(carried at amortised cost)		
(a) Unpaid dividends (Refer Note below)	42.86	41.29
(b) Trade / Security deposits received	1,379.37	1,353.97
(c) Capital creditors	852.62	234.44
(d) Refund liabilities arising from right to return assets (Refer Note 29 (iv))	934.77	795.22
(e) Other payables	103.28	158.26
Total	**3,312.90**	**2,583.18**

Note: Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

Notes Forming Part of the Consolidated Financial Statements

Note 26: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Statutory dues*	785.18	329.14
(b) Contract liability (Refer Note 29 (iii))	1,648.61	1,399.50
(c) Others	34.23	81.60
Total	**2,468.02**	**1,810.24**

*Represents contributions to Provident Fund, Employee State Insurance, withholding taxes etc.

Note 27: Provisions (Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits		
(i) Provision for leave benefits	1,610.35	1,324.30
(ii) Provision for gratuity (Refer Note 43)	558.55	532.28
(b) Other provisions		
(i) Provision for warranty (Refer Note below)	2,674.41	2,469.06
Total	**4,843.31**	**4,325.64**

Notes:

Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, 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 five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

Provision for de-commissioning liability:

A provision has been recognised for decommissioning costs associated with a factory of Guts.

The table below gives information about movement in provisions for warranty and de-commissioning liability:

(₹ in lakhs)

Particulars	Warranty		De-commissioning liability	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	3,595.74	3,148.32	12.77	11.61
Additions	4,715.93	4,393.63	1.28	1.16
Utilisation / reversal / payments	(4,347.58)	(3,946.21)	-	-
Balance as at the end of the year	**3,964.09**	**3,595.74**	**14.05**	**12.77**
Disclosed as:				
Non-current (Refer Note 22)	1,289.68	1,126.68	14.05	12.77
Current	2,674.41	2,469.06	-	-

Notes Forming Part of the Consolidated Financial Statements

Note 28: Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax (net of advance tax)	247.63	1,143.32
Total	**247.63**	**1,143.32**

Note 29: Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Revenue from contracts with customers		
Sale of products	3,46,406.81	2,69,869.15
Services of products*	17.13	5.73
Sale of scrap*	2,780.33	1,832.20
	3,49,204.27	**2,71,707.08**
(b) Government budgetary support (Refer note (i) below)*	613.10	416.91
Total	**3,49,817.37**	**2,72,123.99**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Government to the Group in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.

(ii) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	80,444.63	1,60,737.45	1,05,224.73	3,46,406.81
Services of products	3.35	8.28	5.50	17.13
Sale of scrap	642.33	1,211.62	926.38	2,780.33
Total revenue from contracts with customers	**81,090.31**	**1,61,957.35**	**1,06,156.61**	**3,49,204.27**
India	80,613.81	1,61,596.65	1,05,986.63	3,48,197.09
Outside India	476.50	360.70	169.98	1,007.18
Total revenue from contracts with customers	**81,090.31**	**1,61,957.35**	**1,06,156.61**	**3,49,204.27**
Timing of revenue recognition				
Goods transferred at a point in time	81,086.96	1,61,949.07	1,06,151.11	3,49,187.14
Services transferred over time	3.35	8.28	5.50	17.13
Total revenue from contracts with customers	**81,090.31**	**1,61,957.35**	**1,06,156.61**	**3,49,204.27**

Notes Forming Part of the Consolidated Financial Statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2021			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	75,060.60	1,21,299.43	73,509.12	2,69,869.15
Services of products	1.31	2.95	1.47	5.73
Sale of scrap	496.47	1,236.97	98.76	1,832.20
Total revenue from contracts with customers	**75,558.38**	**1,22,539.35**	**73,609.35**	**2,71,707.08**
India	74,994.75	1,21,961.83	73,602.29	2,70,558.87
Outside India	563.63	577.52	7.06	1,148.21
Total revenue from contracts with customers	**75,558.38**	**1,22,539.35**	**73,609.35**	**2,71,707.08**
Timing of revenue recognition				
Goods transferred at a point in time	75,557.07	1,22,536.40	73,607.88	2,71,701.35
Services transferred over time	1.31	2.95	1.47	5.73
Total revenue from contracts with customers	**75,558.38**	**1,22,539.35**	**73,609.35**	**2,71,707.08**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 44):

(₹ in lakhs)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	81,512.36	1,61,966.97	1,06,338.04	75,887.51	1,22,569.69	73,666.79
Government budgetary support	(422.05)	(9.62)	(181.43)	(329.13)	(30.34)	(57.44)
Total revenue from contracts with customers	**81,090.31**	**1,61,957.35**	**1,06,156.61**	**75,558.38**	**1,22,539.35**	**73,609.35**

(iii) Contract balances

The following are the contract balances:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables (Current)	48,412.63	38,807.10
Contract liabilities (Current)	1,648.61	1,399.50

Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments. Contract liabilities represents advance received from customers for sale of products.

(iv) Right of return assets and refund liabilities arising from right of return assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Right of return assets (Current)	645.36	566.51
Refund liabilities arising from rights of return assets (Current)	934.77	795.22

Notes Forming Part of the Consolidated Financial Statements

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contract price	3,66,987.67	2,88,339.67
Adjustments:		
Discounts, rebates and trade incentives	(16,848.63)	(15,837.37)
Sales return	(934.77)	(795.22)
Total revenue from contracts with customers	**3,49,204.27**	**2,71,707.08**

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / despatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Group offers standard warranty on selected products. The Group makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for product repair services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied or partially satisfied performance obligations as at March 31, 2022 and March 31, 2021.

During the year ended March 31, 2022, revenue recognised from the amount included in contract liability at the beginning of the year is ₹ 1,302.65 lakhs (March 31, 2021: ₹ 1,602.12 lakhs).

Note 30: Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend income / income on sale of current investments	17.38	3.95
Mould hire charges	5.86	3.50
Liabilities / provisions no longer required written back	14.83	19.80
Miscellaneous income	505.02	227.45
Total	**543.09**	**254.70**

Note 31: Finance income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on overdue trade receivables	414.35	569.40
Interest income from banks on deposits	289.70	1,189.15
Interest income on loans and advances	30.44	59.64
Total	**734.49**	**1,818.19**

Notes Forming Part of the Consolidated Financial Statements

Note 32: Cost of raw materials consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	12,785.08	5,150.56
Add: Purchases	1,49,655.70	98,610.70
	1,62,440.78	**1,03,761.26**
Less: Inventory at the end of the year	21,190.17	12,785.08
Total	**1,41,250.61**	**90,976.18**

Note 33: (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year:		
Finished goods	26,131.24	19,607.39
Work-in-progress	5,134.87	2,968.69
Traded goods (including stores and spares)	32,053.43	26,625.42
Total (A)	**63,319.54**	**49,201.50**
Inventories at the beginning of the year:		
Finished goods	19,607.39	13,155.64
Work-in-progress	2,968.69	1,609.56
Traded goods (including stores and spares)	26,625.42	27,371.02
Total (B)	**49,201.50**	**42,136.22**
(Increase) / decrease in inventories		
Finished goods	(6,523.85)	(6,451.75)
Work-in-progress	(2,166.18)	(1,359.13)
Traded goods (including stores and spares)	(5,428.01)	745.60
Net (increase) / decrease (B - A)	**(14,118.04)**	**(7,065.28)**

Note 34: Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries, wages and bonus	22,866.54	19,451.83
(b) Contributions to provident and other funds	1,107.52	928.58
(c) Share based payment expense (Refer Note (i) below and Note 47)	1,555.02	993.48
(d) Gratuity expense (Refer Note 43)	415.23	378.46
(e) Staff welfare expenses	1,055.22	906.02
Total	**26,999.53**	**22,658.37**

Notes Forming Part of the Consolidated Financial Statements

Notes:

(i) The Group had granted stock options under the Employees Stock Option Scheme, 2013 (ESOS 2013) to eligible employees of the Group. According to the scheme, the eligible employees were to be granted stock options subject to satisfaction of prescribed vesting conditions. The Group has been accruing the cost of these options over the vesting period. During the year ended March 31, 2022, management evaluated that the vesting condition for few of its options linked to the achievement of a certain threshold of profit before tax will not be satisfied and accordingly, the Group reversed the cost accrued over the years / periods for such options amounting to ₹ 44.31 lakhs to the statement of profit and loss. The reversal of such costs to the statement of profit and loss for the year ended March 31, 2021 amounted to ₹ 259.54 lakhs.

(ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(iii) Also refer Note 3 and Note 39.

Note 35.a: Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Depreciation of property, plant and equipment (Refer Note 3)	3,656.05	2,825.37
(ii) Depreciation of right of use assets (Refer Note 3)	953.69	801.13
(iii) Amortisation of intangible assets (Refer Note 5)	304.99	236.63
Total	**4,914.73**	**3,863.13**

Note 35.b: Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Interest on income tax and borrowings	175.94	49.39
(ii) Interest on deposits from distributors	83.98	84.33
(iii) Interest on lease liability (Refer Note 42)	507.89	458.28
(iv) Other interest	20.25	17.92
Total	**788.06**	**609.92**

Notes Forming Part of the Consolidated Financial Statements

Note 36: Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of packing materials and consumables	6,507.58	3,259.86
Power and fuel	1,582.58	1,328.50
Rent	1,584.31	1,145.62
Repairs and maintenance	3,076.31	2,167.21
Rates and taxes	310.19	217.94
Travelling and conveyance	2,205.39	1,197.27
Freight and forwarding charges	5,467.72	3,594.47
Advertisement and business promotion expenses	5,713.88	2,822.76
Donations and contributions	0.45	2.77
CSR expenditure (Refer Note 37)	509.71	433.41
Legal and professional fees	2,076.87	994.19
Directors' sitting fees	35.05	30.95
Payments to statutory auditors (Refer Note (i) below)	85.61	68.83
Loss on foreign currency transactions and translation (net)	-	261.58
Loss on property, plant and equipment sold / scrapped / written off (net)	71.40	28.99
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	568.15	715.37
Outsourced manpower cost	6,928.80	5,217.03
Warranty expenses	4,715.93	4,393.63
Contributions to political parties (Refer Note (ii) below)	4.12	1.72
Miscellaneous expenses	6,162.70	5,122.33
Total	**47,606.75**	**33,004.43**

Notes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Payments to statutory auditors comprises:		
Statutory audit fees	43.00	39.00
Tax audit fees	4.00	3.50
Limited review fees	21.00	18.00
Fees for other services (certifications)	9.00	4.00
Reimbursement of expenses	8.61	4.33
Total	**85.61**	**68.83**
(ii) Contribution to political parties		
National Democratic Alliance	2.12	1.07
United Democratic Front	2.00	0.25
Left Democratic Front	-	0.40
Total	**4.12**	**1.72**

Notes Forming Part of the Consolidated Financial Statements

Note 37: Details of CSR expenditure

(₹ in lakhs)

Particulars			For the year ended March 31, 2022	For the year ended March 31, 2021
a)	**Gross amount required to be spent during the year**		507.77	431.13
b)	**Amount approved by the Board to be spent during the year**		507.77	432.00
c)	**Amount spent during the year:**			
	(i)	In cash		
		- Construction / acquisition of any asset	-	-
		- On purposes other than (i) above	509.71	433.41
	(ii)	Yet to be paid in cash		
		- Construction / acquisition of any asset	-	-
		- On purposes other than (i) above	-	-
d)	**Details related to spent / unspent obligations:**			
	(i)	Contribution to public trust	-	-
	(ii)	Contribution to charitable trust	-	-
	(iii)	Contribution to Section 8 Company (Refer Note 45)	492.39	418.80
	(iv)	Others	17.32	14.61
	(v)	Unspent amount in relation to:		
		- Ongoing project	-	-
		- Other than ongoing project	-	-

Details of CSR expenditure under Section 135(5) of the Companies Act, 2013 in respect of other than ongoing projects				
Opening Balance	**Amount deposited in Specified Fund of Schedule VII within 6 months**	**Amount required to be spent during the year**	**Amount spent during the year**	**Excess spent**
-	-	507.77	509.71	1.94

Note 38: Income taxes

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

(a) Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax		
Current income tax charge	7,869.69	8,370.61
Adjustments of current tax relating to earlier years	(808.67)	402.51
Deferred tax		
Relating to origination and reversal of temporary differences	(508.32)	(152.28)
Income tax expense reported in the Statement of profit and loss	6,552.70	8,620.84

Notes Forming Part of the Consolidated Financial Statements

(b) OCI section

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Re-measurement (losses) / gains on defined benefit plans	(68.98)	65.24
Income tax related to items recognised in OCI during the year	18.43	(18.76)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before income tax	29,396.45	28,810.01
Applicable tax rate (Refer Note 38 (d) below)	25.168%	34.944%
Computed tax expense at statutory rate	7,398.50	10,067.37
Adjustments of current tax relating to earlier years	(808.67)	402.51
Impact of opting new tax regime from year ended March 31, 2021 (Refer Note 38 (d) below)	(301.07)	-
Tax benefits under sections 80IE of the Income Tax Act, 1961	-	(1,617.49)
Temporary differences reversing during tax holiday period	(1.23)	11.30
Other adjustments	265.17	(242.85)
Income tax expense reported in to the Statement of profit and loss	**6,552.70**	**8,620.84**

(d) On September 20, 2019, the Taxation Laws (Amendment) Ordinance, 2019 ('ordinance') was passed introducing section 115BAA of the Income-tax Act, 1961 which allowed domestic Companies to opt for an alternative tax regime from financial year 2019-20. As per the new tax regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions which were allowed earlier. Pursuant to the aforesaid amendment, the Holding Company, during the quarter ended March 31, 2022 opted for lower rate of tax from financial year ended March 31, 2021 while filing income tax return for the year ended March 31, 2021 and accordingly recomputed income tax provision as per new tax regime for the year ended March 31, 2021 and has reversed current tax provision of ₹ 808.67 lakhs relating to prior year in the current year ended March 31, 2022. Further the Holding Company has restated the deferred tax assets and liabilities as on April 01, 2021 at the rate of 25.17%.

Notes Forming Part of the Consolidated Financial Statements

(e) Reconciliation of deferred tax asset / (liability) (net):

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance as at beginning of the year	**381.74**	**248.22**
Tax income / (expense) during the year recognised in Statement of profit and loss	508.32	152.28
Tax income / (expense) during the year recognised in other comprehensive income	18.43	(18.76)
Closing balance as at end of the year	**908.49**	**381.74**

Note 39: Details of research and development expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employee benefits expenses	1,300.56	1,226.51
Travelling and conveyance	44.85	19.05
Other expenses	356.79	176.35
Total	**1,702.20**	**1,421.91**

Note 40: Commitments and contingencies

A) Capital Commitments (Net of advances)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,733.76	1,962.82

B) Contingent Liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

Notes Forming Part of the Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Litigations (see note below)		
(a) Claims against the Group not acknowledged as debt	286.93	293.77
(b) Direct tax matters under dispute / pending before Income Tax Authorities	4,365.26	2,590.52
(c) Indirect tax matters for demands raised by sales tax / VAT department pending before various appellate authorities	1,037.65	1,391.51
(d) Others	6.82	6.82
Total	**5,696.66**	**4,282.62**
(ii) Others		
(a) Bank Guarantees	20,353.00	19,167.10
(b) Letter of credit outstanding	7,291.39	6,509.59
Total	**27,644.39**	**25,676.69**

Notes:

(i) There are numerous interpretative issues relating to the Supreme Court ("SC") judgement on Provident Fund ("PF") dated 28th February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

(ii) The Group is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Group's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Group's financial position and results of operations.

(iii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.

(iv) Also refer Note 34 (ii).

Note 41: Business Combination

(a) With effect from August 31, 2017, the Holding Company acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") for a total purchase consideration of ₹ 618.26 lakhs which represents amount paid to promoters of Guts and subscription to fresh issue of equity shares of Guts. Guts is a public limited company engaged in the business of Switch Gear and the investment was made mainly to secure supply for switch gear business of the Holding Company. The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

Intangibles acquired as part of the business combination includes Customer Relationships and Non Compete. Customer relationships amounting to ₹ 153.69 lakhs have been identified separately in the Purchase price allocation of Guts basis contractual relationships and is amortised over an estimated useful life of 5 years. The share purchase agreements entered into with the promotors of Guts for the acquisition of 74% stake includes a non-compete clause. The same has been valued at ₹ 90.77 lakhs and is amortised over a useful life of 5 years.

The goodwill of ₹ 366.40 lakhs comprises the value of expected synergies arising from the acquisition. The goodwill recognised is not expected to be deductible for income tax purposes. Goodwill acquired through business combinations has been allocated to the Electrical CGU which is also the operating and reportable segment, for impairment testing. No impairment indicators were noted in the Goodwill acquired through business combinations as on March 31, 2022 and March 31, 2021.

Notes Forming Part of the Consolidated Financial Statements

Call and Put Option on the Non Controlling Interests

The Holding Company has a Call Option to acquire the balance 26% stake in Guts, which option can be exercised by the Holding Company any time. Similarly, the original promoter of Guts, holding 26% stake has a Put Option to sell his stake to the Holding Company, which Put Option can be exercised by him after the end of three years from August 31, 2017. The Call Option / Put Option is exercisable by the parties at the price specified in the purchase agreement linked to the time of exercise. The Put Option liability is initially measured at the present value of the amount payable on exercise of the option, as a financial liability amounting to ₹ 317.15 lakhs, with corresponding increase in other equity attributable to the equity holders of the parent. The subsequent changes in carrying amount of the Put Option liability is recognised in the statement of profit and loss. The Call Option is gross settled instrument in own equity hence no adjustment is made in the consolidated financial statements in respect of the same until the actual settlement of the transaction.

(b) Pursuant to the approval of the Board of Directors in their meeting held on July 02, 2021, the Holding Company incorporated a wholly owned subsidiary by the name of V-Guard Consumer Products Limited ("VCPL") on July 19, 2021 and invested in 59,797,507 equity shares of ₹ 10 each as at March 31, 2022. VCPL is incorporated with an objective of engaging in establishment and carrying on the business of manufacturing, selling and dealing in various consumer electrical, electronics, electromechanical products and home and kitchen appliances of all kinds both electrical and non-electrical and such other allied products.

Note 42: Leases

(i) The Group's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. The Group also has certain leases with lease terms of 12 months or less. The Group applies the short term lease recognition exemptions for these leases.

(ii) Following is carrying value of right of use assets recognised and the movements thereof during the year ended March 31, 2022 and March 31, 2021.

(₹ in lakhs)

Particulars	Right of Use assets			Total
	Leasehold land	Leasehold buildings	Leased vehicles	
Balance as at April 1, 2020	**1,286.40**	**2,712.61**	**-**	**3,999.01**
Additions during the year	623.94	2,102.30	354.00	3,080.24
Deletions during the year	-	-	-	-
Depreciation of Right of Use assets (Refer Note 3)	(79.02)	(684.76)	(37.35)	(801.13)
Balance as at March 31, 2021	**1,831.32**	**4,130.15**	**316.65**	**6,278.12**
Additions during the year	1,724.67	409.47	313.19	2,447.33
Deletions during the year	-	-	-	-
Depreciation of Right of use assets (Refer Note 3)	(94.64)	(743.50)	(115.55)	(953.69)
Balance as at March 31, 2022	**3,461.35**	**3,796.12**	**514.29**	**7,771.76**

Notes Forming Part of the Consolidated Financial Statements

(iii) The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Amount
Balance as at April 1, 2020	**3,714.82**
Additions during the year	2,456.30
Finance cost accrued during the year	458.28
Payment of lease liabilities	(1,003.87)
Balance as at March 31, 2021	**5,625.53**
Additions during the year	743.52
Finance cost accrued during the year	507.89
Payment of lease liabilities	(1,220.97)
Balance as at March 31, 2022	**5,655.95**
Disclosed as:	
Current portion of lease liability (Refer Note 20)	791.39
Non-current portion of lease liability (Refer Note 20)	4,864.56
Total	**5,655.95**

(iv) Amounts recognised in statement of profit and loss during the year: (₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Right of Use assets	953.69	801.13
Finance cost accrued during the year (included in finance costs) (Refer Note 35.b)	507.89	458.28
Expense related to short term leases (included in other expenses) (Refer Note 36)	1,584.31	1,145.62
Total	**3,045.89**	**2,405.03**

(v) The maturity analysis of lease liabilities are disclosed in Note 51A.

(vi) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(vii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Group had total cash outflows for leases of ₹ 2,805.30 lakhs during the year ended March 31, 2022 (March 31, 2021 ₹ 2,149.49 lakhs).

Note 43: Employee Benefit Plans

Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

Notes Forming Part of the Consolidated Financial Statements

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of employer expense:		
Current service cost	393.38	361.77
Net interest expense / (income) on net defined benefit obligation	21.85	16.69
Total expense recognised in the Statement of Profit and Loss	**415.23**	**378.46**
Actual contribution and benefit payments for year:		
Actual benefit payments	102.49	70.76
Actual contributions	448.36	4.28
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(3,721.04)	(3,142.37)
Fair value of plan assets	3,123.64	2,579.12
Net (liability) / asset recognised in the Balance Sheet	**(597.40)**	**(563.25)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	3,142.37	2,752.64
Current service cost	393.38	361.77
Interest cost on DBO	198.01	176.71
Actuarial losses / (gains)	89.77	(77.99)
Benefits paid	(102.49)	(70.76)
Present value of DBO at the end of the year	**3,721.04**	**3,142.37**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	2,579.12	2,497.56
Return on plan assets greater / (lesser) than discount rate	20.79	(12.75)
Actual company contributions	448.36	4.28
Interest income on plan assets	176.16	160.02
Benefits paid	(100.79)	(69.99)
Plan assets at the end of the year	**3,123.64**	**2,579.12**
Composition of the plan assets is as follows:		
Insurer Managed Assets	100%	100%
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	20.79	(12.75)
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(179.09)	100.41
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	89.32	(22.42)
Total amount recognised in OCI	**(68.98)**	**65.24**

Notes Forming Part of the Consolidated Financial Statements

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Defined Benefit Obligation	3,721.04	3,142.37

(₹ in lakhs)

Particulars	March 31, 2022		March 31, 2021	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	295.56	(259.22)	262.67	(229.09)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(256.98)	286.92	(226.51)	254.22

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and Funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Maturity profile of Defined Benefit Obligation

Expected Cash Flows (value on undiscounted basis)	Amount (₹ in lakhs)
March 31, 2023	362.59
March 31, 2024	405.80
March 31, 2025	463.40
March 31, 2026	470.98
March 31, 2027	511.91
March 31, 2028 to March 31, 2032	3,060.38

Notes Forming Part of the Consolidated Financial Statements

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2021: 7 years).

Particulars	March 31, 2022	March 31, 2021
Actuarial assumptions:		
Discount rate	6.70%	6.40%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	558.55	532.28

Notes:

i) Plan assets are fully represented by balance with the Life Insurance Corporation of India.

ii) The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

iii) The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) **Plan Characteristics and Associated Risks:** The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. If bond yields fall, the defined benefit obligation will tend to increase.

b. Salary Inflation risk : The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. Higher than expected increases in salary will increase the defined benefit obligation.

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 44: Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind-AS 108, "Operating Segment". Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Accordingly, the management has identified, based on its products, three reportable segments namely, Electronics, Electricals and Consumer Durables as follows:

Notes Forming Part of the Consolidated Financial Statements

Electronics Segment includes Stabilizers, Digital UPS, UPS and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass-top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.

The Management Committee of the Group 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 and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind-AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Group operates in.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and property, plant and equipment. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Current taxes, deferred taxes, other investments, cash and bank balances and certain other financial assets and liabilities are not allocated to segments as they are also managed on Group basis.

Capital expenditure consists of addition of property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and capital advances.

Transfer pricing between operating segments if any, are on an arm length basis in a manner similar to transaction with third parties.

Year ended March 31, 2022 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	81,512.36	1,61,966.97	1,06,338.04	-	3,49,817.37
Inter-segment	-	-	-	-	-
Total revenue	**81,512.36**	**1,61,966.97**	**1,06,338.04**	**-**	**3,49,817.37**
Income / (Expenses)					
Depreciation and amortisation	(322.83)	(900.67)	(1,342.46)	-	(2,565.96)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(129.39)	(269.96)	(168.80)	-	(568.15)
Segment profit	13,676.37	15,857.82	1,709.60	-	31,243.79
Total assets	**43,619.64**	**63,025.20**	**71,647.32**	**-**	**1,78,292.16**
Total liabilities	**11,043.50**	**26,453.96**	**16,682.22**	**-**	**54,179.68**
Other disclosure: Capital expenditure	**5,574.16**	**4,286.93**	**2,057.52**	**-**	**11,918.61**

Notes Forming Part of the Consolidated Financial Statements

Year ended March 31, 2021 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	75,887.51	1,22,569.69	73,666.79	-	2,72,123.99
Inter-segment	-	-	-	-	-
Total revenue	**75,887.51**	**1,22,569.69**	**73,666.79**	**-**	**2,72,123.99**
Income / (Expenses)					
Depreciation and amortisation	(294.21)	(810.56)	(856.24)	-	(1,961.01)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(199.58)	(322.05)	(193.74)	-	(715.37)
Segment profit	14,416.24	11,041.71	4,025.62	-	29,483.57
Total assets	**33,870.25**	**51,652.89**	**50,408.99**	**-**	**1,35,932.13**
Total liabilities	**13,212.32**	**21,623.06**	**17,257.44**	**-**	**52,092.82**
Other disclosure: Capital expenditure	**340.55**	**1,226.42**	**2,679.68**	**-**	**4,246.65**

Reconciliation of amount reflected in the financial statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Reconciliation of profit		
Segment profit	31,243.79	29,483.57
Other unallocable income	1,289.49	2,064.28
Other unallocable expenses	(2,348.77)	(2,127.92)
Finance cost	(788.06)	(609.92)
Profit before tax	**29,396.45**	**28,810.01**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(b) Reconciliation of assets		
Segment operating assets	1,78,292.16	1,35,932.13
Other investments	3,340.00	3,340.00
Investment property	27.90	27.90
Deferred tax asset	862.92	267.04
Cash and cash equivalents	6,077.46	28,072.31
Other bank balances	46.86	41.29
Income tax assets (net)	2,210.60	1,379.94
Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of use assets	14,466.10	13,801.64
Other unallocable assets	4,338.75	4,635.55
Total assets	**2,09,662.75**	**1,87,497.80**

Notes Forming Part of the Consolidated Financial Statements

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Reconciliation of liabilities		
Segment operating liabilities	54,179.68	52,092.82
Borrowings	1,000.00	1,000.00
Current tax liabilities	183.46	1,061.21
Lease liabilities	2,066.43	2,140.94
Provision for leave benefits	1,600.86	1,317.68
Provision for gratuity	555.55	527.50
Other unallocable liabilities	8,834.11	7,757.44
Total liabilities	**68,420.09**	**65,897.59**

Revenue from external customer

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
India	3,48,197.09	2,70,558.87
Outside India	1,007.18	1,148.21

The revenue information above is based on the location of the customers. All non current operating assets of the Group are located in India and for this purpose consists of property, plant and equipment, capital work-in-progress, investment property, intangible assets, intangible assets under development and capital advances.

Note 45: Related Party Transactions

(a) Details of related parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran Venkataraman - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Ms. Jayasree K - Company Secretary (Refer Note 2 below)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K Chittilapilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K Chittilapilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K Chittilapilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran Venkataraman
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran Venkataraman
Non - Executive Directors	Mr. Cherian N Punnoose
	Mr. Ullas K Kamath
	Mr. C J George
	Mr. George Jacob Muthoot (wef October 05, 2020)
	Prof. Biju Varkey (wef May 26, 2021)
	Mr. B Jayaraj (wef April 01, 2020)
	Ms. Joshna Johnson Thomas (till March 31, 2021)
	Ms. Radha Unni

Notes Forming Part of the Consolidated Financial Statements

Description of Relationship	Names of Related Parties
Entities in which KMP / relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	Anekha Chittilapilly Trust
	V-Guard Foundation (Refer Note 3 below)

The Group has not entered in to any transactions with companies in which KMP / relatives of KMP can exercise significant influence.

(b) Transactions with related parties during the year

(₹ in lakhs)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Kochouseph Chittilappilly	Dividends paid	544.86	-
	Emoluments	75.17	73.44
Mr. Mithun K Chittilappilly	Dividends paid	1,036.65	-
	Salaries and allowances	181.16	143.58
	Company contribution to provident fund	18.00	13.25
	Commission	451.03	367.22
Mr. Ramachandran Venkataraman	Dividends paid	14.25	-
	Salaries and allowances	282.12	270.49
	Company contribution to provident fund	26.15	23.02
	Employee stock compensation expense *	350.56	466.59
	Issue of Equity shares including premium	327.23	347.51
Mr. Sudarshan Kasturi	Dividends paid	0.02	-
	Salaries and allowances	208.37	203.98
	Company contribution to provident fund	11.58	9.60
	Employee stock compensation expense*	302.29	(22.79)
	Issue of Equity shares including premium	0.38	0.53
Ms. Jayasree K	Dividends paid	0.54	-
	Salaries and allowances	30.35	27.87
	Company contribution to provident fund	1.32	1.01
	Employee stock compensation expense *	15.11	12.52
	Issue of Equity shares including premium	0.05	0.08
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid	592.30	-
Enterprises in which KMP / relatives of KMP can exercise significant influence	Dividends paid	727.60	-
Non - Executive Directors	Dividends paid	1.80	-
	Sitting fees	35.05	30.95
	Commission	16.50	88.44

*Employee stock compensation expense is net of reversals (Refer Note 34).

Notes Forming Part of the Consolidated Financial Statements

(c) Related party balances

(₹ in lakhs)

Name of the Related Party	Nature of transactions	As at March 31, 2022	As at March 31, 2021
Mr. Kochouseph Chittilappilly	Emoluments payable	75.17	73.44
Mr. Mithun K Chittilappilly	Commission payable	451.03	367.22
Non - Executive Directors	Commission payable	16.50	88.44
Mr. Ramachandran Venkataraman	Salaries and allowances payable	63.00	60.00
Mr. Sudarshan Kasturi	Salaries and allowances payable	11.50	14.12
Ms. Jayasree K	Salaries and allowances payable	2.55	3.52

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.
2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.
3. The Holding Company has formed V-Guard Foundation, a company incorporated under Section 8 of the Companies Act, 2013, as its principal arm for implementing the Holding Company's CSR programs / projects in compliance with Section 135 of the Companies Act, 2013. Two directors of the Holding Company are the directors of V-Guard Foundation. During the year ended March 31, 2022, the Holding Company has contributed ₹ 492.39 lakhs (year ended March 31, 2021: ₹ 418.80 lakhs) towards expenditure for CSR activities.

Note 46: Earnings Per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year attributable to equity holders of the parent (₹ in lakhs)	22,769.24	20,081.79
Weighted average number of equity shares outstanding	43,06,31,935	42,88,30,019
Basic earnings per share (₹)	5.29	4.68
Net Profit for the year attributable to equity holders of the parent (₹ in lakhs)	22,769.24	20,081.79
Weighted average number of equity shares outstanding	43,38,64,144	43,19,07,592
Diluted earnings per share (₹)	5.25	4.65
Weighted average number of equity shares in calculating basic EPS	43,06,31,935	42,88,30,019
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	32,32,209	30,77,573
Weighted average number of equity shares in calculating diluted EPS	43,38,64,144	43,19,07,592

Note 47: Share based payments

The members of the Holding Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Holding Company. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment

Notes Forming Part of the Consolidated Financial Statements

under the ESOS 2013 is 19,516,710 equity shares of ₹ 1 / - each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant I	2013-14	11-Jun-13	21,87,216	1.00	Over 3 years	Two third of total entitlements are time based grants and the remaining one third are based on the performance of the Company and the Individual employee.
			79,51,888	34.64		
Grant II	2015-16	04-May-15	2,81,266	1.00	Over 3 years	
			9,20,564	71.36		
Grant III	2016-17	04-May-16	4,20,000	1.00	Over 4 years	60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			37,80,000	68.75		
Grant IV	2016-17	16-Jun-16	2,59,504	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant VI	2016-17	21-Oct-16	1,15,976	1.00	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
Grant VII	2016-17	30-Jan-17	82,460	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant VIII	2017-18	19-May-17	2,01,100	1.00	Over 4 years	
Grant IX	2017-18	31-Jul-17	1,54,854	1.00	Over 4 years	
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	
Grant XI	2018-19	30-May-18	46,354	1.00	Over 4 years	
Grant XII	2018-19	31-Jul-18	99,452	1.00	Over 4 years	
Grant XIII	2018-19	31-Jan-19	76,190	1.00	Over 4 years	
Grant XIV	2019-20	06-Nov-19	31,444	1.00	Over 4 years	
Grant XV	2020-21	22-May-20	12,59,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			2,60,000	1.00	Over 4 years	100% of the entitlements based on the Company's performance at the end of 4 years.

Notes Forming Part of the Consolidated Financial Statements

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	
Grant XIX	2021-22	30-Jul-21	1,47,685	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Grant	Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
Grant I	1.00	38,942	-	-	38,942	-	-	-
		(68,495)	-	-	(29,553)	(38,942)	(38,942)	(1.20)
	34.64	5,42,581	-	-	5,42,581	-	-	-
		(18,53,039)	-	-	(13,10,458)	(5,42,581)	(5,42,581)	(1.20)
Grant II	1.00	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	71.36	1,13,725	-	14	27,248	86,463	86,463	2.09
		(1,17,375)	-	-	(3,650)	(1,13,725)	(1,13,725)	(2.91)
Grant III	1.00	-	-	-	-	-	-	-
		(63,000)	-	-	(63,000)	-	-	-
	68.75	22,68,000	-	-	3,50,000	19,18,000	19,18,000	2.87
		(22,68,000)	-	-	-	(22,68,000)	(22,68,000)	(3.60)
Grant IV	1.00	19,745	-	-	19,745	-	-	-
		(63,793)	-	-	(44,048)	(19,745)	(19,745)	(4.82)
Grant V	1.00	1,45,091	-	-	68,442	76,649	76,649	3.61
		(3,49,505)	-	-	(2,04,414)	(1,45,091)	(1,45,091)	(4.49)
	1.00	12,320	-	-	-	12,320	12,320	3.60
		(24,640)	-	-	(12,320)	(12,320)	(12,320)	(4.60)
	1.00	-	-	-	-	-	-	-
		(42,000)	-	-	(42,000)	-	-	-
	121.79	6,72,000	-	-	-	6,72,000	6,72,000	2.80
		(6,72,000)	-	-	-	(6,72,000)	(6,72,000)	(3.79)

Notes Forming Part of the Consolidated Financial Statements

Grant	Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
Grant VI	1.00	8,120	-	-	8,120	-	-	-
		(34,693)	-	-	(26,573)	(8,120)	(8,120)	(5.48)
Grant VII	1.00	-	-	-	-	-	-	-
		(36,076)	-	(20,614)	(15,462)	-	-	-
Grant VIII	1.00	37,706	-	-	37,706	-	-	-
		(1,25,687)	-	(50,275)	(37,706)	-	(37,706)	(6.14)
Grant IX	1.00	17,688	-	-	17,688	-	-	-
		(58,959)	-	(23,583)	(17,688)	-	(17,688)	(5.33)
Grant X	1.00	67,940	-	-	56,148	11,792	11,792	5.31
		(1,83,958)	-	(62,692)	(53,326)	(20,917)	(67,940)	(6.45)
Grant XI	1.00	34,063	-	11,590	11,782	2,000	10,691	5.98
		(41,854)	-	-	(7,791)	(5,091)	(34,063)	(6.47)
Grant XII	1.00	51,416	-	27,886	11,765	-	11,765	6.33
		(80,808)	-	(10,744)	(18,648)	-	(51,416)	(7.03)
Grant XIII	1.00	47,618	-	-	14,286	-	33,332	6.84
		(61,904)	-	-	(14,286)	-	(47,618)	(7.54)
Grant XIV	1.00	31,444	-	-	-	11,792	31,444	6.48
		(31,444)	-	-	-	(5,896)	(31,444)	(7.48)
Grant XV	1.00	2,60,000	-	-	-	-	2,60,000	8.15
		-	(2,60,000)	-	-	-	(2,60,000)	(9.15)
	172.05	12,59,200	-	-	-	3,14,800	12,59,200	6.64
		-	(12,59,200)	-	-	-	(12,59,200)	(7.64)
Grant XVI	1.00	10,42,530	-	-	1,36,644	68,834	9,05,886	7.63
		-	(10,62,635)	(20,105)	-	-	(10,42,530)	(8.36)
Grant XVII	1.00	3,16,325	-	-	-	55,822	3,16,325	7.79
		-	(3,16,325)	-	-	-	(3,16,325)	(8.79)
Grant XVIII	1.00	24,907	-	-	-	4,396	24,907	7.91
		-	(24,907)	-	-	-	(24,907)	(8.91)
Grant XIX	1.00	-	1,47,685	-	-	-	1,47,685	8.28
		-	-	-	-	-	-	-
Grant XX	1.00	-	1,14,365	-	-	-	1,14,365	8.52
		-	-	-	-	-	-	-
Grant XXI	1.00	-	2,51,143	-	-	-	2,51,143	8.88
		-	-	-	-	-	-	-
Grant XXII	1.00	-	59,980	-	-	-	59,980	8.99
		-	-	-	-	-	-	-

During the year, 12,379 number of options were exercised pertaining to Grant I which were cancelled inadvertently in the earlier years by the Company. The Company is in the process of regularising the said exercise.

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2021.

Weighted average fair value of the options granted during the year was ₹ 228.34 (2020-21: ₹ 131.48).

Weighted average equity share price at the date of exercise of options during the year was ₹ 238.16 (2020-21: ₹ 193.27).

Notes Forming Part of the Consolidated Financial Statements

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Binomial model:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Risk-free interest rate (%)	5.00 % to 6.68%	4.84 % to 6.16%
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	30.44% to 32.15%	30.72% to 32.87%
Dividend yield	0.48% to 0.56%	0.36% to 1.00%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome.

Note 48: Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue from sale of products

Revenue is measured at the fair value of consideration received / receivable from its customers and in determining the transaction price for the sale of products, the Group considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Notes Forming Part of the Consolidated Financial Statements

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions / judgements about these factors could effect the reported fair value of financial instruments.

Put option liability

The Put Option liability granted on the non controlling interests of subsidiary is accounted for at the present value of the amount payable on exercise of the option, as a financial liability. The subsequent changes in carrying amount at each reporting date is recognised in the statement of profit and loss. The determination of the carrying value is based on discounted cash flows. The key assumption taken into consideration is the discount factor. As part of the accounting for the investment in subsidiary, put option liability with an estimated value of ₹ 317.15 lakhs was recognised at the acquisition date and remeasured to ₹ 572.55 lakhs as at the reporting date.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of Government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 43.

Share-based payments

Estimating fair value for share-based payment transactions requires evaluation of vesting conditions and determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, forfeitures and making assumptions about them. The assumptions and model used for estimating fair value for share based payment transactions are disclosed in Note 47.

Warranty provision

Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold.

Notes Forming Part of the Consolidated Financial Statements

It is very unlikely that actual warranty claims will exactly match the historical trend of warranty expenses and hence such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. In respect of financial guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer Note 40(B) for further disclosures.

Taxes

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. 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.

Impairment allowance for trade receivables

The Group uses a provision matrix to calculate Expected Credit Losses ('ECL') for trade receivables. 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 is disclosed in Note 2.3(r) and Note 51(C).

Determination of control / significant influence for investments made by the Holding Company

As detailed in Note 6, the Holding Company entered into a share subscription and shareholder's agreement to acquire 7 equity shares and 2,900 OCCPS of Gegadyne for a cash consideration of ₹ 3,340.00 lakhs in return for 18.77% stake on a fully diluted basis, right to nominate a director on the Board of Gegadyne as well as various other rights under the aforesaid agreement. The management, based on the terms and conditions as per the said agreement, is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne considering that: a) The equity shareholding of the Holding Company is less than 1% of the total equity shareholding and OCCPS are convertible at the option of the Holding Company and can be liquidated at a predetermined IRR. b) The Holding Company do not intend to participate in the operations of Gegadyne and do not have any visitation or inspection rights in respect of the research facilities and research activities of Gegadyne which is the primary activity of Gegadyne at this juncture. c) On completion of the research activities, Gegadyne will seek additional investment from external investors whereby the Holding Company's stake in Gegadyne will be significantly reduced. d) All the other rights considered under 'reserved matters' in the aforesaid agreement are protective rights and not participative rights. Accordingly, the Group has accounted the aforesaid investment as investment at fair value through profit or loss as per Ind AS 109 - Financial Instruments.

Notes Forming Part of the Consolidated Financial Statements

Note 49: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ in lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets at FVTPL				
Other investments	3,340.00	3,340.00	3,340.00	3,340.00
Financial assets at amortised cost				
Trade receivables	48,412.63	38,807.10	48,412.63	38,807.10
Cash and bank balances	6,126.54	28,118.19	6,126.54	28,118.19
Loans	319.33	366.89	319.33	366.89
Other financial assets	1,562.28	1,477.06	1,562.28	1,477.06
Total	**59,760.78**	**72,109.24**	**59,760.78**	**72,109.24**
Financial liabilities at amortised cost				
Borrowings	1,179.22	1,301.32	1,179.22	1,301.32
Lease liabilities	5,655.95	5,625.53	5,655.95	5,625.53
Put option liability	572.55	465.56	572.55	465.56
Trade payables	48,797.93	47,472.38	48,797.93	47,472.38
Other financial liabilities	3,312.90	2,583.18	3,312.90	2,583.18
Total	**59,518.55**	**57,447.97**	**59,518.55**	**57,447.97**

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables / advances given are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of the derivative instrument- call option has been determined using valuation techniques with market observable inputs. The valuation techniques incorporate various inputs including risk free interest rates and volatility.

The fair value of other investments has been determined using precedent transaction analysis method. Refer note 50 (iv).

The fair value of loans, lease liabilities and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. The fair value of put option liability is determined based on the present value of the amount payable on exercise of the option. There are no unobservable inputs that impact fair value.

Notes Forming Part of the Consolidated Financial Statements

Note 50: Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in lakhs)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4 (i))	31-Mar-22	27.90	-	-	27.90
	31-Mar-21	27.90	-	-	27.90
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-22	3,340.00	-	-	3,340.00
	31-Mar-21	3,340.00	-	-	3,340.00
Assets carried at amortised cost for which fair value are disclosed					
Trade receivables	31-Mar-22	48,412.63	-	-	48,412.63
	31-Mar-21	38,807.10	-	-	38,807.10
Cash and bank balances	31-Mar-22	6,126.54	-	-	6,126.54
	31-Mar-21	28,118.19	-	-	28,118.19
Loans	31-Mar-22	319.33	-	-	319.33
	31-Mar-21	366.89	-	-	366.89
Other financial assets	31-Mar-22	1,562.28	-	-	1,562.28
	31-Mar-21	1,477.06	-	-	1,477.06
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings	31-Mar-22	1,179.22	-	1,179.22	-
	31-Mar-21	1,301.32	-	1,301.32	-
Lease liabilities	31-Mar-22	5,655.95	-	-	5,655.95
	31-Mar-21	5,625.53	-	-	5,625.53
Put option liability	31-Mar-22	572.55	-	572.55	-
	31-Mar-21	465.56	-	465.56	-
Trade payables	31-Mar-22	48,797.93	-	-	48,797.93
	31-Mar-21	47,472.38	-	-	47,472.38
Other financial liabilities	31-Mar-22	3,312.90	-	-	3,312.90
	31-Mar-21	2,583.18	-	-	2,583.18

(i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 49.

(ii) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Notes Forming Part of the Consolidated Financial Statements

(iv) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivitiy of the input to fair value
FVTPL Investments	Precedent transaction analysis method	Premium for Management, product / technology, size of opportunity, competition etc.	Premium of 40%-60%	10% increase in premium will have a significant impact on the fair value of the investments.

Note 51: Financial risk management objectives and policies

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

A. Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities.

The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of Group's financial liabilities:

(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2022				
a) Borrowings	1,179.22	-	-	1,179.22
b) Lease liabilities	1,270.00	4,129.83	2,677.02	8,076.85
c) Put option liability	-	572.55	-	572.55
d) Trade payables	48,797.93	-	-	48,797.93
e) Other financial liabilities	3,312.90	-	-	3,312.90
Total	**54,560.05**	**4,702.38**	**2,677.02**	**61,939.45**

Notes Forming Part of the Consolidated Financial Statements

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2021				
a) Borrowings	1,301.32	-	-	1,301.32
b) Lease liabilities	1,106.54	3,929.56	3,268.63	8,304.73
c) Put option liability	-	465.56	-	465.56
d) Trade payables	47,472.38	-	-	47,472.38
e) Other financial liabilities	2,583.18	-	-	2,583.18
Total	**52,463.42**	**4,395.12**	**3,268.63**	**60,127.17**

B. 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 risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk 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 borrowings which are at floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Group's import of goods. The Group manages this foreign currency risk by using foreign currency forward contracts to hedge certain of its import liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ In lakhs)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2022	7.47	(7.47)
March 31, 2021	(5.88)	5.88

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper, the Group has entered into various purchase contracts for this material for which there is an active market. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

Notes Forming Part of the Consolidated Financial Statements

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations 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 and other financial assets.

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. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Group creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Group does not hold any collateral as security except for the deposits and bank guarantees received from the customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss and credit impairment is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	**3,408.05**	**3,408.18**
Change in allowance for expected credit loss and credit impairment during the year	223.82	108.36
Bad debts written off	(325.21)	(108.49)
Balance as at the end of the year	**3,306.66**	**3,408.05**

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and deposits are managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 52: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

Notes Forming Part of the Consolidated Financial Statements

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group monitors Capital using Gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Borrowings	1,179.22	1,301.32
Less: Cash and cash equivalents and other bank balances	6,126.54	28,118.19
Net debt (A)	**(4,947.32)**	**(26,816.87)**
Equity	1,40,695.87	1,21,129.08
Capital and Net debt (B)	**1,35,748.55**	**94,312.21**
Gearing ratio (A / B)	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note 53: Ratios

(₹ In lakhs)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change
Current ratio	Current assets	Current liabilities	2.47	2.36	4%
Debt - Equity ratio	Total debt	Shareholder's equity	0.01	0.01	0%
Debt service coverage ratio (Refer (i) below)	Earnings available for debt service = Net Profit after taxes + depreciation and amortisation expenses + finance costs + other non-cash operating expenses	Debt service = Interest and lease payments + principal repayments	1.75	22.46	-92%
Return on equity ratio	Net profit after Tax	Average shareholder's equity	0.17	0.18	-4%
Inventory turnover ratio	Cost of goods sold	Average inventory	3.24	3.34	-3%
Trade receivable turnover ratio	Net sales	Average trade receivables	8.02	7.64	5%
Trade payable turnover ratio	Net purchases	Average trade payables	5.48	5.13	7%
Net capital turnover ratio	Net sales	Working capital = Current assets – Current liabilities	3.87	3.37	15%
Net profit ratio	Net profit after tax	Net sales	0.065	0.074	-12%
Return on capital employed	Earnings before interest and tax	Capital employed = Net worth + Total borrowings	0.21	0.24	-11%
Return on investment	Income generated from invested funds	Average invested funds (excluding investment in subsidiaries and other investments)	0.03	0.04	-21%

(i) Variance is on account of debt repayments.

Notes Forming Part of the Consolidated Financial Statements

Note 54: Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group has not traded or invested in Cryptocurrency or Virtual Currency during the year ended March 31, 2022.

(iv) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Group do not have any transactions with companies struck off.

(viii) The Group has not been declared as a Wilful Defaulter by any bank or financial institution or Government or any Government authority.

Note 55: Statutory Group Information

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net profit	₹ in lakhs	As % of consolidated other comprehensive income	₹ in lakhs	As % of consolidated total comprehensive income	₹ in lakhs
Parent Company								
V-Guard Industries Limited								
Balance as at March 31, 2022	94.17%	1,33,003.50	99.32%	22,688.47	108.76%	(54.98)	99.30%	22,633.49
Balance as at March 31, 2021	98.11%	1,19,310.98	97.83%	19,749.93	97.39%	45.27	97.83%	19,795.20
Subsidiaries (refer Note 41)								
Guts Electro-Mech Limited								
Balance as at March 31, 2022	1.35%	1,911.40	1.03%	235.13	-6.49%	3.28	1.05%	238.41
Balance as at March 31, 2021	1.50%	1,818.10	1.64%	331.86	1.94%	0.90	1.64%	332.76
V-Guard Consumer Products Limited								
Balance as at March 31, 2022	4.09%	5,780.97	-0.68%	(154.36)	0.00%	-	-0.68%	(154.36)
Balance as at March 31, 2021	-	-	-	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net profit	₹ in lakhs	As % of consolidated other comprehensive income	₹ in lakhs	As % of consolidated total comprehensive income	₹ in lakhs
Non-controlling interest in subsidiary								
Balance as at March 31, 2022	0.39%	546.79	0.33%	74.51	-2.27%	1.15	0.33%	75.66
Balance as at March 31, 2021	0.39%	471.13	0.53%	107.38	0.67%	0.31	0.53%	107.69

Note 56: The Company was required to transfer 9,102 equity shares (including 3,280 equity shares pending to be transferred to the Investor Education and Protection Fund Authority ("IEPFA") in the previous year) to IEPFA. However, the Company could not transfer 800 equity shares as the demat account of one shareholder was suspended for trading and was inactive. The Company has intimated IEPFA the details of such shares by filing form IEPF-3.

Note 57: The Holding Company's Board of Directors at its meeting held on December 20, 2021 has approved a Scheme of Amalgamation amongst the Company, Simon Electric Private Limited and their respective Shareholders and Creditors. The Company is in the process of obtaining necessary approvals from various authorities concerned.

Note 58: During the year ended March 31, 2022, management of one of the subsidiaries discovered an employee fraud aggregating to ₹ 87.23 lakhs by way of misappropriation of bank payments during the current year and earlier years. The Group is confident that there is no other financial impact of the aforesaid matter.

Note 59: Events after the reporting period

The Board of Directors of the Holding Company have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the Annual General Meeting. Refer Note 19.

Note 60: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

Note 61: Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Sd / -
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 19, 2022

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A" Subsidiaries

Name of the subsidiary	Guts Electro-Mech Limited	V-Guard Consumer Products Limited
The date since when subsidiary was acquired	August 31, 2017	July 19, 2021
Reporting period for the subsidiary concerned	March 31, 2022	March 31, 2022
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	₹	₹

Sl. No.	Particulars	₹ in lakhs	₹ in lakhs
1	Share Capital	196.58	5,979.75
2	Reserves & Surplus	1,487.69	(200.14)
3	Total Assets	2,752.72	6,444.44
4	Total Liabilities	1,068.44	664.83
5	Investments	Nil	Nil
6	Turnover	5,942.76	40.48
7	Profit before taxation	447.55	(221.96)
8	Provision for taxation	160.96	(21.82)
9	Profit after taxation	286.59	(200.14)

Other Information		
Proposed Dividend	Nil	Nil
Extent of shareholding (in percentage)	74%	100%
Names of subsidiaries which are yet to commence operations	Nil	Nil
Names of subsidiaries which have been liquidated or sold during the year	Nil	Nil

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

Sd / -
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Jayasree K
Company Secretary
Membership No: A15900

Place : Kochi
Date : May 19, 2022

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