ANNUAL REPORT
2022-23

POWERED BY **PASSION.** DRIVEN BY **AMBITION.**

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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 realised, 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 materialise, 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.

POWERED BY **PASSION.**
DRIVEN BY **AMBITION.**

At V-Guard, there is an undeniable belief that drives a deep-rooted passion, fuelling the organisation's value-accretive journey. And this passion is primarily driven by the Company's ambition to be one of the most trusted and desired brand for the new-age Indian consumer in sync with their evolving aspirations.

V-Guard remains focussed on powering ahead, creating and delivering innovative, high-quality products, designed to delight its consumers with thoughtful products and experiences. It will continue to make strategic investments in new and emerging opportunities to drive the future growth of the business.

Today, V-Guard stands at an inflection point in its journey towards becoming a formidable player in the industry and is marching ahead into the future, driving the larger purpose of the brand of bringing home a better tomorrow for its discerning consumers.

ROOTED IN AMBITION. **FIRED BY PASSION.**

V-Guard's legacy of innovation and expertise is powered by a combination of its deep-rooted ambition and the passion which is imbued across the organisational fabric. As a brand of repute in the electronics, electrical and consumer durables segments, V-Guard has, over the years, built on its strengths to emerge as a leading manufacturer and marketer of innovative products designed to enrich customer experience. Its business strategy is rooted in a strong customer-centric ethos and its focus lies on creating unmatched value for all stakeholders.

V-GUARD IN A NUTSHELL

A diversified multi-product company with pan India presence, V-Guard is engaged in the manufacturing and marketing of top-quality electric and electronic products that are in high demand across India. Backed by over three decades of experience, the Company is moving proactively towards realising its vision to make 'V-Guard' a trusted name in electrical, electro-mechanical and electronic home appliances.

The Company finds its origins way back in 1977, when the Founder Mr. Kochouseph Chittilappilly embarked on a journey to realise his dream, of building a robust brand in the Indian electric and electronic goods market. He started by manufacturing and marketing of voltage stabilizers under the brand name "V-Guard". The brand has since grown exponentially, increasing its product portfolio significantly, and has become a trusted household name, epitomising the virtues of exceptional quality, innovative products and outstanding customer service.

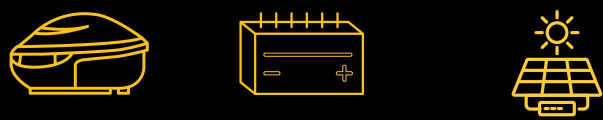
Our Product Portfolio

ELECTRONICS

Stabilizers

Inverters and Batteries

Solar Power System



ELECTRICALS

Housing Wiring Cables

Switchgears

Modular Switches

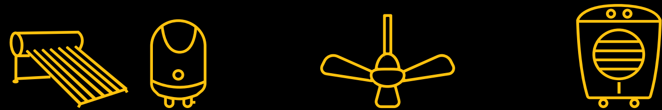
Pumps

CONSUMER DURABLES

Solar & Electric Water Heaters

Fans

Air Coolers



Kitchen Appliances
(includes Mixer Grinders, Gas Stoves, Water Purifiers, Other Small Kitchen Appliances)

OUR ETHOS

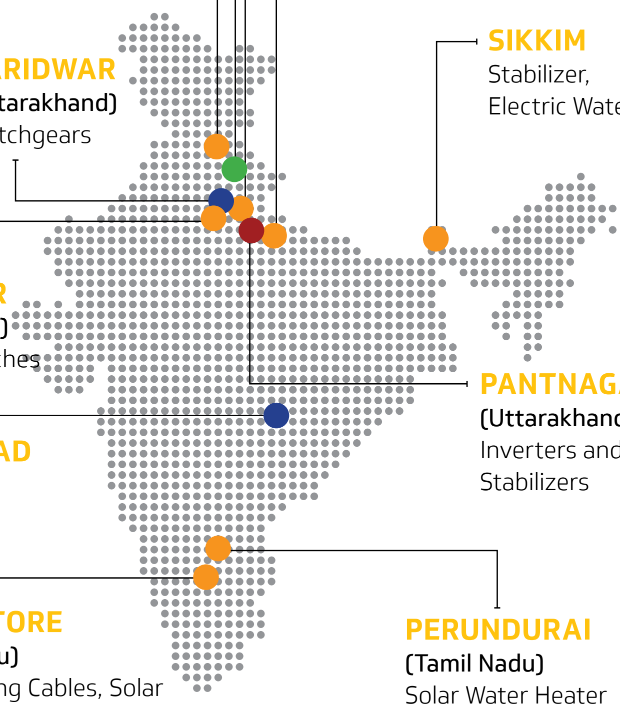
As an organisation, we have endlessly endeavoured to deliver consumer delight through thoughtful products and achieve profitable growth to maximise value for our shareholders. Being a responsible corporate citizen, we place emphasis on good governance, strengthening our community outreach and imbibing best management practices.

OUR VISION

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

OUR EXPANDING MANUFACTURING CAPACITIES

Our business excellence is driven by our manufacturing prowess, manifested in our state-of-the-art manufacturing units.
Our plants are located strategically in the South, North and North-East parts of the country and are powered by an ethos of quality that stands unrivalled.

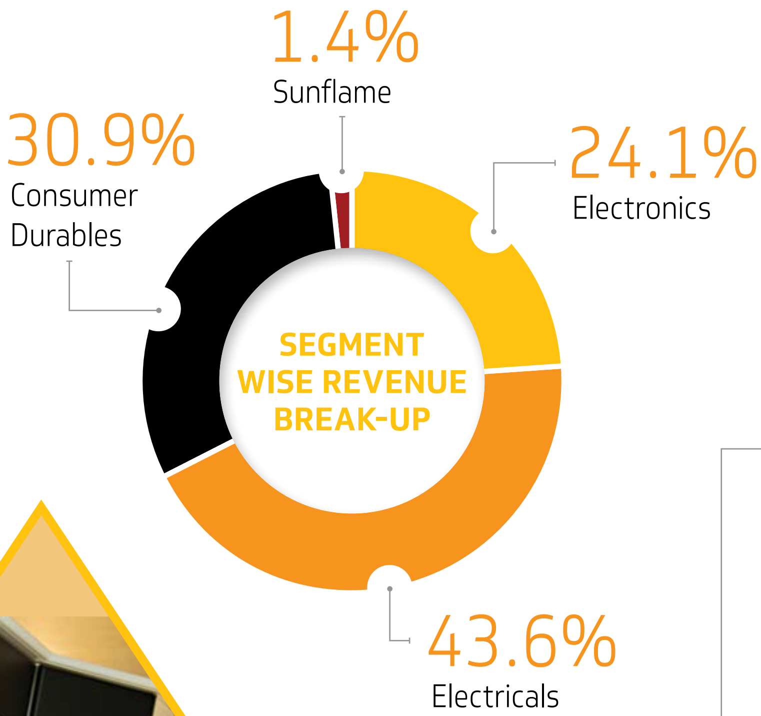


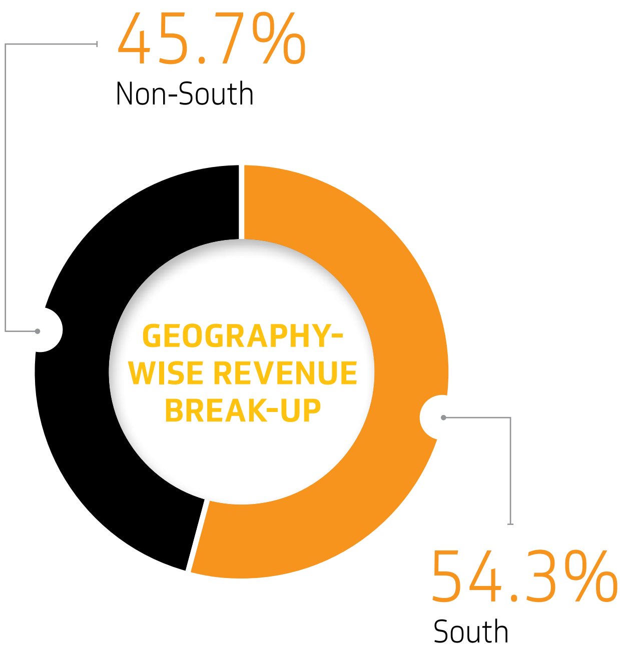
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

OUR GROWING DISTRIBUTION REACH

We deliver best-in-class products and services to our clients across India through a wide network of distributors, dealers and retailers. We are concertedly investing in expanding our reach in non-South markets while consolidating our presence in the South.

32	60,000+	28	8
BRANCHES	CHANNEL PARTNERS	STATES	UT's





POWERING AMBITIOUSLY **AHEAD**

₹ 4,126.04 Crore
NET REVENUE

17.9%
REVENUE GROWTH

₹ 319.91 Crore
EBITDA (EXCLUDING OTHER INCOME)

₹ 189.05 Crore
PROFIT AFTER TAX

₹ 423.81 Crore
CASH FLOW FROM OPERATIONS

₹ 1.30 (130%) per equity share
RECOMMENDED FINAL DIVIDEND

Milestone moments in our ambitious journey

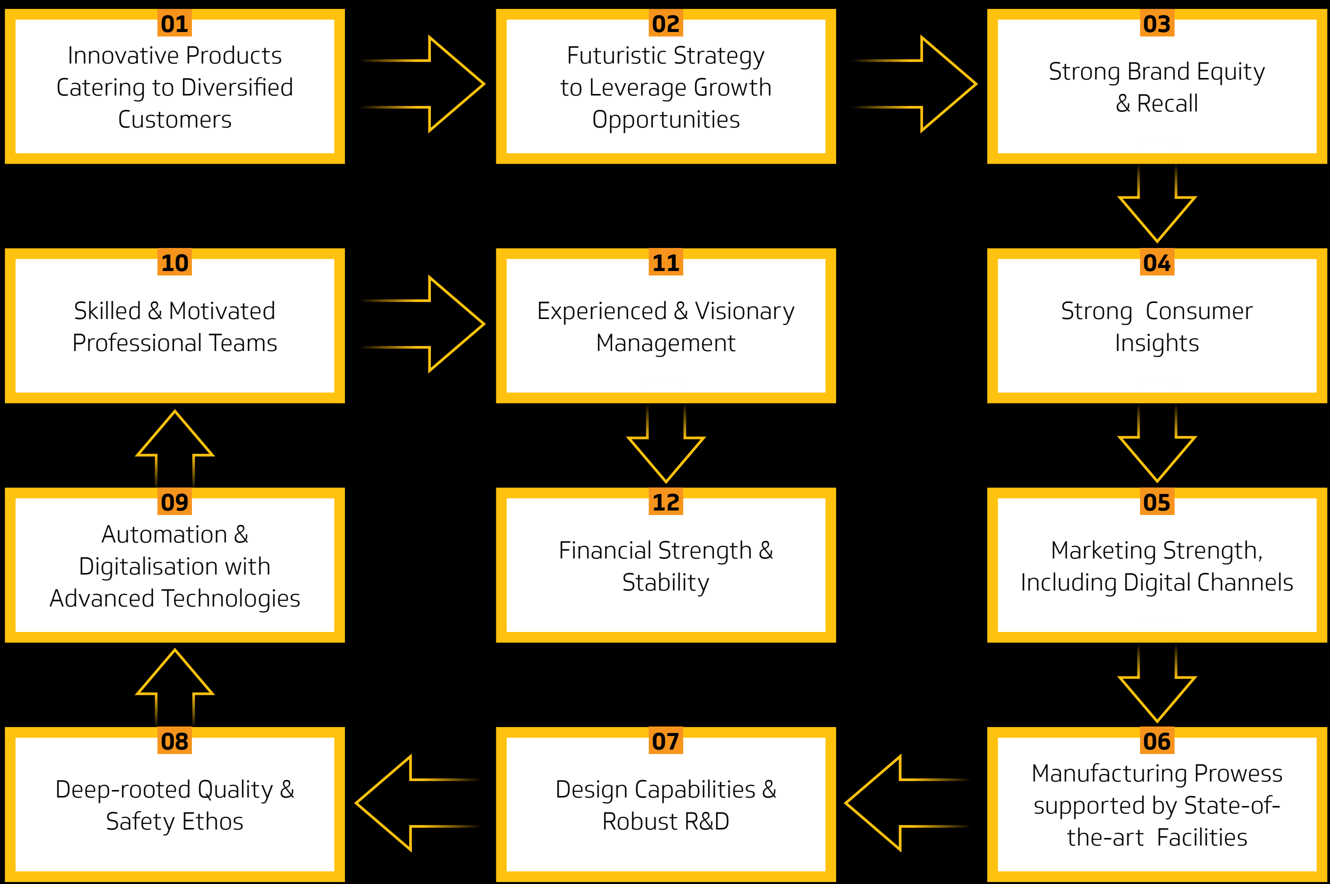
Steering its ambition to become India's most preferred and trusted brand across segments, V-Guard Industries Ltd. acquired 100% stake in Sunflame Enterprises Pvt Ltd (Sunflame). The acquisition is in line with V-Guard's strategy to become a significant player in the domestic Kitchen Appliances segment. The Sunflame brand has a pan India presence with a strong brand recall. Sunflame's wide portfolio, product development capabilities and the recently established state-of-the-art integrated manufacturing facility provide the perfect opportunity for V-Guard to scale up its Kitchen Appliances business while also unlocking synergy benefits.

Another significant development during the year has been the amalgamation of Simon Electric Pvt Ltd, (SEPL) with V-Guard Industries Ltd. SEPL is part of the global conglomerate Simon Group, headquartered in Spain. SEPL is engaged in the manufacturing & trading of electrical switches, sockets, fan regulators, etc. in India. This merger will help V-Guard scale up the modular switches business, leveraging the world-class manufacturing and quality systems to address additional segments of the switches market through access to Simon India's product platforms. This will result in improved economies of scale in production, apart from benefiting from category relevant expertise and talent.

V-Guard has continued its strategic investment in Guts Electro-Mech Ltd by acquiring the remaining 26% of shares and making it a wholly-owned subsidiary.

BUILDING PASSIONATELY ON **OUR CORE STRENGTHS**

Our nucleus of strengths is a key driver of our journey of ambitious growth. In our endeavour to accelerate this journey, we continue to work passionately on augmenting these strengths to harness the future more effectively.



1 INNOVATIVE PRODUCTS CATERING TO DIVERSIFIED CUSTOMERS

We remain focussed on pioneering superior products aligned to the evolving needs and aspirations of diverse customers. We create products that are crafted to enhance customer experience.

2 FUTURISTIC STRATEGY TO LEVERAGE GROWTH OPPORTUNITIES

We follow a future-driven strategy, centred around harnessing emerging opportunities across business segments. Our vision and deep understanding of the market needs enables us to identify the opportunities of tomorrow and invest in them today.

3 STRONG BRAND EQUITY & RECALL

We are passionate about our brand, and continue to invest in strengthening our brand equity and recall. We believe our brand strength to be a major enabler of our growth agenda.

4 STRONG CONSUMER INSIGHTS

Leading our innovation efforts are our strong consumer insights. We keep our finger on the customer pulse, which helps us stay abreast of their transforming aspirations and demands. Our understanding of the market trends propels our design efforts and enable us to fulfill the transforming needs of the consumers.

5 MARKETING STRENGTH, INCLUDING DIGITAL CHANNELS

Our marketing capabilities allow us to reach out to a wider consumer base across regions and segments. We continue to build strategically on our market strength, with growing focus on expanding our e-commerce and digital channels that have emerged as important tools for business growth in the changing consumer behaviour landscape. We have also enhanced our engagement with channel partners and influencers to strengthen our relationships with them to expand our presence pan India.

6 MANUFACTURING PROWESS SUPPORTED BY STATE-OF-THE-ART FACILITIES

Our in-house manufacturing expertise and state-of-the-art facilities ensure uncompromising quality of our products. Our plants are equipped with world-class systems, processes and equipment. We have judiciously adopted a balanced mix of in-house and outsourced manufacturing to optimise our investments and boost efficiency.

7 DESIGN CAPABILITIES AND ROBUST R&D

Our research and development capabilities help us keep pace with the evolving consumer preferences. They enable us to design new products aligned to the changing customer needs.

8 DEEP-ROOTED QUALITY & SAFETY ETHOS

We follow stringent quality control measures and ensure strict compliance with safety requirements at every stage of the product lifecycle.

9 AUTOMATION & DIGITALISATION WITH ADVANCED TECHNOLOGIES

Given the growing importance of e-commerce to our business growth, we focus actively on automation and digitalisation across systems and processes. We continue to track and adopt advanced technologies and new automation platforms to build a future-ready organisation. We make continual efforts to enhance efficiency and productivity through digital systems and processes.

10 SKILLED & MOTIVATED PROFESSIONAL TEAMS

We are continually investing in building people competencies to keep our workforce motivated and passionate about our business goals. Investments in nurturing talent and upgradation of skills is a key focus area at V-Guard. We also invest in employee welfare, wellbeing and engagement to drive our ambitious goals.

11 EXPERIENCED & VISIONARY MANAGEMENT

Our journey of ambitious growth is led by our experienced management team, whose future-focussed vision is a major engine of our business strategy. Our management expertise allows us to capitalise on new opportunities on an ongoing basis.

12 FINANCIAL STRENGTH & STABILITY

We follow a prudent and balanced approach in steering our growth journey. We remain focussed on ensuring operational and cost efficiencies and continue to maintain a healthy balance sheet with minimal debt. Our strong cash flow generation and high credit ratings endorse the robustness of our financials.

MESSAGE FROM **THE CHAIRMAN**

> India has emerged as a beacon of progress and opportunity. The country's vibrant and diverse market, coupled with a thriving entrepreneurial spirit, has catapulted it into the forefront of international trade and investment. India's robust technological advancements, particularly in the fields of information technology and digital innovation, have positioned it as a global leader in the digital age.

Dear Shareholders

I am happy to share with you the key highlights of the journey that V-Guard traversed in FY23. In keeping with our growth and expansion goals, we achieved significant milestones. It was a year of sluggish demand because general inflation kept consumer confidence down and interest rate increases led to a general tightening of the market. Despite these headwinds, I am pleased to report that V-Guard delivered a healthy performance with double-digit revenue growth across all of its business divisions.

Post Covid-19, the global economic recovery has been slow. High inflation, rising debt, geo-political tensions and wide scale layoffs are some of the headwinds that have impacted growth. The year has also witnessed the rise of India as one of the world's fastest-growing major economies.

India has emerged as a beacon of progress and opportunity. The country's vibrant and diverse market, coupled with a thriving entrepreneurial spirit, has catapulted it into the forefront of international trade and investment. India's robust technological advancements, particularly in the fields of information technology and digital innovation, have positioned it as a global leader in the digital age. As India continues to implement pro-business reforms, attract foreign investments, and foster innovation, its dynamic presence in the global economy is set to illuminate new pathways for growth and development. Moreover, its vast pool of skilled labour, coupled with a burgeoning middle class, presents an enormous consumer base and a gateway to economic prosperity. The rise of the middle class has brought about notable shifts in consumption patterns, lifestyle choices, and aspirations. With rising incomes, this segment is becoming a powerful force in shaping consumer demand seeking higher-quality products and services, and driving the need for innovation and improved customer experiences.

Technology continues to reshape consumer behaviour and business operating models. V-Guard is focussed on building capabilities to address the levers around digital consumer, digital channel, digital product, and digital enterprise.

India is witnessing a significant shift in shopper behaviour, with a notable rise in the popularity of e-commerce. The convenience and accessibility offered by online platforms have transformed the way people shop, enabling them to browse and purchase a wide range of products from the comfort of their homes.

Another noteworthy trend in India is the demographic shift towards a burgeoning middle and affluent class. On the back of rising incomes, this will lead to a significant growth in the demand for premium products.

Growth through innovation and premiumisation requires a significant upshift in manufacturing capability. Increased formalisation of the market through GST and the government's impetus on domestic manufacturing lay the ground for achieving competitiveness through manufacturing.

In preparing for the future, we have proactively enhanced our capabilities across various dimensions of business to align with the growing aspirations of the discerning consumer and the evolving market dynamics.

Work is underway in putting together a consumer insights framework which will define a process that will feed in very early into the product development cycle mapping consumer aspirations and thereby creating the right product proposition reducing the risk to market as well as building relevant, differentiated products that will not only create preference for our portfolio but also help build an aspirational brand.

On the product side apart from building our portfolio of products with a differentiated value proposition, we are continuing to invest in enhancing capabilities in the IoT space in alignment with the rising trend of smart and connected homes.

We are also progressively increasing our inhouse manufacturing which will enable us with differentiated product offerings, cost competitiveness, faster time to market and align with the overarching objective of "Make in India".

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Our R&D facilities continue to serve as catalysts for product development by fostering innovation and technological advancement. Work is underway in building an innovation campus which will be the crucible of new thinking, that will propel the growth story of the brand. This facility housed in Kochi will be spread over a 1,50,000 sqft campus to be built in two phases.

We have also invested in an industry leading Product Life-Cycle Management (PLM) solution that is progressing well, and would be a key system for managing the product development activities.

We are actively looking at inorganic opportunities to aid our strategy with respect to categories we have entered recently. We successfully concluded the acquisition of a well known kitchen brand Sunflame and the merger of Simon India operations during the year. The Sunflame acquisition will open up new avenues for growth and innovation in the kitchen appliances category. The merger with Simon India will provide a platform to scale up our modular switches business leveraging Simon's manufacturing expertise and the ability to address the premium and specifier segments of the market. During the year, we also completed the acquisition of the remaining shareholding in Guts Electro-Mech Ltd to make it a wholly-owned subsidiary. These mergers and acquisitions are a perfect strategic fit for V-Guard and offer many synergistic benefits, which will pave the way for the Company's sustained growth.

> In sync with the evolving consumption habits of Indian consumers, V-Guard has amplified its digital investments, embracing a diverse range of digital marketing and promotional measures to expand customer outreach and retention. We are also progressively getting transformed from a 'sell-in' to a 'sell out' organisation.

On the front end, V-Guard continues to adapt its capabilities to cater to the evolving channels and consumers. We are placing technology at the core of our marketing strategy and Go-to-Market organisation. In sync with the evolving consumption habits of Indian consumers, V-Guard has amplified its digital investments, embracing a diverse range of digital marketing and promotional measures to expand customer outreach and retention. We are also progressively getting transformed from a 'sell-in' to a 'sell out' organisation.

We continue to focus on social value creation through initiatives that enhance workforce engagement and interventions that facilitate a safe & healthy working environment and provide for equal opportunities. Through our CSR (Corporate Social Responsibility) initiatives, we are devoted to fostering a climate that supports the inclusive development of the communities in which we operate. The Company's initiatives were focussed on Healthcare, Education and Skill Development and Promoting Environment Conservation as an imperative for India's sustainable development.

At V-Guard, we view our vision as more than just a strategic objective; it also serves as the guiding principle that motivates each member of our team. We firmly believe that our employees' passion is what allows us to accomplish our objectives, especially in a challenging macro climate. Going forward, we are confident that V-Guard will continue to be firmly on track with its plans for sustainable growth given our continued and focussed investments in enhancing our resources, capabilities, and competencies. We have a significant competitive advantage due to our capacity to comprehend the constantly changing demands and goals of our customers and the enduring strengths that enable us to effectively address the same. We think it will motivate us to press ahead with vigour in our quest to give our stakeholders accretive value. I am pleased to let you know that the Board of Directors has recommended a final dividend of ₹ 1.30 per equity share of face value ₹ 1/- continuing our consistent track record of dividend payout.

I would like to take a moment here to thank all our employees for their steadfast trust in the organisation and their continued support to our growth plans and actions. I would also like to express my gratitude to our consumers, partners, suppliers, shareholders, investors and other stakeholders. A special note of mention to my fellow Directors for their guidance and support which has enabled V-Guard to successfully navigate the various challenges to deliver on our ambitious goals and promises. Together, we shall continue to chart new horizons of progress, enabling our collective growth and development.

Best Regards,

Cherian N. Punnoose
Chairman

MESSAGE FROM THE **MANAGING DIRECTOR**

> The growth was driven by Electronics and Consumer Durables segments which grew by 21.9% and 20% respectively. We are convinced that V-Guard will soon begin to reap the rewards of operating leverage in this business as the Consumer Durables segment achieves considerable scale in the top line. Another significant contributor in the overall growth, the Electricals segment also delivered a double-digit year-over-year growth, at 11%.

Dear Shareholders

I am pleased to write to you at the end of an exciting year for V-Guard, which continues to scale new frontiers of business growth and expansion. We remained undeterred by the market challenges and stayed on course with our promise to deliver on our ambitious goals. Our growth trajectory during the year was guided by the addition of new capacities, new product innovations, technological advancements, emerging channel play, expansion of the distribution network, driven by the strong commitment and passion of our employees.

V-Guard's consolidated net revenues increased by about 18% year-over-year in FY23, reaching 4,126 crore. Even with the revenues from the recently acquired Sunflame business excluded, the year-over-year growth was an impressive 16.3%, significantly higher than the 11.9% CAGR over the FY19 to FY23 period.

Our business in the Southern markets expanded by 9% over the prior fiscal year, compared to 26.4% growth in the Non-South markets. The fact that the business has a diversified revenue base and that the contribution from Non-South markets has exceeded 45% is what makes this growth noteworthy. Our Non-South business is now a significant revenue contributor which is a healthy sign, as it de-risks the company from being over indexed in a single geography.

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FY23 also witnessed margin pressures due to inflation and surge in commodity prices across segments. With commodity prices stabilising lower than their all-time highs, we anticipate gross margin moving back towards pre-covid levels progressively from Q1 FY24.

Consumption behaviour in India has been undergoing significant changes in recent years. Several factors have contributed to this shift, including economic growth, urbanisation, technological advancements, and evolving social and cultural dynamics. There are some key trends that are emerging to the forefront.

"With the widespread availability of affordable internet access, Indians are consuming a significant amount of digital content. Streaming platforms, online gaming, and social media have become popular forms of entertainment, influencing consumer behaviour and marketing strategies. We are actively investing in customer acquisition strategies, leveraging data analytics and targeted marketing campaigns to connect with the digital savvy consumer.

We are witnessing a shift towards organised retail and e-commerce across product categories that were traditionally led by the General Trade channel. Consumers are increasingly preferring the convenience and wide range offered by organised retail. E-Commerce has witnessed an exponential growth led by competitive prices and changing shopping habits. This shift has been aided by the rise of digital payments and increased penetration of smartphones. E-commerce being a key growth driver, we are continuing to make strategic investments towards enhancing capabilities to achieve profitable growth in this channel. We have registered > 50% CAGR over FY 2021-23 in E-Commerce. Efforts are also underway towards strengthening our Modern Retail presence with the right assortment of products and appropriate commercial operating model.

With growing aspirations and rising income levels, there is an increasing demand for premium products which are expected to have a significantly larger share of the overall market. Consumers are willing to pay more for higher quality, branded products, and personalised experiences. Our new product pipeline is focussed to developing offerings to address the growing opportunity in the premium segment.

With the widespread availability of affordable internet access, Indians are consuming a significant amount of digital content. Streaming platforms, online gaming and social media have become popular forms of entertainment, influencing consumer behaviour and marketing strategies. We are actively investing in customer acquisition strategies, leveraging data analytics and targeted marketing campaigns to connect with the digital savvy consumer.

There is a rising awareness among Indian consumers about environmental sustainability and ethical practices. Consumers are increasingly seeking out eco-friendly and socially responsible products. Brands that prioritise sustainability and transparency are expected to become stronger. As a responsible corporate citizen we are steadfastly committed to protecting the environment, contributing to the welfare of communities around us and ensuring high standards of governance in the way we conduct business.

We have introduced initiatives like increasing the life of our products, reduction of plastics from our packaging etc. to reduce our carbon footprint. In addition to existing renewable energy products (solar heaters and solar inverters) we intend to introduce more green products in the future. We have been utilising wind energy in parts of our operation since over a decade and efforts are underway to increase the use of renewable energy for our manufacturing facilities.

We are embarking on a formal ESG programme with an intent to embed sustainability as a core component of our business agenda. In the coming years, we will further enhance our sustainability performance by prioritising key areas such as decarbonisation, sustainable packaging, health & safety and creation of inclusive and progressive work spaces and communities.

As we stride ahead into the future we believe that the high consumer involvement categories (consumer durables, including kitchen) and our other recent entries - Switches and Switchgears - will drive the growth story. We have made a strategic acquisition of Sunflame, one of India's leading kitchen brands which will help us create a strong kitchen franchise with a national footprint.

Another significant development during the year was the merger of Simon India with V-Guard, a strategic investment in the profitable modular switches business that will complement our existing switches business and drive category expansion.

During the year, we also completed the 100% acquisition of Guts Electro-Mech which will add impetus to the switchgear portfolio enabling us to be a strong contender in the category.

Apart from the M&A's, we are investing in manufacturing capability as a key enabler of our growth strategy. There has been a significant shift from outsourcing to inhouse manufacturing. This will help in enhancing our cost competitiveness, provide better speed to market, drive product quality and innovation besides reducing dependence on imports.

As part of this plan, we have recently commissioned state-of-the-art plants at Roorkee (Ceiling Fans) and Pantnagar (Stabilizers & Inverters) Three more plants for Kitchen appliances, Batteries and TPW fans are underway.

With the help of our passionate and committed people, a strong digital push, an expansion of our distribution and marketing capabilities, and new product innovations created to meet the needs of modern consumers, we are confident about scaling the next stage of our growth. Going forward, I have no doubt that V-Guard will achieve higher levels of performance and continue creating value for our consumers, shareholders and employees. Before I finish, I would like to thank each one of you for your continued support, belief in V-Guard, and contribution to our evolution as the preferred brand for our discerning consumers.

Warm regards,

Mithun K Chittilappilly
Managing Director

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INNOVATING TO DRIVE **OUR AMBITIOUS FUTURISTIC JOURNEY**

The V-Guard value proposition is rooted in its strong innovation focus. We remain committed to pioneering new products designed to meet the evolving aspirations of the consumers. With our finger on the consumer pulse, and our deep-rooted understanding of their transforming needs, we continue to invest in the development of products that resonate with their expectations and aspirations.

Our innovation journey is driven by our brand promise of 'Bring home a better tomorrow'. Our product solutions are crafted to enrich the lives of the consumers and connecting with their desire for a better life. Our efforts are geared towards understanding consumer aspirations, driving innovative products enabling us to be a preferred choice of consumers across the country.

During FY23, we worked on more than 50 different projects across Tech Innovation and Design Innovation. At the same time, we have built a strong pipeline for future projects as well.

Fan factory at Roorkee, Uttarakhand


ASSEMBLY
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PASSIONATE ABOUT ENSURING **MANUFACTURING EXCELLENCE**

Fostering a passion towards Manufacturing Excellence (ME)

V-Guard's strategic shift towards own manufacturing is aimed at enhancing business competitiveness by enabling consumer relevant product differentiation, superior quality, faster innovation and lower costs. We are supporting the manufacturing footprint expansion across categories and geographies with a unified **"One V-Guard"** operating system that is also laying the base for digitising the manufacturing value chain. The Manufacturing Excellence programme supports this journey by enhancing organisational maturity across the value chain, enabling V-Guard to become more lean and agile.

We have moved from strength to strength with the adoption of industry-best practices, employee engagement initiatives, and the establishment of a culture of continuous improvement across all spheres of our operations.

> "The ME programme is driven through a Global Excellence Framework, to establish a culture of continuous improvement in our journey towards building World-Class Manufacturing systems. It also serves as a framework to synergise and integrate the newer manufacturing facilities from our acquisitions towards a common operating system."

STATE-OF-THE-ART FACILITIES

We have, over the years, expanded our manufacturing footprint across India. All our plants constantly focus on technological upgradation with the latest equipment and reliable processes that enable us to deliver consistently across all our businesses.

Fan factory at Roorkee, Uttarakhand

RAISING THE BAR ON MANUFACTURING EXCELLENCE

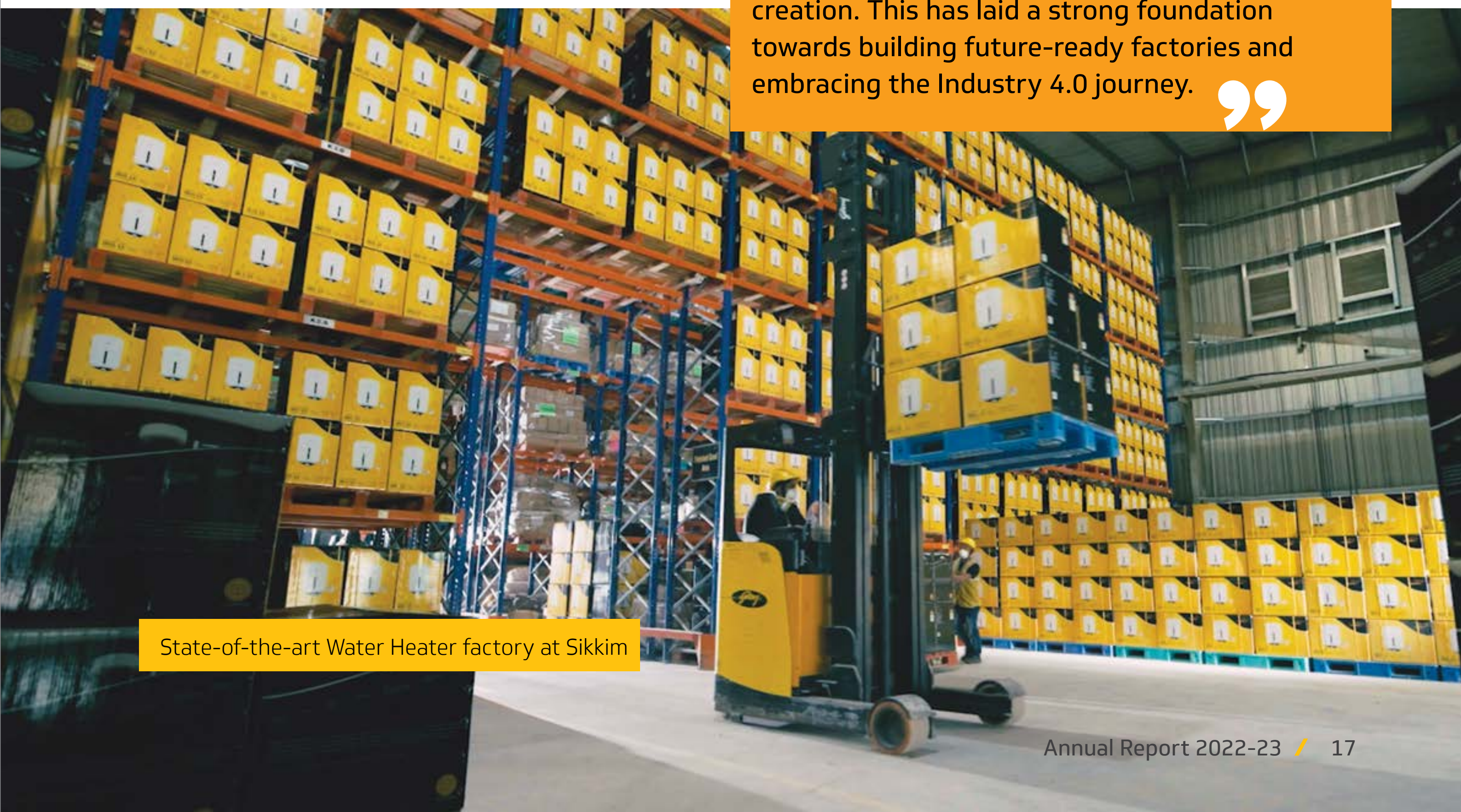
The Manufacturing Excellence programme supports the expansion of the manufacturing landscape across product categories through a comprehensive framework that encompasses all the functions of the organisation and drives continuous improvement. The framework is externally benchmarked across comparable industries and is also designed to drive internal competition across our different manufacturing units. It is thereby designed to constantly challenge the status quo in manufacturing systems and processes within V-Guard. The V-Guard Manufacturing Excellence framework has the core elements of Lean, TPM, TQM and principles of other globally renowned models and aims to raise the manufacturing standards at V-Guard to a World-Class level. The V-Guard Manufacturing Excellence Assessments driven by this framework enable standardisation and institutionalise the learning and adoption of best practices across manufacturing and support functions.

As we forge ahead in our growth, the ME programme builds a One V-Guard manufacturing philosophy and binds all core and support functions together towards a cohesive unit, enabling effectiveness and efficiency.

IMPACT OF THE ME PROGRAMME

The Manufacturing Excellence programme at V-Guard enables our business leaders take better decisions, fosters employee engagement and sustains commitment towards a culture of continuous improvement. Our internal competencies in problem-solving and process improvement are enhanced and lead us towards building a competent value chain. Value creation initiatives that support cost competitiveness and robustness in product quality form the cornerstone of the benefits through various engagement initiatives under the ME umbrella.

> “The ME programme embodies the philosophy of partnering V-Guard’s growth with a strong outreach and impact towards value creation. This has laid a strong foundation towards building future-ready factories and embracing the Industry 4.0 journey.”



State-of-the-art Water Heater factory at Sikkim

MARCHING TOWARDS A CONNECTED ENTERPRISE

V-Guard has always adopted a prudent approach towards our vision of a digital and connected enterprise as we embrace the cyber-physical world of Industry 4.0. Digitisation initiatives in the organisation are focussed on value creation and enabling efficient and reliable operations. Over the last decade, we have focussed on establishing a digital environment that is driven from our core value of customer centricity.

As many of our manufacturing units have been recently set up or have been acquired through M&As, the ME programme is foundational to standardise and harmonise manufacturing systems in preparation for Industry 4.0 adoption. We have taken an "Outside-in" approach to manufacturing digitisation as we connect our factories with the business value chain. This approach prioritises areas with maximum value chain potential starting with the extended supply side activities like New Product Development, Central Planning, Sourcing, Logistics, Vendor Management, Quality, EHS and Customer Support. We are now well placed to shift our focus towards preparing a roadmap for digitisation of plant operations to have complete digital visibility and control on the entire value chain.

Some key highlights of our digital landscape:

- Integrated digital supply chain implantation with focus on improved forecast accuracy and profitability-oriented central planning processes.
- Extended digital outreach to our vendors through the Vendor Connect portal for faster response and improved visibility.
- Implementation of a robust PLM that enables us to control our Time to Market and improve our Speed to Market for our new products.
- Product traceability initiative through our value chain with the adoption of appropriate AIDC technologies in our operations.
- Online MRP printing to enhance efficiency, speed, and agility in price change deployment, besides a single point of control.
- Digital Quality management systems across product development and manufacturing/sourcing value chain.
- Digitisation of EHS and Compliance management.

Total Employee Involvement

V-Guard has always recognised the role and value that each individual brings to the organisation through structured engagement initiatives coupled with an established rewards and recognition programme. This fosters a people-oriented culture of ownership and inclusiveness which is integral to our success. Employee involvement is promoted through programmes that encourage participation through six sigma projects, suggestion schemes, kaizen events, value engineering efforts, cost avoidance and safety practices.

Our employees are motivated to challenge themselves through industry benchmarking with 22 teams participating in various national-level manufacturing conclaves (NCQC) last year. Our teams from Wires and Cables, Solar Water Heaters and Electronics factories won top awards in the International Quality Competition (ICQC - Indonesia).

> "Over the years, these programmes have had a two-pronged benefit. For employees, it has been a catalyst to enhancing individual confidence as they participate in local, national, and international platforms and the organisation is able to harness the combined intelligence and experience of the workforce to drive efficiency and cost improvement."

ENSURING HIGH LEVELS OF SAFETY & EMBRACING SUSTAINABILITY

The EHS framework at V-Guard enforces a purposeful involvement of personnel in building the culture of safety and ZERO-HARM across all spheres of our operations. Various behavioural change programmes complemented by sound processes and systems nurture sensitivity towards EHS amongst the workforce. The drive to harness green energy has been embraced by most of our manufacturing units through installations and partnerships. We continue to prioritise our focus towards adopting extended producer responsibility in line with mandate and social responsibility.

> "Our digitised EHS performance management system holistically maps the status of leading & lagging indicators and also drives healthy benchmarking amongst our units through the EHS Excellence awards."

Some highlights of the year are given below:

- Projects to reduce specific water consumption and implementation of rainwater harvesting systems are aligned towards our vision of water neutrality in the near future.
- Carbon Footprint reduction by utilising green energy through our current installed solar and wind power capacity of 3 MW and expected commissioning of another 2 MW during FY24.
- Stabilising our EHS digitisation and workflow management system to capture EHS leading and lagging indicators and tracking closures of EHS observations with automated escalation matrix.
- Our wires and cables division factories were recommended by BSI for the Energy Management System (ISO 50001).

DELIVERING ON OUR **AMBITIOUS ETHOS**

We have a structured framework to manage quality levels across all the different pillars of the organisation – from design pillar to Source Pillar, Produce Pillar and Service Pillar.

Source Pillar

Our standard framework for overall vendor quality management includes on-boarding of new suppliers and development of existing ones. Monitoring of vendor performance and improving the same through a defined engagement plan is a key facet of this framework. We are also deeply engaging with our extended partners through initiatives such as Capability Development, Quality week celebrations, Rewards & recognitions, etc., resulting in substantial improvements in vendor maturity levels and product quality levels.

~450+

QUALITY IMPROVEMENT PROJECTS COMPLETED BY FG AND RM SUPPLIERS DURING FY23

Produce Pillar

To drive standardisation across our pan India manufacturing facilities, our Quality team focusses on assurance of the product/part performance from the stage of the raw material entry to the outgoing finished good. During FY23, significant enhancements in process capability and plant maturity levels were visible as a result of quarterly plant assessments carried out by our Quality Excellence Team.

160+

QUALITY IMPROVEMENT PROJECTS CLOSED IN FY23

Service Pillar

Our Quality team conducts customer satisfaction analysis on a monthly basis to collect customer feedback, and accordingly drive the improvement projects. 50+ Six Sigma Green Belt certified professionals are driving excellence activities across V-Guard.

COST OF POOR QUALITY (COPQ) IMPROVED BY

10%

OVER FY22

PASSIONATE ABOUT THE **V-GUARD BRAND**

FY23 witnessed V-Guard carry out a host of product specific communication campaigns, carefully tailored, keeping in mind our business maturity, geographical spread, seasonality, competition intensity and consumer preference. These campaigns aimed at fortifying our brand proposition made a significant impact spanning all relevant consumer touchpoints.

"During the year, we complemented our brand awareness / visibility initiatives with trade and in-store consumer engagement. We leveraged a variety of mediums and channels to reach our target audience and build brand salience, resulting in strong engagement and significant impressions across our product categories."

Traditional Media: Recognising the cost-effective reach and substantial impact of television, V-Guard continued to invest strategically in traditional media with its lead medium television. Leading the way, was an all-new TVC campaign launched for our priority category, water heaters. This campaign was meticulously crafted based on comprehensive consumer research, allowing us to connect deeply with our target audience. Spanning across all leading News and GEC channels, the pan-India campaign was launched during the key category season in November 2022. Furthermore, regional TVCs and laptop branding in news channels were employed to support other vital product categories such as Stabilizers, Kitchen appliances, Wires, Pumps, and Fans, aligning with business objectives and seasonal demand.

Retail Activation: In-store communication plays a pivotal role in driving last-mile buying, and the brand continued building its retail play increasing its visibility at stores. Throughout the year, we provided POS displays for all product categories. Notably, special efforts were made to bolster two critical focus categories, Fans and Water Heaters, with impactful product displays at around 10,000 counters. Additionally, Festival marketing was leveraged to bolster the retail visibility during festive occasions like Durga Puja, Onam, and Diwali, capitalising on the heavy footfall experienced in stores during these celebrations.

Digital Marketing: Adapting to the evolving consumption habits of Indian consumers, V-Guard significantly amplified its digital investments, embracing a diverse range of digital marketing and promotional measures to expand customer outreach and retention. A key initiative was influencer marketing, where we collaborated with a diverse array of influencers from various backgrounds to create engaging content pieces. By partnering with celebrities, industry experts, and social media influencers, we successfully disseminated our brand message

across popular social channels, including Instagram and YouTube, resulting in an impressive engagement of over 9 million users. Moreover, our digital strategy encompassed leveraging social media platforms, news portals, and precision targeting through search, social media, and OTT to build awareness and engage with in-market audiences effectively. The extensive use of WhatsApp facilitated seamless communication with our trade partners and business influencers. Furthermore, we continued to invest in creating high-quality content at scale, supporting various categories on social media platforms such as Facebook, Instagram, and WhatsApp. Engaging videos, captivating graphics, and informative posts not only enhanced brand visibility but also provided valuable insights to our customers.

These initiatives collectively propelled V-Guard's marketing efforts in FY23, enabling us to establish a strong presence, deepen consumer connections, and drive impactful business growth.

360-Degree Marketing Support

50,000+
TV SPOTS PAN-INDIA TO SUPPORT WIRES, WATER HEATERS, AIR COOLER, TV STABILIZER, KITCHEN APPLIANCES.

300MN+
IMPRESSIONS VIA DIGITAL CAMPAIGNS ACROSS SOCIAL MEDIA, OTT AND NEWS PORTALS.

PR COVERAGE BY
490+
PUBLISHERS IN PRINT & ELECTRONIC COVERING OUR LAUNCHES, FINANCIAL RESULTS AND ACQUISITIONS.

9,700+
COUNTERS COVERED WITH IMPACTFUL RETAIL BRANDING.

AMBITIOUS PLANS TO REINFORCE THE V-GUARD BRAND

Given the growing complexities of the consumer journey, we plan to implement a comprehensive and integrated media strategy that leverages both traditional and digital channels to ensure maximum reach and engagement, going forward.

- Our efforts will be centred around creating a seamless and consistent customer experience across all touchpoints, whether online or offline. This includes optimising our website and mobile app, improving our in-store experience, and providing exceptional customer service.
- We will also leverage technology and data analytics to gain deeper insights into customer behaviour and preferences, helping us create a further targeted and personalised marketing campaigns that resonate with our customers and drive stronger brand affinity.

Lighting up Diwali with an emotional digital film

Digital brand films have emerged as a key content for building our brand salience in the market. In FY23, we leveraged key festivals and occasions to build saliency, with brand films released not only on landmark days like New Years, but also on regional festival occasions like Durga Puja, Ganesh Chaturthi, Onam and Diwali to drive stronger brand affiliation in respective regional geographies.

To celebrate Diwali, we created a poignant film on our social and digital platforms. The film became an instant YouTube hit, gaining more than 1.3 million views in just a few days. The film celebrated the selfless and unconditional bond between loved and dear ones and was aligned with V-Guard's hallowed theme of "Bring home a better tomorrow".

CHANNELLING OUR AMBITIONS **TO ENHANCE REACH**

At V-Guard, we have progressively enhanced our ability to leverage our core strengths to drive our growth plans. We continue to make strategic investments in the areas that will help maximise our performance outcomes across our business segments. One such area is our marketing and sales capability, which we have been augmenting year-on-year through innovative initiatives.

BUILDING DEPTH ACROSS MARKETS AND CHANNELS

During FY23, we continued to work on a three-pronged approach:

- **Traditional Trade –** We continued to build secondary market coverage across all geographies, especially non-south. We continued to deploy more people on the ground for building our coverage (long arm salesperson). Consequently, our retail touchpoints have grown on par with our expectations.
- **Modern Trade –** We are on course of strengthening channel reach and product portfolio in MT & RSS – we have onboarded some significant Key Accounts this year and have introduced newer categories in the existing accounts. As a result, this channel delivered > 30% revenue growth in FY23. Further, we have onboarded talent across multiple streams, strengthened the sell-out capability including promoters, product training & secondary sales management. Going forward, we will continue to strengthen Key Account Management capabilities to drive structured and profitable growth in this channel.
- **E-commerce –** We have continued on our path to strengthen the direct commercial operating model, which is purely sell-out driven, with major e-commerce marketplaces. The model allows us to effectively nurture diverse segments and categories in addition to keeping control over pricing and discounts crucial to managing desired brand positioning, improving profitability, and minimising channel conflict.

PROGRESSING ON OUR SELL-OUT PROGRAMMES

We started building new-age sell-out systems a couple of years back and continue to work towards the same.

- **V-Guard Rishta Programme –** This multi-tier loyalty programme for electricians and plumbers offers wide-ranging benefits, from medical insurance to scholarships. We continue to expand our presence and see the loyalty becoming stronger. We now have more electricians and plumbers than ever associated with us, and we plan to continue our onboarding drive.
- **V-Guard Pragati Programme –** We have scaled up our comprehensive secondary sales tracking programme across all product categories. Since its launch, we have rolled out this programme across territories, and it now covers all our major partners across all geographies.
- **V-Guard VIP Programme –** This in-store programme is part of our efforts to build our capabilities in organised retail across the country. We have a sizeable presence of promoters working alongside our larger sales team. We have even upgraded our technology systems to support this big base of promoters.

FOCUSSED SALES ACCELERATING PROGRAMMES TO STEER FUTURE GROWTH

- Our sales acceleration project across Water Heaters and Fans business has enabled us to make significant progress across multiple sales efficiency levers – sales process, sales extraction and even sales force enablement. This has led to significant business growth in both product categories.
- We have adopted a sharp micro marketing strategy in the emerging product categories of Air Coolers, Solar Power Systems, Water Purifier & Breakfast Appliances and Switches. As a result, V-Guard has seen decent growth in business in these categories, which we are building as future growth engines for the Company.
- The launch of a new SKU 'Classo' was aimed at augmenting distribution for our wires in non-South business.

MOVING PASSIONATELY FORWARD IN THE DIGITAL AGE

At V-Guard, 'digital' is considered as one of the core levers in our Corporate Strategy and plans. V-Guard embarked upon an organisation-wide digital transformation as part of its Strategic Planning initiative several years back and developed a framework and roadmap for embracing 'digital' across the organisation and its activities. Since then, over the years, we continued our investments in building capability as well as capacity around all four key themes of our 'digital journey, viz. Digital Consumer, Digital Product, Digital Channel and Digital Enterprise:

1 DIGITAL CONSUMER

a. **Consumer acquisition:** We have been building robust systems and equipping our team with the necessary capabilities to acquire consumers in the digital landscape. Our concerted efforts have resulted in more than 2.8 million visits to our websites and an impressive count of 50,000+ business enquiries.

b. **Consumer engagement:** Embracing evolving consumer trends, we've prioritised influencer marketing, forging partnerships with influential personalities to amplify our brand message. Additionally, we've launched our own Instagram channel, enabling more personal engagement with our consumers. These proactive digital endeavours demonstrate our commitment to adapting to new-age tools and platforms, cultivating stronger consumer connections, and propelling our brand forward.

2 DIGITAL PRODUCT

V-Guard, being the pioneer in launching an IoT-enabled Electric Water Heaters in India in 2017-18 was always focussed on delivering digital products to its deserving consumers. We have been strengthening our R&D for building capability and capacity for Smart products for our wide portfolio of products. Our home inverters, solar rooftop systems, BLDC Fans and Water Heaters are testimony of the same.

3 DIGITAL CHANNEL

With our focus on leveraging the increasing e-commerce opportunity across our business segments, we have successfully onboarded almost all our current relevant product categories on the digital platform. We have also entered many new categories via the digital-first approach, which has helped us maintain significant growth rate over the last 5 years. Further, we are working proactively towards strengthening our market share in large-sized categories, such as Small & Large Kitchen appliances, Fans, Inverters, Water Heaters etc.

> "Our E-com revenue has shown significant growth at >50% CAGR during FY 2021-23. The contribution of e-commerce to the ECD (Electronics & Consumer Durables) business has gained traction over the years."

OPERATING MODEL

Our operating model is designed to address growth, profitability, and channel conflict while ensuring sustainability. We have implemented a comprehensive framework that allows us to adapt to market changes and capitalise on emerging opportunities. We are on course of strengthening e-com market share across focussed categories by expanding portfolio and enhancing market addressability across categories – this is likely to further strengthen in coming years backed by online shoppers' insights driven, exclusive & innovative product offerings.

a. Performance & Growth through E-commerce: Recognising the significant potential in e-commerce, we have identified relevant categories that can drive growth in this space. We have registered > 50% CAGR over FY 2021-23 in e-com despite moderated e-com growth rate of major categories especially in FY23. E-Com revenue contribution has now reached approx. 7% to our overall ECD (Electronics & Consumer Durable) business. Our digital-first categories such as Water Purifier & Kitchen remain on robust growth path and have been gaining good traction beyond South. Our acquisition in brand Sunflame has propelled us to emerge as a strong contender in the kitchen category, which has witnessed substantial traction in the e-commerce sector. By expanding our presence in such e-commerce relevant categories, we anticipate increased customer engagement and enhanced sales performance.

b. Digital Transformation: In today's digital landscape, we understand the importance of a strong digital presence. We are actively investing in customer acquisition strategies, leveraging data analytics and targeted marketing campaigns to expand our reach. Furthermore, we are enhancing our content management systems to provide engaging and informative experiences across digital platforms. By constantly innovating and staying competitive, we aim to enhance our brands digital visibility and grow our online customer base. Work is underway in launching our own 'brand.com' portal that will enable direct customer connect and support categories which are not marketplace focussed & requires differentiated solutions such as pre & post purchase support.

c. Capability Building: To sustain our growth and maintain a competitive edge, we are poised to deploy differentiated commercial operating models across verticals to fuel e-com business backed by commerce, digital customer acquisition, and digital brand building capabilities. Continuous strengthening of back-end capabilities such as Supply Chain including agile last-mile delivery, Prompt and Superior Customer Service, Innovative product development through internal and external alliances, localisation of sourcing and manufacturing value chain are going further help us gain competitiveness in e-com and enable us to become a significant player in this space.

In conclusion, we remain dedicated to driving growth, profitability, and sustainability through our operating model. With a strong focus on e-commerce relevant categories, enhanced consumer experiences, and digital transformation, we are confident in our ability to capture opportunities in the ever-expanding online market. By building our capabilities and staying at the forefront of industry trends, we are well-positioned to achieve continued success in the years ahead.

4 DIGITAL ENTERPRISE

Building an enterprise that is digitally-enabled has been a core theme in every transformation and strategic initiative at V-Guard. Our Supply Chain Planning process transformed to be a digitally-enabled process through implementation of 'Saddlepoint', a digital platform for end-to-end Supply Chain Planning. This is enabling better and faster planning, better deliveries and fulfilment, better productivity and optimised cost for the Supply Chain functions.

Falcon 2.0, our Finance transformation initiative also saw significant digitisation of various activities in Finance related to Financial Accounting and Reporting, MIS etc. Our enhanced QR code-based product tracking and tracing system continues to provide visibility of product movement across the value-chain and it demonstrates how 'digital enterprise' is enabling better business management, deeper insights and helping improved decision-making. It also enabled faster connected pricing refresh and printing systems in our factories. 'Neev', part of our Marketing Transformation programme, an initiative aimed at strengthening some of the fundamental pillars of sales and marketing functions are mostly 'hard-wired' through the digital solutions/platforms. Recruitment and employee onboarding has moved completely into a digital systems at V-Guard. Our multi-year initiative on enhancing our product-life cycle management (PLM) process is also getting digitised through the implementation of the PLM tool.

Keeping pace with the transforming business eco-system, V-Guard is continually expanding its e-commerce footprint to cater to the growing online consumer demand for quality products and services. Though we forayed actively into the e-commerce space only in the past few years, we have been quick to make our presence felt in this fast growing channel.

STRENGTHENING SUPPLY CHAIN TO **STEER GROWTH AMBITIONS**

Having identified our Supply Chain Management (SCM) function as a key growth driver, we continue to make strategic investments in strengthening the same during the year.

The key Supply Chain functions were further reinforced with world-class processes and salient technologies during the year.

CENTRAL PLANNING

Cognisant of the importance of improving the supply chain agility through digitisation in an increasingly complex business environment, our Central Planning Team institutionalised a digitised platform for the entire Supply Chain planning processes.

- The platform is built around AI & ML capabilities for carrying out end-to-end planning processes.
- It augments our ability to drive value benefits in the processes of Demand Planning, Supply Planning & Inventory Optimisation at a tactical level, while re-designing our Supply Chain Network at a strategic level.
- We have also implemented the MRP (Material Requirement Planning) process at our factories, where the Demand Plans drive the Production Plans, which in turn drive the material purchases.

Newly commissioned VCPL factory - at Pantnagar.

With our end-to-end Supply Chain now in complete harmony on the strength of its digitised set-up, we are poised to deliver stellar performance in the Supply Chain management area. We anticipate tangible improvement in our Operational Costs as well as in our Working Capital management. Now that our e-commerce and emerging channel portfolio is attaining critical mass, the digitisation is helping our Supply Chain to respond to the specific requirements of these channels in a more agile and nimble manner.

STRATEGIC SOURCING

We successfully navigated challenges posed by supply chain disruptions by undertaking timely initiatives including:

- Reducing dependence on imports and developing local alternatives
- Creation of strategic stock points to mitigate availability risks
- Enhanced focus also on cost control
- Alternate sourcing, group buying, etc.

SUPPLIER DEVELOPMENT

In the backdrop of increased sea freight rates, sensitive geo-political challenges, stricter regulatory compliances, and the transforming manufacturing eco-systems in India, our supplier development team took actions to move to domesticate production of major import-dependant categories in its portfolio.

- Categories in which we shifted to in-house manufacturing included TPW Fans, Induction Cook-tops and Breakfast Appliances.
- This enabled us to reduce import exposure by 30% compared to FY22.

HARNESSING THE PASSION OF **OUR PEOPLE**

Cognisant of the importance of our people to the realisation of our growth ambitions, we have identified Human Resource development as a vital area for sustained investment. Our focus in this area is on building capabilities, scaling efficiencies, ensuring wellbeing, and recognising excellence.

ON THE PATH OF PRAGATI

Pragati 2022 – Competency Development Workshop was launched for select individuals in mid-management level to help strengthen their competencies and groom them to take up leadership roles in the future. Individual Development programme is designed for such select employees, and addresses their development areas through on-the-job assignments, mentoring, etc. It seeks to augment the competencies and potential for growth of such individuals within the organisation.

PROVIDING TRAINING & DEVELOPMENT OPPORTUNITIES

We believe continuous upskilling and training of employees to be vital to the successful implementation of our strategic plans and for enabling business growth. During FY23, we conducted several learning and training programmes to align our people with the transforming market trends and changing consumer preferences.

- Sales Team enablement was undertaken with a combination of Cross Product Training, along with bespoke modules like Market & Product Intelligence plus Sales Planning & Execution.
- We continued our focussed ASP Technician Training and Engagement with over 60,000 manhours.
- A series of Skill and Competency based learning initiatives were launched across functions, such as Six Sigma Workshops, Business Simulation for select factory employees, SCM Workshop, among others.
- We launched Factory Competency Assessment Phase 2, covering employees across factories.
- We used our Learning Experience Platform to launch a host of Learning Modules, with over 2,466 active users for the year consuming over 56,846 Learning Items.

1,32,024
TOTAL TRAINING MANHOURS

36
MANHOURS PER PERSON (IN FY23)

OTHER HR INITIATIVES

- **46th Foundation Day Celebration** – This was held on February 2, 2023, around the theme of **'Lead, Transform, Grow.'** Chairman Emeritus Kochouseph Chittilappilly and Mithun K Chittilappilly, Managing Director attended the programme, which provided employees with the opportunity to interact with the leaders and hear from them on their vision for the Company. The **Mastermind contests**, curated under different categories like Product Innovation, Process innovation, Technology Innovation and Other Best Practices, helped employees explore their innovative side by working in groups to win prizes. Other contests like Crossword and VG Factor were also conducted to engage employees across all locations.
- **Long Service Awardees:** Employees who were associated with V-Guard for more than 25 years were felicitated on Foundation Day.
- **Festivals & Special Days** - Various other celebrations and contests were conducted during the year to mark the festive occasions of Diwali, Onam, Christmas, as well as the International Women's Day.
- **Knowledge building (Vigyan) Sessions** – These provided opportunities for employees to learn about Personal Financial Planning in detail through informative sessions, where experts were brought in to talk to and interact with employees.

BEING PASSIONATE ABOUT **THE SOCIETY**

Our commitment and passion towards the communities around which we operate is uncompromising. We have in place a well-articulated Corporate Social Responsibility (CSR) agenda, which we continued to pursue diligently and dedicatedly during FY23.

25,000

LIVES TOUCHED IN 20 STATES ACROSS INDIA IN FY23

Among the key CSR programmes undertaken by V-Guard during the year were:

'PROJECT SUNO'

With 291 persons per one lakh population suffering from severe to profound hearing loss (NSSO, 2001), we have identified hearing support as an important initiative of our CSR outreach. Through Project Suno, we conduct a free Ear Screening Camp and provide hearing assistive devices to needy people in Uttar Pradesh (Kasingaj), Madhya Pradesh (Khargone, Ujjain and Indore), Telangana (Hyderabad) and Kerala. During FY23, we screened more than 15,000 people, of whom 80% were children in the 0-14 age group.

NAVDARSHAN – ODISHA

Navdharshan Project aims to enhance the quality of life of special needs children by providing quality school education, therapeutic support and vocational training. In FY23, we launched the project in Odisha after running it successfully for three years, from 2017, in Kerala, where it benefited more than 1,200 children. In Odisha, we have implemented the project in 12 special schools located in Cuttack, Khurda, Puri and Nayagarh districts.

COMMUNITY-BASED REHABILITATION PROJECT

Persons with Disabilities have difficulty accessing health and rehabilitation services due to their poor mobility condition. Through this project, implemented in Andhra Pradesh, we are supporting children by providing disability aids and appliances, corrective surgeries, and mobile devices to improve accessibility and quality of life.

PROJECT TARANG

Project TARANG is a residential skill development programme that provides classroom training and on-the-job training to unemployed youth in the electrical and electro-mechanical sector. The programme provides 30 days of classroom training and 30 days of job training to such youth, who are given an NSDC certificate and helps them with job placement.

500

STUDENTS TRAINED THROUGH PROJECT TARANG IN 4 YEARS

Extending healthcare support

Free cleft reconstructive surgery

We provided free cleft reconstructive surgery to poor children associated with an NGO 'Smile Train', in Delhi.

Support to govt. hospitals and health centers

V-Guard supported 7 government hospitals and health centers by providing medical equipment, accessories, wheelchairs.

Ambulance & home care vehicle to palliative care and non-profit organisations

We provided an ambulance to Kannadi Grama Panchayat, Pallium India Palliative Care; Primary Health Care Center - Adargunchi, Karnataka, and Central Young Mizo Association, Mizoram.

Relief kits to flood-affected families in Odisha

As part of our disaster relief activities, we provided food kits to 1,100 flood-hit families in Odisha.

GOVERNMENT SCHOOL SUPPORT PROJECT

Through this project, we supported 30 government schools across the country during FY23 with construction of classrooms, toilets and lunch sheds. We provided these schools with benches, desks, chairs, smart classrooms, green boards, libraries, etc. The project is aimed at fulfilling the Right to Education Act's mandate for schools to provide nine basic facilities to students, such as drinking water, toilet facilities for girls and boys, etc. According to surveys, a mere 4.8% schools are providing all nine amenities to their students, and we are striving to fill the gap through this project.

RURAL DRINKING WATER PROJECT

The project seeks to support the local government in digging wells, constructing water tanks, installing water purifiers and Water ATMs, etc. to provide villagers with access to safe drinking water. We had undertaken projects in Ettimadai Panchayat in Tamil Nadu, Bagawanpur Panchayat area of Uttarakhand and Chowdapura Gram Panchayat, Karnataka, to provide drinking water to local people in the vicinity and benefiting around 700-900 families.

EMPLOYEE PARTICIPATION IN CSR

V-Guard employees across the country participated in the CSR activities during the year. The employees participated as volunteers, organisers or supervisors in various projects undertaken by the Company.

"Our developmental and welfare initiatives directly address the needs of people and benefit communities which ultimately determines the sustainability of our continued progress. During FY23, our activities were focussed more on children, with 60% of the total beneficiaries being children. We believe that by investing in the health, education and wellbeing of children, we are contributing to the long-term sustainability of the communities."

RECOGNISED FOR **OUR PASSION**

Sri Kochouseph Chittilappilly honoured with the prestigious “Kerala Sree Award”

V-Guard Industries Ltd. wins Best Green Office award

WCD Kashipur bags the Silver Medallion and SWH Perundurai bags the Commendation Certificate in the prestigious IMexl Awards.

The Solar Water Heater, Perundurai receives the GOLD Award at International Convention of QC Circle 2022, Jakarta - Indonesia.

Kashipur facility receives the prestigious JUSE (UNION OF JAPANESE SCIENTISTS & ENGINEERS) Re-Certification for 5S Workplace Management System

V-Guard awarded “BEST PLACE TO WORK IN INDIA” for the second time

V-Guard wins at the e4m Pride of India Brands

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

Mr. Ishwar Subramanian
Director

Executive Directors

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director &
Chief Operating Officer

Mr. Antony Sebastian K
Executive 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. Antony Sebastian K
Executive Director

Mr. C J George
Independent Director

Mr. Ullas K Kamath
Independent Director

Ms. Radha Unni
Independent Director

Mr. George Muthoot Jacob
Independent Director

Prof. Biju Varkkey
Independent Director

Mr. Ishwar Subramanian
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

Nomination and Remuneration Committee

Prof. Biju Varkkey
Chairman

Mr. Cherian N Punnoose
Member

Mr. C J George
Member

Mr. Ullas K Kamath
Member

Ms. Radha Unni
Member

Stakeholders' Relationship Committee

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Member

Mr. C J George
Member

Mr. George Muthoot Jacob
Member

Prof. Biju Varkkey
Member

Corporate Social Responsibility Committee

Mr. Mithun K Chittilappilly
Chairman

Mr. Cherian N Punnoose
Member

Mr. George Muthoot Jacob
Member

Risk Management Committee

Mr. Ullas K Kamath
Chairman

Mr. Mithun K Chittilappilly
Member

Mr. Ramachandran V
Member

Mr. Sudarshan Kasturi
Member

CHIEF FINANCIAL OFFICER

Mr. Sudarshan Kasturi

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vikas Kumar Tak

STATUTORY AUDITORS

M/s. Price Waterhouse
Chartered Accountants LLP

LISTED AT

National Stock Exchange of India Limited

BSE Limited

REGISTERED OFFICE

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Behind Senthil Nagar,
Sowripalayam Road
Coimbatore – 641028
Phone: 0422-2314792
Email: coimbatore@linkintime.co.in

SUBSIDIARIES

GUTS Electro-Mech Limited

V-Guard Consumer Products Limited

Sunflame Enterprises Private Limited

BANKERS

HDFC Bank Ltd.

ICICI Bank Ltd.

Federal Bank Ltd.

Yes Bank Ltd.

State Bank of India

CITI Bank

HSBC Bank

Kotak Mahindra Bank Ltd.

PLANT LOCATIONS

Wires & Cable Division

- KG Chavadi, Palakkad Main Road,
  Coimbatore – 641105
- 6th KM Stone, Moradabad Road,
  Khasra No. 86, Village Basai,
  Udham Singh Nagar,
  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. 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

Modular Switches

- Plot No. 26, Sector 4, IIE SIDCUL,
  Haridwar-249403, Uttarakhand, India

PLANT LOCATIONS (SUBSIDIARIES)

GUTS Electro-Mech Limited

- 163/C & 164/E, IDA, Phase - 11,
  Cherlapally, Hyderabad – 500051
- Plot No. 2, Sector 3A, SIDCUL,
  Haridwar, Uttarakhand 249410

V-Guard Consumer Products Limited

- Plot No. 1, 2, 27 and 28, Sector - 05,
  IIE, SIDCUL, Pantnagar,
  Udham Singh Nagar,
  Uttarakhand, 263153

Sunflame Enterprises Private Limited

- Plot No. - 618, Sector - 69,
  IMT Industrial Area,
  Faridabad, Haryana-121004

Management Discussion & Analysis

1. Economic Review & Outlook

The ebbing of the COVID-19 pandemic has allowed nations and their economies to recover and stabilise after the significant setbacks witnessed from 2020 to early 2022. This was, however, dampened by the onset of the Russia-Ukraine conflict that started in February 2022, which had a significant impact on Europe. The war in Ukraine caused a substantial energy shock as the European-Russian hydrocarbon relationship ended when Russia invaded Ukraine, resulting in disruption of gas supply to Europe. The supply gap is now being filled by liquified natural gas (LNG) from the United States and Europe is pursuing strategies to reduce its dependence on Russian gas, including demand reduction, increased efficiencies, renewables, LNG and other pipelines. The Russia-Ukraine war coming immediately after Covid pandemic led to deceleration of economic growth in 2022 and is expected to further impede growth in 2023.

Furthermore, in December 2022, the resurgence of COVID-19 in China had adverse effects on the global economy, causing supply chain disruptions, delays and increased costs for businesses. China's recent reopening facilitated a recovery thereafter.

Global inflation rose in 2022. According to the International Monetary Fund (IMF), January 2023 report, these pressures have peaked and are expected to decline in the coming years. About 84% of the countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Specifically, the global inflation rate is expected to decrease from 8.8% in 2022 (annual average) to 6.6% in 2023 and 4.3% in 2024. Despite this, the rates remain higher than the pre-pandemic levels of 3.5% observed from 2017-19. Globally, reduction in inflation is expected due to weakened demand for commodities, leading to lower prices and monetary policy tightening impacting core inflation. Amidst the pandemic and war, inflation has posed challenges for policymakers and businesses globally.

In FY23, the Indian economy faced challenges due to the Russian-Ukraine conflict causing a sharp rise in commodity prices. Although there were concerns about potential supply chain disruptions, the impact was not as severe as anticipated. However, the increased prices and potential scarcity of essential commodities could have slowed down recovery from FY22. Despite these challenges, the overall economy stayed resilient.

According to the IMF report, January 2023, India's GDP growth will remain in 6-7% range between FY23 and FY25, with resilient domestic demand despite external headwinds, making India one of the fastest growing major economies in the world.

In FY23, India had a good monsoon with higher reservoir levels than the previous year and 10-year average. Inflation remained below 6% and consumer prices rose slowly. The Government of India and Central Bank took steps to control rising prices, with the retail inflation rate peaking at 7.8% in April 2022. However, India had one of the lowest rates of inflation above the target range globally.

Exports increased by 16% YoY in April-December 2022 driven by strong performance in petroleum products, gems & jewellery, chemicals, and pharmaceuticals. To improve resilience of the external sector, export promotion measures are being implemented and the National Logistics Policy aims to reduce the cost of internal logistics. The latest Free Trade Agreements with UAE and Australia creates opportunities for exports at concessional tariff. The Government aims to create an export-friendly ecosystem over time.

Revived economic activity contributed to increased imports, including petroleum, electronic goods, and machinery. Efforts are underway to reduce certain imports in the future and promote the use of the Indian Rupee for international trade settlements. Despite high oil prices raising import bills and expanding merchandise trade deficits, concerns about the current account deficit and its financing have reduced. The foreign exchange reserve levels are comfortable and external debt is low.

2. Sector Overview

The Indian consumer durables market has garnered attention of global marketers with 100% FDI allowed in the electronics hardware-manufacturing. Although the market share in this industry is shifting from unorganised to organised sectors, approximately 30% of the total market remains unorganised, indicating a significant opportunity for Indian players to expand their market share. With growing consumer awareness about technological advances and their applications in various sectors, artificial intelligence and manufacturing automation are expected to be critical future trends in the Indian Consumer Durables market. Industry 4.0 is likely to encourage investments in research and development, technology infrastructure and manufacturing processes, which will ultimately enhance production efficiency in this industry. Between April 2000-June 2022, electronic goods attracted FDI inflows of US$ 3.68 billion. (IBEF: Consumer Durables, November 2022)

In recent years, Indian consumers have shown a strong inclination towards premium consumer durables products, particularly in urban areas. This trend has resulted in a shift from traditional products to more technologically advanced products, such as smart TVs and home appliances. As a result, the Indian Consumer Durables market is becoming increasingly competitive, with both domestic and international players vying for a share of the market. To remain competitive in this dynamic market, companies are investing in advanced technologies, such as artificial intelligence and automation, to streamline their production processes and reduce costs.

The Government of India has introduced several schemes and initiatives to support the growth of the Consumer Durables, Electricals and White Goods sectors. The 'Make in India' initiative, launched in 2014, promotes domestic manufacturing and attracts foreign investments in various sectors, including these industries. As part of this initiative, the Government has taken several steps to create a supportive policy environment for businesses, including reducing bureaucratic hurdles and providing incentives for manufacturing in India. Government has initiated various schemes to drive energy efficiency and promote domestic production like Ujala for energy-efficient lighting, Atmanirbhar Bharat Abhiyaan to promote self-reliance and domestic manufacturing in various sectors and Production Linked Incentive (PLI) Scheme for White Goods to boost manufacturing in India. These initiatives provide opportunities to domestic companies for setting up manufacturing setup to create economies of scale.

The Bureau of Energy Efficiency (BEE) ensures energy efficiency guidelines for electronic appliances, including a star rating scheme for 28 different consumer products. Displaying star ratings was mandatory for 10 products and voluntary for 18. A new guideline implemented during the year, makes ratings mandatory for more products. This is being done in phases, starting with ceiling fans in January 2023. This will positively impact energy consumption in Indian households.

According to a report by BEE, "Impact of Energy Efficiency Measures (in FY21)", energy efficiency schemes led to 42 million tons of oil equivalent energy savings in 2020-21, thermal energy savings were estimated at 22.24 million tons of oil equivalent, while electricity savings were 239.78 billion units. This led to monetary savings of ₹ 1,52,241 crore per annum and a reduction of 267.98 million tons of CO_2 emissions annually.

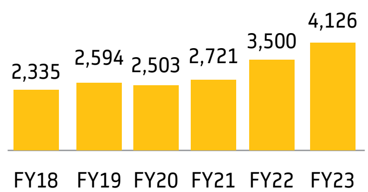
The Indian Government's focus on promoting domestic manufacturing and innovation in the Consumer Durables, Electricals and White Goods sectors has supported their growth. Continued support for these initiatives is necessary for a sustainable business and economic ecosystem. The market is anticipated to undergo a revolutionary transformation with the adoption of Industry 4.0 technologies, leading to improvements in production capacity, supply chain management, customer satisfaction and overall economic advancement.

3. Review of Operations

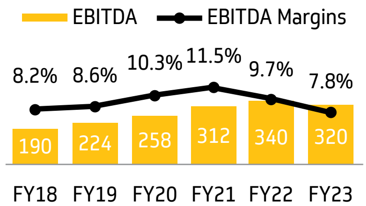
Financial Performance (FY 2018-23)

(₹ in Crore)

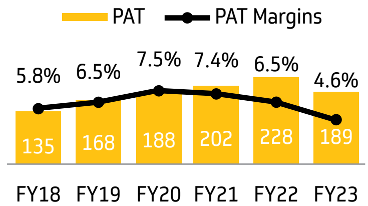
Revenue



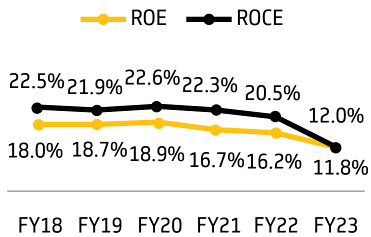
EBITDA and Margins



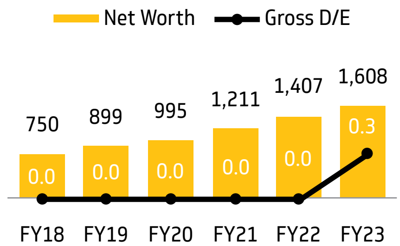
PAT and Margins



ROE & ROCE

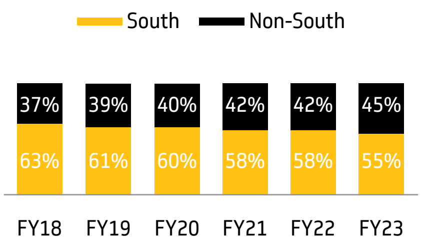


Net Worth & Debt-Equity Ratios

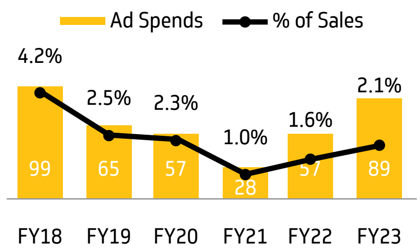


Operational Performance (FY 2018-23)

Expanding Geographic Presence



Ad Spends and as a % of Sales



Key ratios (%)	FY23	FY22
Gross Margin	30.1%	31.0%
EBITDA Margin	7.8%	9.7%
Net Margin	4.6%	6.5%
Ad Expenditure (incl. promotions)/Total Revenues	2.1%	1.6%
Employee Cost / Total Operating Income	7.3%	7.7%
Other Expenditure / Total Operating Income	15.0%	13.6%
Tax Rate	26.1%	22.3%
Diluted EPS (₹)	4.35	5.25

Balance Sheet Snapshot (₹ Crore)	31 Mar 2023	31 Mar 2022	31 Mar 2021
Net worth	1,607.6	1,407.0	1,211.3
Gross debt	419.6	11.8	13.0
Cash and cash equivalents	66.9	61.3	281.2
Net cash position	(352.6)	49.5	268.2
Fixed assets	1,019.7	476.0	385.3

Balance Sheet Snapshot (₹ Crore)	31 Mar 2023	31 Mar 2022	31 Mar 2021
Debtor (days)	50	50	52
Inventory (days)	97	130	124
Creditor (days)	62	69	94
Working capital turnover (days)	85	111	82
RoE (%)	11.8%	16.2%	16.7%
RoCE (%)	12.0%	20.5%	22.3%

S. No.	Particulars	UOM	2022-23	2021-22
1	Debtors Turnover	Times	7.8	8.0
2	Inventory Turnover	Times	3.5	3.2
3	Interest Coverage Ratio	Ratio	16.8	38.3
4	Current Ratio	Ratio	1.8	2.4
5	Debt Equity Ratio	Ratio	0.3	0.0
6	Operating Margin i.e. EBITDA	%	7.8%	9.7%
7	Net Profit Margin	%	4.6%	6.5%
8	Return on Net Worth	%	11.8%	16.2%

Note: As the Company funded acquisition of Sunflame Enterprises Pvt Ltd. (Sunflame) through a combination of internal accruals and borrowings there were significant changes in the Interest Coverage Ratio, Debt Equity Ratio and Current Ratio. Due to high inflation in commodity prices and pricing gaps, net profit margin and return on net worth ratios were impacted.

4. Dividend

The Company's Board has recommended a final dividend of ₹ 1.30 per share. This translates to a payout for the financial year 2022-23 ~ ₹ 56.18 crore (₹ 51.10 crore in 2021-22). The dividend payout, for the year under review is ~ 27% in line with its consistent track record of dividend payout.

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	FY23 (₹ Cr)	Contribution (%)	FY22 (₹ Cr)	Contribution (%)	YoY growth (%)
Electronics	994.0	24.1%	815.6	23.3%	21.9%
Electricals	1,798.8	43.6%	1,620.6	46.3%	11.0%
Consumer Durables	1,276.3	30.9%	1,064.0	30.4%	20.0%
Sunflame	56.9	1.4%	-	-	-
Grand Total	4,126.0	100.0%	3,500.2	100.0%	17.9%

Electronics

V-Guard's Electronics segment encompasses voltage stabilizers, digital UPS systems and solar inverters, which experienced a growth of 21.9% and accounted for 24.1% of the total revenues. The demand for these products is highly influenced by the power situation in the country, in terms of both availability and quality of power supply to users. Notably, the demand for these products is closely linked to the sales of consumer electronics such as air conditioners, refrigerators and televisions. With stabilizers and inverters strongly correlating to the summer season, their sales are highly dependent on seasonal trends.

The segment witnessed an upward trend with increased demand for AC and stabilizers sales. Earlier in the year, the sales were affected by several factors, including a supply shortage of necessary electronics items, the presence of high-cost inventory and increased input costs, all of which had an impact on the business. Despite the challenges faced, the Company has been on a good trajectory of recovery.

V-Guard is a market leader in the Voltage Stabilizer category, whereas the competition mostly comprises regional players with limited reach. In FY23, the category experienced significant margin challenges due to high-cost inventory resulting from global electronics supply chain issues. Nevertheless, by the year end, the margins have started to recover. The Company offers a broad range of stabilizers that can support a diverse range of home appliances, including air conditioners, LED TVs, refrigerators, treadmills and washing machines. Among these products, stabilizers for air conditioners make the largest contribution, while the demand for stabilizers supporting LED TVs is on the rise. According to FICCI, India's TV production is expected to reach US$ 10.22 billion by FY26 (IBEF: Consumer Durables, November 2022). As the use of white goods and televisions is still underpenetrated, this product category is expected to continue its growth trajectory in the coming years.

Inverters and batteries were also affected by higher input costs and shortage of electronic components. V-Guard currently holds a limited market share in inverters. However, the Company is actively seeking to increase its share in this segment. To support this goal, two plants are being established for manufacture of inverters and batteries. Investments made in these facilities are expected to yield results in the following years.

The Company has taken multiple measures in the Digital UPS Invertor Batteries category to promote growth in the premium segment, leading to improved customer engagement, greater pricing leverage and higher profit margins. The Company views the premium segment as a critical driver of growth, particularly as it extends its market presence into regions with limited market penetration, frequent power outages and energy deficits. By concentrating on the premium segment in these areas, the Company intends to establish a stronger market position and generate new opportunities for expansion.

The expansion of rural markets, the electrification of new villages and demand for stable power supply, present an opportunity for the Company to grow this segment.

Electricals

The Electricals segment has an array of products, including house wiring cables, pumps, switchgears, and modular switches. This segment is the largest contributor to revenues. It contributed 43.6% to total revenues in FY23 as compared to 46.3% in FY22. The segment continues to witness growth on account of home improvement and new home construction activity. The segment achieved a growth of 11% over FY22.

V-Guard's largest product category is House Wiring Cables which caters to retail segment of the market. Growth in real estate and infrastructure drives the demand for wires. The market preference is towards high-quality, branded products that prioritise durability, safety, and reliability. Moreover, the evolving compliance and taxation structures have propelled the market towards organised sector manufacturers. The Company's manufacturing facilities situated in Coimbatore (Tamil Nadu) and Kashipur (Uttarakhand), along with a nationwide distribution network that includes electrical and hardware stores, enables efficient and prompt supply of products.

The segment also consists of Residential Pumps. Demand for this category is dependent on the water table which is impacted by the vagaries of monsoon. The Pump industry is characterised by the dominance of local and regional brands across the country. This dynamic creates a scenario where consumers have limited awareness and rely heavily on local retailers or plumbers when making purchasing decisions. In the year, demand was affected by an abundance of rainfall, resulting in a high water table with a decreased requirement for pumps. Nevertheless, demand saw a positive shift during the summer season, boosting its overall sales.

Modular Switches and Switchgears are key growth categories for the Company. These categories benefit from strong synergies with the electrical distribution network, as customers often require these products in conjunction with Wires and Fans. By leveraging resources across related product lines, V-Guard aims to drive growth in these categories.

To enhance product and manufacturing capability, the Company has made two strategic investments in the last few years. In 2017, the Company acquired 74% stake in – Guts Electro-Mech Ltd and the remaining 26% of stake in September 01, 2022, making it a wholly-owned subsidiary. The subsidiary is engaged in the business of manufacturing and supply of Miniature Circuit Breaker (MCB) and Residual Current Circuit Breaker (RCCB) which are electrical protection devices adding further impetus to our growth ambitions in the category.

The Company also completed the amalgamation process of Simon Electric Private Limited (SEPL), the Indian business of Simon Group, Spain with V-Guard. SEPL is engaged in the business of manufacturing and trading of electrical wiring accessories such as electrical switches, sockets and home automation products.

The Company's strategic initiatives in the switchgears and modular switches segment have opened up avenues for diversification and enhanced efficiencies in its product offerings. Moreover, the Company's strong manufacturing infrastructure in this segment provides support for its growth prospects.

Consumer Durables

V-Guard's Consumer Durables segment comprises air coolers, fans, kitchen appliances, and water heaters, which contributed 30.9% to the Company's total revenue in FY23. The segment witnessed a growth of 20% during the year.

The Company is a renowned player in the water heater category, offering electric and solar water heaters. Its strategically located manufacturing facilities in Tamil Nadu, Himachal Pradesh and Sikkim, produce broad range of high-quality innovative products.

The category experienced a weak winter, resulting in the Company carrying high-cost inventory for a longer period. On the positive side, the business recovered from supply chain disruptions of the Covid years and was able to regain market share.

The Company is focussed on rooftop solar water heater category, catering to both individual and institutional buyers. In-house production capabilities bring about significant potential for long-term expansion, driven by technological advancements that are steadily reducing the payback period for buyers. Additionally, rising environmental consciousness amongst consumers will drive demand growth in this segment, making it a long-term opportunity.

V-Guard offers a diverse range of fans, including ceiling, table, pedestal and wall fans. The Company focuses on innovation, consistently launching new models with improved designs and aesthetics, with focus on premium offerings. Imagina range of premium ceiling fans boasts of app-controlled features, LED lights and attractive designs. V-Guard's fan range offers a winning combination of style, performance and convenience to consumers.

Fans is closely linked to the distribution of the Company's electrical products and is driven by consumer demand, particularly during warmer weather conditions. The Company has leveraged this trend by expanding its presence in Non-South markets, while also focussing on premiumisation and cost-efficiencies to further growth in the category.

The Company seamlessly transitioned to supply BEE-rated ceiling fans and began offering star-rated fans. The Company is also setting up a manufacturing facility for TPW fans which will eliminate dependence on imports.

V-Guard's product range in kitchen appliances includes induction cooktops, mixer-grinders, gas cooktops, and rice cookers, among others. The Company has also recently introduced a range of products aimed at providing consumers with a stress-free kitchen experience. The Company is also setting up a manufacturing facility for mixer-grinders and gas stoves in order to achieve cost competitiveness and accelerated growth.

V-Guard's range of air coolers includes desert coolers, window-fitted coolers, personal coolers, and room coolers. With a focus on expanding its presence in both South and Non-South markets, V-Guard sees this category as another growth opportunity. As demand for air coolers continues to rise in India, V-Guard's range of products offers consumers efficient and affordable cooling solutions for homes and offices alike. The Company's commitment to innovation and expansion across different regions positions it well to capture the growing demand for air coolers in the country.

Sunflame

V-Guard completed acquisition of 100% stake in Sunflame Enterprises Private Limited (Sunflame) on January 12, 2023 for a total consideration of ₹ 680.33 crore. Sunflame brand has a rich legacy in the Kitchen and Small Domestic Appliances industry and its portfolio includes chimneys, cooktops, cookers and other small appliances. It is a strong player in the Non-South market which contributes to ~80% of its revenues. Primarily its operations are in general trade channel, with a modest presence in modern trade and e-commerce.

With this strategic acquisition, V-Guard positions itself to be among the top players in the kitchen appliances segment. Sunflame's product portfolio, reputation and strong brand recall provides a robust platform to achieve meaningful scale in the kitchen business in an accelerated timeframe. This acquisition provides multiple levers of synergestic benefits across geography, portfolio, channel and customer dimensions.

Evolving E-Commerce

With focus on leveraging the increasing e-commerce opportunity across its business segments, V-Guard has successfully onboarded almost all its current relevant product categories on the digital platform. Company has also entered many new categories via the digital-first approach, which has helped to maintain significant growth rate over the last 5 years. The Company's E-com revenue has shown significant growth at >50% CAGR during FY 2021-23. Company has also strengthened the content and performance marketing capability by setting up strong teams, required tech solutions & processes, enabling partners and enhanced spends. Given the massive opportunity that continues to unfold in the e-com space, V-Guard is working on all emerging and potential opportunities. With Sunflame acquisition, along with our planned backward integration and localisation, will help V-Guard to strengthen market share in e-com in Kitchen category.

6. Financial Performance

In FY23, the Company encountered several challenges, including an unprecedented inflation in commodity prices, pricing gaps, a constrained demand environment and supply chain disruptions. Despite these obstacles, the Company showed resilience, maintaining a stable performance throughout the year. The Company's ability to manage these challenges while just coming out of severe disruptions caused by Covid is a testimony to its resilience and strength.

Revenues increased 17.9% in FY23 to ₹ 4,126.04 crore. This was spearheaded by Consumer Durables and Electronics segments which grew by 20% and 21.9% respectively. We continue to make good progress in growing the business in Non-South markets. With a growth of 26.4% in FY23, Non-South markets now contribute 45.3% of the total revenues.

FY23 was a year of significant margin pressure caused by unusually elevated levels of commodity costs resulting in gross margin decline from 31% in FY22 to 30.1% in FY23.

With the passing of Covid-19, A&P and other expenses such as travel costs moved back towards their normative levels. EBITDA margins consequently contracted 190 basis points to 7.8% of revenues in FY23. Profit before tax declined 13% to ₹ 255.74 crore in FY23.

Profit after tax for FY22 included tax credit of ₹ 8.09 crore relating to earlier years as the Company moved to the new Income Tax regime. Profit after tax for FY23 declined 17.2% over FY22 to ₹ 189.05 crore.

The Company had taken a strategic call in FY22 to hold higher levels of inventory to overcome any supply chain disruptions which might arise due to the pandemic. With the risk of disruption diminishing and operations returning to normal, the number of days inventory also been reduced from 130 days as at March 31, 2022 to 97 days as at March 31, 2023 (on a trailing 12 months basis).

The Company generated robust cash flow from operations of ₹ 423.8 crore in FY23. Net debt as on March 31, 2023 is ₹ 352.6 crore on account of borrowings for funding the Sunflame acquisition.

The latter part of FY23 saw a decline in commodity costs which has started to reflect in the gross margins. The Company anticipates further margin recovery in FY24 as the higher-cost inventory gets consumed gradually, with gross margins reverting to pre-COVID levels.

Note: Financial performance detailed above is basis consolidated financial statements

7. Outlook

V-Guard's strong brand equity, high-quality products and deep consumer relationships support its resilient business model, which includes a diversified product portfolio and a well-established distribution network. Its management team possesses many decades of experience, comprehends the intricacies of the business and leverages on the country's substantial growth potential. V-Guard has expanded from a single product Company based in Kerala, to a robust consumer brand franchise spanning across markets, with a diverse product portfolio that meet evolving customer needs and aspirations.

The Company's market visibility is continuously expanding as it has effectively grown its retailer base to over 60,000 touchpoints. In addition, its brand is gaining greater acceptance in Non-South markets, which is being driven by strategic marketing interventions as well as retail expansion. Looking ahead, the Company plans to add ~ 5,000 retailers across the country every year in the medium term, with a focus on expanding its presence in the Non-South region. Apart from initiatives for growth in the General Trade, V-Guard's channel strategy includes expanding the footprint in the Modern Trade and e-commerce channels. As a result, the Company is well-positioned to deliver sustained growth in the years to come.

Over the past few years, V-Guard has steadily increased its reliance on in-house manufacturing. Presently, products manufactured in-house account for 60% of the Company's total revenues and will increase further in the next couple of years. Inhouse manufacturing is expected to enhance product competitiveness with differentiated offerings, enable accelerated time to market, bolster margins while eliminating or reducing dependence on imports.

Looking ahead, V-Guard is optimistic about its ability to deliver sustainable and profitable growth over the coming years. With a diversified product portfolio, a well-entrenched distribution network and a strong brand reputation, V-Guard is well-positioned to capitalise on emerging opportunities in India's fast-growing consumer market. The Company recognises that creating shareholder value is a critical component of its overall success and remains dedicated to driving long-term value through strategic investments, operational excellence and responsible stewardship of its resources.

8. Strengths and Opportunities

Strengths

- The Company has built a strong brand equity which is helping to expand reach and enter new product categories
- Consumer-centric organisation 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 60,000+ retail touchpoints
- 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 reduced its dependence on imports and 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, premiumisation 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 for all, increasing availability of electricity and infrastructure development augur well for long-term growth prospects of the sector.

Expansion into Non-South markets: Non-South markets account for ~ 45% of the Company's current revenues providing significant scope to expand and gain market share.

Shift from unorganised to organised: The Company is present in key product categories having significant market sizes. Increasing formalisation of the market presents an opportunity for organised players to benefit - especially market leaders, with established brands and entrenched manufacturing and distribution capabilities.

E-Commerce: The Company has a growing presence and a distinctive operating model in E-com.

Replacement demand: Shortening renovation cycles across segments due to rising disposable incomes, changing preferences of middle class and companies' focus of technology and innovation are supporting strong replacement demand, contemporary product offering backed by strong product refresh capability offer potential to gain from this trend.

9. Enterprise Risk Management

The Company's Risk Management Framework incorporates leading risk management standards and practices. The Risk Management Framework outlines the series of activities that are used in identifying, assessing, managing and reporting risks.

Among other risks, following key risks were identified and discussed

Key Risks	Risk Statement	Mitigation Plan
Hyper-competition in marketplace	Cost of doing business is rising and growth is impacted due to traditional electrical players expanding focus to adjacent categories, slew of e-Com players leveraging vendor ecosystem, consolidation of companies and MNCs shifting focus on Indian FMCE market.	• Product value chain to enhance product differentiation by having a focused organisation • Building long-term NPD pipeline • Building sell out management capability
Emerging channels	The channel landscape is fast changing with multiple trade formats and inadequate presence in certain emerging / established channels; hence the need arises to focus on Go-To Market, customer management & trade terms capabilities.	• focused organisation and agile operating model • Channel-centric organisational structure • Strengthening insights mechanism and digital marketing capabilities • Transforming SCM, Service & Sell-out system • Strengthening Key Account Management and retail marketing capabilities • Differentiated GTM Model (Sell-out) & exclusive products
Impact of digitisation	Advent of digitisation may bring about very significant changes to business model, including disruption in sales and distribution and shift in consumer behaviour and products.	• Investing in capabilities required to scale-up e-commerce operations • Smart products roadmap to drive digital product plans • Adopted digital Product Lifecycle Management • Processes around digital content and digital customer acquisition • Building digitally-driven Sell-out system and next-generation supply chain capabilities
Margin erosion	Margin erosion due to commodity price volatility, delayed pricing actions, dependency on trading operations rather than manufacturing.	• Velocity of pass-through and timely pricing actions • Monitoring of commodity price movements and market price tracking mechanism • In-house manufacturing of established products through organic and inorganic routes • Value engineering initiatives for cost reductions
Information security	Due to increased threat of cyber security incidents globally, IT downtime and data loss can adversely impact business operations.	• The maturity level of cyber security is continuously benchmarked to industry standards • ISMS (Information Security Management Systems) and Policies were enhanced in line with ISO 27001 • Focus is placed on building awareness among users • Cyber threats are mitigated by deploying various systems, tools, and processes
Environment, Social and Governance	Impact on business continuity and reputation due to Environmental & Social incidents and noncompliance of regulations.	• Developing ESG Strategy and Roadmap with the involvement of external consultants • Usage of renewable energy through green energy projects

Key Risks	Risk Statement	Mitigation Plan
		• Water conservation projects • Environment, Health, and Safety compliance framework in place • CSR activities directly by the Company and through NGOs • Building governance structure within the organisation to monitor the ESG initiatives
Supply Security	Sales are impacted due to supply disruptions due to external and internal factors.	• Own manufacturing facilities as alternatives for imported items • Working on developing alternate makes and alternate supplier formulations
Inadequate Talent Pipeline	Unavailability of people with appropriate skills for the business of the future.	• Building entry level training programmes • Customised product-specific training & specialised business learning module • Digitising work processes and workflows across organisations • Collaborative platforms and technology to overcome the locational challenge

10. Human Resources

People-centric focus, supported by an open and empowering culture is enabling us to attract and retain best talent. The Company continues to undertake various initiatives for personal and professional development of employees. During the year, your Company launched an Integrated Development Progamme aimed at developing high potential talent. To build and develop a strong talent pool, Company has initiated talent acquisition of management and engineering trainees from Tier 1 colleges.

In line with best practice, the remuneration offered to critical talent has an ESOP component aligned with individual and business performance. The ESOP 2013 Scheme covers ~ 80 employees as on March 31, 2023.

As on March 31, 2023, the total number of employees of the Company is 2,647 against 2,477 on March 31, 2022.

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 across processes and approved Delegation of Authority 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 evaluated 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 conducted audit of the Internal Financial Controls Over Financial Reporting of the Company as on March 31, 2023, and issued their report which forms part of the Independent Auditor's report.

Directors' Report

Your Directors take pleasure in presenting their 27th Annual Report on the business and operations of V-Guard Industries Ltd. ('the Company'), together with the Audited Financial Statements for the financial year ended March 31, 2023.

1. FINANCIAL SUMMARY

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

(₹ in crore)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Revenue from operations	4049.60	3476.67	4126.04	3500.19
Other Income	14.97	10.92	16.44	10.76
Total Income	**4064.57**	**3487.59**	**4142.48**	**3510.95**
Operating expenditure	3748.84	3142.52	3806.13	3159.96
Operating profit before Depreciation, Interest & Tax	**315.73**	**345.07**	**336.35**	**350.99**
Finance Cost	15.92	7.52	16.19	7.88
Depreciation and amortization expense	58.44	47.50	64.42	49.15
Profit Before Tax	**241.37**	**290.05**	**255.74**	**293.96**
Tax Expense:				
a) Current Tax	35.89	69.01	40.26	70.61
b) Deferred Tax	26.15	(5.76)	26.42	(5.08)
Profit After Tax	**179.32**	**226.80**	**189.05**	**228.44**
Basic EPS (₹)	4.15	5.27	4.38	5.29
Diluted EPS (₹)	4.12	5.23	4.35	5.25

2. COMPANY PERFORMANCE

Your Company recorded Net Revenue from Operations of ₹ 4049.60 Cr. on standalone basis, for the Financial Year ended March 31, 2023. Revenue grew by 16.48% compared to ₹ 3476.67 Cr. recorded during the previous Financial Year. The Profit After Tax for the year is ₹ 179.32 Cr., whereas in the previous Financial Year, it was ₹ 226.80 Cr. 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 ₹ 4,126.04 Cr., with a growth of 17.88% over ₹ 3,500.19 Cr. for the previous Financial Year. On consolidated basis, the Company earned a Profit After Tax of ₹ 189.05 Cr. for the Financial Year 2022-23, against ₹ 228.44 Cr. recorded during the previous Financial Year. The consolidated financial results comprises of full year financial performance of Guts Electro-Mech Ltd. and V-Guard Consumer Products Ltd. It also includes financial performance of Sunflame Enterprises Private Ltd. post its acquisition i.e. from January 12, 2023 onwards.

3. TRANSFER TO RESERVES

During the year under review, no amount was transferred to any of the reserves by the Company.

4. SCHEME OF AMALGAMATION BETWEEN THE COMPANY AND SIMON ELECTRIC PRIVATE LTD. (SEPL) AND THEIR SHAREHOLDERS AND CREDITORS

The hon'ble National Company Law Tribunal, Kochi (NCLT Kochi) on March 31, 2023, approved the Scheme of Amalgamation of Simon Electric Private Ltd. (SEPL) (Transferor Company) with V-Guard

Industries Ltd. (Transferee 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). NCLT Kochi fixed March 25, 2023, as appointed date for the merger. The said Scheme of Amalgamation was duly approved by the Shareholders and Creditors of the Company in the Court convened meetings held on November 14, 2022. Your Company filed the relevant form with Registrar of Companies, Kerala on April 28, 2023, pursuant to which Scheme became effective from the appointed date. Pursuant to the NCLT Kochi order and the Scheme of Amalgamation, Board of Directors in their meeting held on May 03, 2023 issued and allotted 10,83,008 equity shares of your Company having face value of ₹1 each to the shareholders of SEPL in the share swap ratio of 0.0076646:1.

Pursuant to said Scheme of Amalgamation, the authorized capital of the Company increased from ₹ 50,00,00,000 (Rupees Fifty Crore Only) divided into 50,00,00,000 (Fifty Crore) Equity Shares of ₹ 1/- (Rupee One Only) each to ₹1,91,50,00,000 (Rupees One Hundred and Ninety One Crore and Fifty Lakhs Only) divided into 1,91,50,00,000 (One Hundred and Ninety One Crore and Fifty Lakhs) Equity Shares of ₹ 1/- (Rupee One Only) each w.e.f. the appointed date.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company had acquired 74% of equity capital of GUTS Electro-Mech Ltd (GUTS) in August 2017 by way of purchase of shares from the erstwhile promoters & their associates and subscription of new shares issued by GUTS vide Share Subscription and Shareholders Agreement (SSHA) dated August 31, 2017. As per the terms of the SSHA, the Company on September 01, 2022, acquired the balance 5,11,119 equity shares of ₹ 10/- each constituting 26% of equity capital of GUTS, held by erstwhile promoter of GUTS. Therefore, Guts Electro-Mech Ltd. became wholly owned subsidiary of your Company effective from even date.

V-Guard Consumer Products Ltd. (VCPL), continues to be a Wholly Owned Subsidiary of the Company which is engaged in the business of manufacturing and selling of various electronics, electricals and consumer durables.

Your Company acquired 100% equity shares of M/s. Sunflame Enterprises Private Ltd. (Sunflame) for an amount of ₹ 680.33 Cr on January 12, 2023 and subsequently Sunflame became a Wholly Owned Subsidiary of your Company. Sunflame is engaged in the business of manufacturing and marketing a wide range of kitchen appliances. The acquisition is in line with V-Guard strategy to become a significant player in domestic kitchen appliances segments. The strong brand recall of ‘Sunflame’ and ‘Superflame’ brands, with wide product portfolio enables deeper engagement with consumers across geographies. The strong product development capabilities of Sunflame along with established state-of-the-art manufacturing facility at IMT Faridabad, with front-end and back-end linkages will lead to shortened ‘Time to market’. The acquisition of Sunflame is a strategic fit with multiple levers for unlocking significant synergies in areas like geography, product portfolio and channels.

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 https://www.vguard.in/uploads/downloads/Policy-on-Material-subsidiary.pdf.

6. CHANGES TO THE SHARE CAPITAL

Authorised Share Capital:

During the year, the Authorized share capital of your Company, pursuant to the Scheme of Amalgamation of Simon Electric Private Ltd. (Transferor Company) with V-Guard Industries Ltd. (Transferee Company), increased from ₹ 50,00,00,000 (Rupees Fifty Crore Only) divided into 50,00,00,000 (Fifty Crore) Equity Shares of ₹ 1/- (Rupee One Only) each to ₹ 1,91,50,00,000 (Rupees One Hundred and Ninety One Crore and Fifty Lakhs Only) divided into 1,91,50,00,000 (One Hundred and Ninety One Crore and Fifty Lakhs) Equity Shares of ₹ 1/- (Rupee One Only) each.

Issued, Subscribed and Paid-up Share Capital:

During the year under review, your Company allotted 3,48,623 equity shares at face value of ₹ 1/-. Your Company further allotted 2,17,000 and 66,875 number of equity shares of face value of ₹ 1/- at a premium of ₹ 67.75/- and ₹ 70.36/- respectively under ESOS 2013 to employees of the Company. The Paid-up Capital of the Company, as at March 31, 2023 was ₹ 43,21,74,432/-.

7. DIVIDEND

In line with the Dividend Distribution Policy of the Company, the Board of your Company in its meeting held on May 30, 2023 has recommended a final dividend of ₹ 1.30/- (One Rupee and Thirty Paisa Only) @ 130% per equity share of ₹ 1/- (Rupee One Only) for the Financial Year 2022-23 payable to those members whose name/s appear in the Register of members/ list of beneficiaries as on August 17, 2023 i.e. the cut-off date/record date. The total final dividend payout will amount to ₹ 56.18 Crore (approx.). The payment of final dividend is subject to the approval of members in the 27th Annual General Meeting ("AGM") of the Company to be held on August 24, 2023.

The Register of Members and Share Transfer Books will remain closed from August 18, 2023 (Friday) to August 24, 2023 (Thursday) (both days inclusive) for the purpose of payment of final dividend for the Financial Year 2022-23, if declared at the ensuing AGM.

Pursuant to the Finance Act, 2020 read with the Income-tax Act, 1961, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders w.e.f. April 1, 2020. Accordingly, in compliance with the said provisions, your Company shall make the payment of dividend after deduction of tax at source at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to Notice of 27th Annual General Meeting and the Finance Act, 2020 and amendments thereto.

8. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details of unpaid or unclaimed dividend(s) & shares transferred to IEPF during the year, pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the dividend(s) which are due for transfer to IEPF in the forthcoming years, are provided in the Report of Corporate Governance forming part of this Annual Report.

Details of Nodal Officer

The details of the nodal officer appointed by the Company under the provisions of IEPF is available on the website of the Company at https://www.vguard.in/uploads/downloads/Nodal-officer-communication-details.pdf

9. PUBLIC DEPOSITS

Your Company has not invited or accepted any deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), from public during the year under review. Therefore, no amount of principal or interest was outstanding, as on the balance sheet closure date.

10. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR 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 to which the financial statements relate and the date of the Report.

11. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year 2022-23.

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. However, during the year, NCLT Kochi had approved the scheme of amalgamation between SEPL and your company as detailed above.

13. CREDIT RATING

The Company's credit facilities are rated by M/s. 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 AND SUSTAINABILITY REPORT

Pursuant to provisions of Listing Regulations, the Company has provided Business Responsibility and Sustainability Report (BRSR) which forms part of this Annual Report. The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'.

15. BOARD OF DIRECTORS AND ITS COMMITTEES

a) Composition of the Board of Directors

As on March 31, 2023, the Board of Directors of the Company comprised of eight Directors, with two Executive and six Independent Directors. The composition of the Board of Directors meets the requirement 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 Appointment/Re-appointment at the 27th Annual General Meeting

The members of the Company in their 26th Annual General Meeting held on July 28, 2022, re-appointed Mr. Ramachandran V, Wholetime Director and Chief Operating Officer, who retired by rotation as per the provisions of the Act.

Since Mr. B Jayaraj, Non-Executive Non-Independent Director had intimated his desire to retire from the Board of the Company, he did not opt for re-appointment in the 26th Annual General Meeting. Therefore, his Directorship ceased w.e.f. July 28, 2022.

The Board of Directors in their meeting held on May 30, 2023 appointed,

i) Mr. Ishwar Subramanian (DIN: 01473535) as Additional Director in the capacity of Non-Executive Independent Director for a period of five (5) years and

ii) Mr. Antony Sebastian K (DIN: 01628332) as Additional Director in the capacity of Executive Director for a period of four (4) years.

The Resolutions seeking shareholders' approval for appointment of Mr. Ishwar Subramanian and Mr. Antony Sebastian K forms part of the Notice of AGM and will be placed in the ensuing AGM.

In compliance with the provisions of the Act, Mr. Ramachandran V is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

A brief resume of the Directors proposed to be re-appointed, their expertise in specific functional areas, name of companies in which they hold directorships, Committee membership/s / Chairmanship/s, shareholding, wherever applicable, etc. as stipulated under Secretarial Standard-2 issued by ICSI and Regulation 36(3) of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

During the year under review, Mr. Vikas Kumar Tak was appointed as Company Secretary and Compliance Officer of the Company w.e.f. February 02, 2023, consequent to the resignation of Ms. Jayasree K from the said post from even date.

As on March 31, 2023, Mr. Mithun K Chittilappilly (DIN - 00027610), Managing Director, Mr. Ramachandran V (DIN - 06576300), COO & Whole Time Director, Mr. Sudarshan Kasturi, Chief Financial Officer and Mr. Vikas Kumar Tak, Company Secretary are the Key Managerial Personnel (KMP) of your Company.

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 Nomination, Remuneration and Evaluation Policy is available on the website of the Company at the link https://www.vguard.in/uploads/policies/Nomination-Policy.pdf

d) **Declaration by Independent Directors**

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 25 (8) read with Regulation 16 of Listing Regulations (as per the amendment in SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021). The Company has also received from them declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs ("IICA") at Manesar, for inclusion/ renewal of name in the databank of Independent Directors. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. Accordingly, all the Independent Directors of the Company had registered their names with data bank of IICA. The Board of Directors of the Company have taken on record the declarations and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

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, Practicing Company Secretaries, 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 Director 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, five Board meetings were held on May 19, 2022, July 27, 2022, October 27, 2022, December 09, 2022 and February 02, 2023. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations. The details of the Board 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 in the meetings of Board and its committees 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 August 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 have constituted various Committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility ("CSR") Committee and Risk Management Committee. The composition and terms of reference of the Committees and number of meetings held during the year under review are given in the Report on Corporate Governance forming part of this Annual Report. All the recommendations made by the Committees of the Board including the Audit Committee were accepted by the Board.

Mr. B Jayaraj retired from Board of Directors of the Company with effect from July 28, 2022 and consequently, he vacated his Membership and Chairmanship from Corporate Social Responsibility Committee on even date. The Corporate Social Responsibility Committee of the Company had elected Mr. Mithun K Chittilappilly as the Chairman of the Corporate Social Responsibility Committee with effect from July 28, 2022. As of March 31, 2023, the Corporate Social Responsibility Committee comprised of three members viz; Mr. Mithun K Chittilappilly [Chairman], Mr. Cherian N Punnoose and Mr. George Muthoot Jacob.

The Corporate Social Responsibility Committee met thrice during the financial year under review i.e. on May 16, 2022, July 26, 2022 and February 01, 2023, respectively. The Corporate Social Responsibility 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.

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 its 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 performance evaluation of each individual Director, Committee and Board as a whole. Performance evaluation was carried out through a digital 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 the 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 committees of the Board was carried out based on the criteria such as constitution, effective functioning of the committees as per the terms of reference, periodical suggestions and recommendations given by the 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) Familiarization Programme

In terms of Regulation 25(7) of the Listing Regulations, the Company familiarizes its Directors about their roles and responsibilities at the time of their appointment through a formal letter of appointment. The draft letter of appointment / re-appointment is available on the website of the Company at the link https://www.vguard.in/uploads/downloads/Drat-LOA-website.pdf

Sessions are conducted at the meetings of the Board and its various Committees on the relevant subjects such as Company, strategic initiatives, status of manufacturing plants, merger updates, acquisition proposals and regulatory updates. All efforts are made to keep Independent Directors aware of major developments taking place in the industry, the Company's business model and relevant changes in the law governing the Company's business. The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the website of the Company link https://www.vguard.in/uploads/downloads/Familiarisation-Program-ID-2022-23.pdf

j) Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors to the best of their knowledge and belief, 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 2022-23 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

The members in the 26th Annual General Meeting of the Company had approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/ N500016) as the Statutory Auditors of the Company, for a term of 5 (five) years to hold office from the conclusion of the 26th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company to be held in the calendar year 2027.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. The Auditor's Report for the Financial Year ended March 31, 2023 does not contain any qualification, reservation or adverse remarks.

b) Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, on recommendation of the audit Committee, the Board of Directors has re-appointed M/s. BBS & Associates, Cost Accountants, as Cost Auditors for the Financial Year 2023-24 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 the 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 2021-22, issued by M/s. BBS & Associates, Cost Accountants, was filed with the Ministry of Corporate Affairs on August 23, 2022. The Cost Audit Report does not contain any qualifications, reservations or adverse remarks.

M/s. BBS & Associates, Cost Accountants are in the process of carrying out the cost audit for applicable products during the financial year 2022-23. The Report to be issued by M/s. BBS & Associates, Cost Accountants will be considered by the Board of Directors.

c) Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24A of the Listing Regulations, the Board had appointed M/s. Keyul M Dedhia & Associates, Practicing Company Secretaries, Mumbai, as Secretarial Auditors of the Company for the Financial Year 2022-23 as recommended by the Audit committee.

The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Secretarial Auditor noted the deviation in composition of the Board in terms of Section 152 of the Act with respect to Directors eligible to retire by rotation. Out of the total strength of the Board, the offices of two of the Directors were liable to retire by rotation as per the provisions of Section 152 (6) of the Act. Mr. B Jayaraj, who was liable to retire by rotation, opted not to offer himself for re-appointment and retired on July 28, 2022, resulting in shortfall in the number of Directors eligible to retire by rotation as per the provisions of the Act. However, after the appointment of Mr. Antony Sebastian K as Additional Director in the capacity of Executive Director, liable to retire by rotation, w.e.f. May 30, 2023, the Board now has adequate number of Directors as per the relevant provisions of the Act. To resolve the deviation for the interim period, the Board of Directors recommended to take corrective measures if any, as per the provisions of the Act. The Secretarial Audit Report for the Financial Year 2022-23 is annexed as Annexure-I which forms part of this report.

d) Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Board of Directors, on recommendation of the Audit Committee appointed M/s Mahajan & Aibara Advisers LLP, Mumbai, as the Internal Auditor of the Company for the Financial Year 2022-23.

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. No change has been made in the Nomination, Remuneration and Evaluation Policy during the Financial Year under review. The Nomination, Remuneration and Evaluation Policy is available on the website of the Company at the link https://www.vguard.in/uploads/policies/Nomination-Policy.pdf.

b) Vigil Mechanism / Whistle Blower Policy

Your Company, as required under Section 177 (9) of the Act and Regulation 22 of the Listing Regulations, has established a Whistle Blower Policy, which enables the Directors and Employees to report instances of unethical behaviour, fraud or violation of Company's Code of Conduct. The policy provides for direct access to the Chairperson of the Audit Committee and for 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 https://www.vguard.in/uploads/downloads/WHISTLEBLOWER-POLICY.pdf

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 https://www.vguard.in/uploads/policies/CSR-Policy.pdf.

The Company's CSR Programmes are focused on three broad program areas, viz. Edu-care and Skill Development Programs, Health Care Programs, Build India & Relief. 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-II 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. The Risk Management Charter and Policy institutionalize a formal risk management function and framework consisting of risk management process, risk governance and communication structure.

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

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-III to this report and placed on the website of the Company at https://www.vguard.in/uploads/downloads/DIVIDEND-POLICY.pdf

19. OTHER MATTERS

a) Internal Financial Controls

The Company has Internal Control Systems commensurate with the nature of its business, size and complexities. The Audit Committee reviews the adequacy and effectiveness of the 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 deficiencies were reported during the test of IFC.

Further, the Statutory Auditors of the Company also reviewed Internal Controls over Financial Reporting of the Company as on March 31, 2023, and issued their report which forms part of the Independent Auditor's report.

b) Particulars of Loans, Guarantees and Investments

Particulars of Loans, Guarantees and Investments pursuant to Section 186 of Act is given hereunder:

During the period under review, the Company has made further investment in equity shares of V-Guard Consumer Products Ltd. ('VCPL'), Wholly Owned Subsidiary, for an amount of ₹ 61.29 Crore, thus leading to total investment of ₹ 121.09 Crore.

During the period under review your Company purchased remaining 26% of the equity shares of Guts Electro-Mech Ltd. (Guts) and thus, Guts became a Wholly Owned Subsidiary of the Company during the period.

The Company has invested an amount of ₹ 680.33 Cr. during the period under review for the purchase of entire equity shares of M/s. Sunflame Enterprises Private Ltd. ('Sunflame'). Therefore, Sunflame became a Wholly Owned Subsidiary of the Company during the period.

The Company continues to extend Corporate Guarantee to VCPL for a limit not exceeding ₹ 50 Crore and to Guts for a limit not exceeding ₹ 8 Crore to facilitate for availing credit facilities from financial institutions/banks to meet its operational requirements.

Further, details of loans and investments as on March 31, 2023, are set out in the Note 6, 7 & 8 to the standalone financial statements of the Company.

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

The 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 2022-23 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 at https://www.vguard.in/investor-relations/annual-reports. Further, the financial statements of the Subsidiaries are also placed on the Company's website at https://www.vguard.in/investor-relations/financial-results.

Any member desirous of inspecting or obtaining copies of the audited financial statements, including the consolidated financial statements of the Company, audited financial statements in respect of the Subsidiary companies may write to the Company Secretary at investors@vguard.in.

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, the Nomination and Remuneration Committee granted the following options at ₹ 1/- each under ESOS 2013:

a. 91,407 options on May 19, 2022,

b. 86,868 options on July 27, 2022 and

c. 1,23,651 options on February 02, 2023

The above options will vest over a period of four years from the date of grant on time and performance basis.

During the year under review, the Board of Directors allotted the following shares of face value of ₹1/- to employees who exercised options granted to them as per ESOS 2013:

a. 3,48,623 equity shares at face value

b. 2,17,000 equity shares at a premium of ₹ 67.75 and

c. 66,875 equity shares at a premium of ₹ 70.36

During the year, 1,27,117 no. of options granted at ₹ 1/- each were cancelled due to separation of employees. The options cancelled were made available in the Scheme for considering future grants

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-IV 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 for Directors and Senior Management (the Code), which provides guidance on ethical conduct of business and compliance with laws and Regulations.

All members of the Board and Senior Management personnel have affirmed the compliance with the Code as on March 31, 2023. 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 at https://www.vguard.in/uploads/policies/Code-Conduct-for-Board-Senior-Management.pdf.

g) Extract of Annual Return

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the Annual Return of the Company containing the particulars prescribed, in Form MGT-7, as on March 31, 2022, is made available on the Company's website at https://www.vguard.in/uploads/downloads/MGT-7-31-03-2022.pdf.

The draft of Form MGT-7, as on March 31, 2023, is made available on the Company's website at https://www.vguard.in/uploads/downloads/Annual-Return-2023.pdf.

h) Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of the Annual Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis 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 arm's length basis. During the year under review, 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. Disclosures as per Ind-AS 24 have been made in note 45 of the financial statements for the year ended March 31, 2023.

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 at https://www.vguard.in/uploads/downloads/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf

j) Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. 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.

A certificate from M/s Keyul M. Dedhia and Associates, Practicing Company Secretaries, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is attached to the Report of Corporate Governance.

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-V 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-VI. 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 Investor Relations section of the website of the Company www.vguard.in.

Mr. Mithun K Chittilappilly, Managing Director and Mr. Ramachandran V, Executive Director and COO, of the Company has not received any remuneration or commission from any of the subsidiary companies. Further, the Company doesn't have any holding company, hence, there does not arise a circumstance of any remuneration or commission from holding company.

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.

n) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

20. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, applicable Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI"), i.e. Secretarial Standard-1 ("SS-1") and Secretarial Standard-2 ("SS-2"), relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

21. LISTING OF SHARES

The equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). The listing fee for the Financial Year 2023-24 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 the 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 same is available on the website of the Company at https://www.vguard.in/uploads/policies/CODE_PRACTICES_PROCEDURES_FAIR_DISCLOSURE_UPSI.pdf.

23. PREVENTION OF INSIDER TRADING

The Board has formulated a 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 same is available on the website of the Company at https://www.vguard.in/uploads/policies/Code-Conduct-Insider-Trading.pdf.

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 is pending under the Insolvency and Bankruptcy Code 2016.

25. DETAILS OF NON-COMPLIANCE WITH REGARD TO CAPITAL MARKETS DURING THE LAST THREE YEARS

There have been no instances of non-compliance by the Company with regard to Capital Markets during the last three years.

26. ACKNOWLEDGEMENT

Your Board of 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 volatile environment witnessed during the year under review. The relentless performance of the employees over the years has continued topline growth. 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

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Place: Kochi	Chairman	Managing Director
Date: May 30, 2023	DIN: 00061030	DIN: 00027610

Annexure I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
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.

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, 2023 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to 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, 2023, 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 and Sweat Equity) Regulations, 2021;

   (e) 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, 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 subject to the following:

1. ***As on April 01, 2022, the Board of the Company consisted of optimum number of Executive and Non-Executive Directors. Out of the total strength of the Board, the offices of two of the Directors were liable to retire by rotation as per the provisions of Section 152 (6) of the Act. Of the two Directors liable to retire by rotation, one of the Directors opted not to offer for re-appointment and retired on July 28, 2022. As informed by the management, to make the composition of the Board in compliance with the provisions of the aforesaid Section of the Act, the Board had initiated action for reconstitution of the Board and inducted new Director, whose office shall be liable to retire by rotation, subject to approval of the Shareholders. Accordingly, as on the date of this report, the composition of the Board is in line with requirements of the provisions of Section 152(6) of the Act.***

We further report that, there were instances where the website link of audio recording of the investors calls, the Transcript was not submitted within the prescribed time limit to the Stock Exchanges.

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 save and except as stated above. 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 Hon'ble National Company Law Tribunal, Kochi Bench vide its Order dt March 31, 2023, approved and sanctioned the Scheme of Amalgamation ('Scheme') between Simon Electric Private Limited and V-Guard Industries Limited and their respective Shareholders and Creditors. The said Order was filed by the Company with the Registrar of Companies, Kerala on April 28, 2023.

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

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756E000422381
Peer Review Certificate No: 876/2020
May 30, 2023, 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.

'Annexure 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: F007756E000422381
Peer Review Certificate No: 876/2020

May 30, 2023, Mumbai.

Annexure II

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

The Company's CSR activities 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 on promotion of education and skill development, providing health care services to the economically backward people, improving the quality of life of socially and economically backward people, 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. Mithun K Chittilappilly	Chairman	3	2
2.	Mr. Cherian N Punnoose	Member	3	3
3.	Mr. George M Jacob	Member	3	3
4.	Mr. B Jayaraj*	Chairman	3	2

* Mr. B Jayaraj retired from the Board of Directors of the Company with effect from July 28, 2022, consequently he ceased to be the Chairman of the CSR Committee and Mr. Mithun K Chittilappilly was appointed as the Chairman of the Committee with effect from July 28, 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:

Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a CSR Committee.

Sl. No.	Particulars	Weblink
1	CSR Committee and CSR Policy	https://www.vguard.in/uploads/policies/CSR-Policy.pdf
2	CSR Projects	https://www.vguard.in/uploads/downloads/Annexure-3-CSR-Annual-Action-Plan.pdf

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: N. A.

5. **CSR Obligation for the reporting period:**

Sl No.	Particulars	Amount (₹ in Lakhs)
a	Average net profit of the Company as per section 135(5)	27338.59
b	Two percent of average net profit of the company as per section 135(5)	546.77
c	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
d	Amount required to be set off for the financial year, if any	0.00
e	Total CSR obligation for the financial year (5b+5c-5d)	546.77

6. **Amount Spent on CSR Projects (both Ongoing and other than Ongoing Projects):**

Sl No.	Particulars	Amount (₹ in Lakhs)
a	Amount spent on CSR project both ongoing and other than ongoing project	543.36
b	Amount spent in Administrative Overheads	6.70
c	Amount spent on Impact Assessment, if applicable	N. A.
d	Total amount spent for the Financial Year [(a)+(b)+(c)]	550.06

e. **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	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
550.06	-		-		

f. **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)	546.77
(ii)	Total amount spent for the Financial Year	550.06
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.29
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.29

7. Details of Unspent CSR amount for the preceding three financial years: N. A.

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6)of section 135 (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 ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
N. A.								

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/ acquired:

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

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** N. A.

For and on behalf of CSR Committee

Sd/-
Mithun K Chittilappilly
Managing Director and Chairman- CSR Committee
(DIN: 00027610)

Sd/-
Cherian N Punnoose
Chairman
(DIN: 00061030)

Annexure III

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 the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date: May 30, 2023	Chairman	Managing Director
Place : Kochi	(DIN: 00061030)	(DIN: 00027610)

Annexure IV

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 2022-23 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: ₹ 4.12 (standalone)

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 Additional options granted on account of Corporate Action of Bonus Issue	1,61,50,000 no. of options 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 has granted options both at Market price and face value, as detailed below: **No. of options** – **Particulars** 1,24,55,510 – At Market Price 75,45,508 – 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 25 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
I	**Weighted average exercise price of Options whose**	₹
a	Exercise price equals market price	Nil
b	Exercise price is greater than market price	Nil
c	Exercise price is less than market price	1/-
II	**Weighted average fair value of options whose**	₹
a	Exercise price equals market price	Nil
b	Exercise price is greater than market price	Nil
c	Exercise price is less than market price	230.79

4 (ii) Employee-wise details of options granted during the financial year 2022-23 to:

(i)	**Senior Managerial Personnel**		
	Name of employee & Designation	**No. of options**	**Exercise Price per Option (in ₹)**
a	Arif Mohammad Kooliyat, Vice President NPD	34,275	1/-
b	Karan Sood, Senior General Manager GTM	27,488	1/-
c	Mehul Mohta, Head Category Strategy	77,134	1/-
d	Vikas Kumar Tak, Company Secretary and Compliance Officer	19,029	1/-
(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	Arif Mohammad Kooliyat, Vice President NPD	34,275	1/-
b	Karan Sood,Senior General Manager GTM	27,488	1/-
c	M Kesavan, Head Supply Chain (BP)	22,075	1/-
d	Mehul Mohta, Head Category Strategy	77,134	1/-
e	Mr. Biju M V, Deputy General Manager - MED	15,751	1/-
f	Mr. Sumit Jha, Senior General Manager- Marketing	49,042	1/-
g	Nimesh Chandrakant Shah, Senior General Manager, Marketing	57,132	1/-
h	Vikas Kumar Tak, Company Secretary and Compliance Officer	19,029	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**	
	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 (₹)	247.06
	Expected Volatility %	29.90 % to 31.91 %
	Riskfree Rate %	6.80 % to 7.24 %
	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 1	ESOS 2013 Grant 2	ESOS 2013 Grant 3	ESOS 2013 Grant 4	ESOS 2013 Grant 5A	ESOS 2013 Grant 5 B	ESOS 2013 Grant 6	ESOS 2013 Grant 7	ESOS 2013 Grant 8	ESOS 2013 Grant 9	ESOS 2013 Grant 10	ESOS 2013 Grant 11	ESOS 2013 Grant 12	ESOS 2013 Grant 13	ESOS 2013 Grant 14	ESOS 2013 Grant 15	ESOS 2013 Grant 16	ESOS 2013 Grant 17	ESOS 2013 Grant 18	ESOS 2013 Grant 19	ESOS 2013 Grant 20	ESOS 2013 Grant 21	ESOS 2013 Grant 22	ESOS 2013 Grant 23	ESOS 2013 Grant 24	ESOS 2013 Grant 25
1	Number of options outstanding at the beginning of the period	NA	86,463 number of options of ₹ 71.36 each.	19,18,000 number of options of ₹ 68.75 each	0	88,968 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8 each	0	0	0	0	11,792 number of options of ₹1/- each	10,691 number of options of ₹1/- each	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	NA	NA	NA
2	Options exercisable at the beginning of the year	NA	86,463 number of options of ₹ 71.36 each.	19,18,000 number of options of ₹ 68.75	0	88,968 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8	0	0	0	0	11,792 number of options of ₹1/- each	2,000 number of options of ₹1/- each	0	0	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	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	NA	NA	NA	NA	NA	91,407 number of options of ₹1/- each	86,868 number of options of ₹1/- each	1,23,651 number of options of ₹1/- each
4	Number of options vested during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	8,691 number of options of ₹1/- each	11,765 number of options of ₹1/- each	0	5,896 number of options of ₹1/- each	3,14,800 number of options of ₹172.05 each	1,75,752 number of options of ₹1/- each	55,822 number of options of ₹1/- each	4,395 number of options of ₹1/- each	26,062 number of options of ₹1/- each	20,189 number of options of ₹1/- each	40,595 number of options of ₹1/- each	4,841 number of options of ₹1/- each	NA	NA	NA
5	Number of options exercised during the year	NA	66,875 number of options were exercised of ₹ 71.36	2,17,000 number of options of ₹ 68.75	0	64,026 number of options were exercised of ₹1/- each	0	0	0	0	0	5,896 number of options of ₹1/- each	2,000 number of options of ₹1/- each	8,912 number of options of ₹1/- each	0	17,687 number of options of ₹1/- each	0	1,29,571 number of options of ₹1/- each	55,822 number of options of ₹1/- each	4,396 number of options of ₹1/- each	20,486 number of options of ₹1/- each	16,025 number of options of ₹1/- each	23,802 number of options of ₹1/- each	0	NA	NA	NA
6	Number of shares arised as a result of exercise of options	NA	66,875	2,17,000	0	64,026	0	0	0	0	0	5,896	2,000	8,912	0	17,687	0	1,29,571	55,822	4,396	20,486	16,025	23,802	0	NA	NA	NA
7	Number of options lapsed during the year	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	NA
8	Number of options cancelled during the year*	0	0	0	0	0	0	0	0	0	0	0	0	0	33,332 number of options of ₹1/- each	0	0	40,068 number of options of ₹1/- each	0	0	0	0	21,157 number of options of ₹1/- each	32,560 number of options of ₹1/- each	0	0	0
9	Money realised by exercise of options (INR)*	NA	47,72,200.00	1,49,18,750	0	64,026	0	0	0	0	0	5,896	2,000	8,912	0	17,687	0	1,29,571	55,822	4,396	20,486	16,025	23,802	0	NA	NA	NA

Sr. No	Particulars	ESOS 2013 Grant 1	ESOS 2013 Grant 2	ESOS 2013 Grant 3	ESOS 2013 Grant 4	ESOS 2013 Grant 5A	ESOS 2013 Grant 5 B	ESOS 2013 Grant 6	ESOS 2013 Grant 7	ESOS 2013 Grant 8	ESOS 2013 Grant 9	ESOS 2013 Grant 10	ESOS 2013 Grant 11	ESOS 2013 Grant 12	ESOS 2013 Grant 13	ESOS 2013 Grant 14	ESOS 2013 Grant 15	ESOS 2013 Grant 16	ESOS 2013 Grant 17	ESOS 2013 Grant 18	ESOS 2013 Grant 19	ESOS 2013 Grant 20	ESOS 2013 Grant 21	ESOS 2013 Grant 22	ESOS 2013 Grant 23	ESOS 2013 Grant 24	ESOS 2013 Grant 25
10	Number of options outstanding at the end of the year	NA	19,588 number of options of ₹ 71.36 each.	17,01,000 number of options of ₹ 68.75 each	0	24,942 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8 each	0	0	0	0	5,896 number of options of ₹1/- each	8,691 number of options of ₹1/- each	2,853 number of options of ₹1/- each	0	13,757 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	7,36,247 number of options of ₹1/- each	2,60,503 number of options of ₹1/- each	20,511 number of options of ₹1/- each	1,27,199 number of options of ₹1/- each	98,340 number of options of ₹1/- each	2,06,184 number of options of ₹1/- each	27,420 number of options of ₹1/- each	91,407 number of options of ₹1/- each	86,868 number of options of ₹1/- each	1,23,651 number of options of ₹1/- each
11	Number of options exercisable at the end of the year	NA	19,588 number of options of ₹ 71.36 each.	17,01,000 number of options of ₹ 68.75 each	0	24,942 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8	0	0	0	0	5,896 number of options of ₹1/- each	8,691 number of options of ₹1/- each	2,853 number of options of ₹1/- each	0	0	6,29,600 number of options of ₹172.05 each	1,10,047 number of options of ₹1/- each	55,822 number of options of ₹1/- each	4,395 number of options of ₹1/- each	5,576 number of options of ₹1/- each	4,164 number of options of ₹1/- each	16,793 number of options of ₹1/- each	4,841 number of options of ₹1/- each	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	NA	NA	NA	NA	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".

Date: May 30, 2023

Place: Ernakulam

For and on behalf of the Board of Directors

Sd/-
Cherian N Punnoose
Chairman
(DIN: 00061030)

Sd/-
Mithun K Chittilappilly
Managing Director
(DIN: 00027610)

Annexure V

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 has always been responsible and working to reduce carbon footprint and promote energy conservation. We firmly believe that protecting the environment is a shared responsibility, and we are committed to doing our part in building a sustainable future.

All manufacturing plants plays a critical role in our operations, it has a vital role to play in reducing the impact on the environment. As a part of the energy conservation strategy, the Company has implemented several initiatives to promote energy conservation and reduce carbon footprint at the operational level. The key initiatives such as the installation of energy-efficient systems, the implementation of energy management systems to monitor and optimize our energy usage and encouraging employees to adopt energy-saving practices are always promoted. We have installed timer based automatic lighting system at Roorkee Fan factory for energy saving.

The below list summarises the energy conservation and energy efficiency initiatives and its results for the Financial Year 2022-23 which clearly indicates that the opportunities are identified across the spectrum.

Description	Energy saved in KW per unit
Energy saving through line speed optimization and reduction of spool changeover time in multiwire drawing machine.	1,40,898
Automatic switching off fume extractors blowers with line starts up	172
Optimization of blower fan capacity in buncher machine	7,921
Switching off the power of buncher machines during no plan	2,333
Optimization of steam generation	3,382
Energy efficient panel AC's installation on RBD, buncher and extruder machines	10,368
Production priority on energy efficient machines	45,066
Powerhouse exhaust fan integration with temperature with thermocouple	267
Use of BLDC Fan	183
Implementation of energy saver retrofit for AC	1,679
Use of VFDs for accessories, cooling tower	9,254
Synchronization of chiller to the extruder's operation time	24,592
Plasticizer CPW pumping line size design modification to reduce the power consumption	815
Implementation of artic master in chiller to reduce power consumption by reducing the head pressure of the refrigerant	8,640
Energy saving by replacement of electric street light with solar led lights, installation of VFD technology in compressor unit and auto control of wall mounting fan.	57,402
Smart Water Monitoring System - Use of smart water meters to monitor and control the water consumptions inside the plant.	2,830
Smart Energy Management System – Monitoring section wise electrical energy consumption and it helps to run the plant in an optimized way of energy utilization.	1,200

Description	Energy saved in KW per unit
Reduced test duration of Burn-in test for stabilizer to save energy and time without affecting the quality.	51,840
Implemented sensor based factory outdoor lighting by which unwanted lighting in daytime avoided	140
Utilized solar energy for powering production conveyor line in plant.	2,400
Converted conveyor line tube light in to LED in plant.	350
Utilized solar energy for powering inverter burn in test in plant	2,760
Total Units Savings	**3,74,492 KWH**
Mitigation of CO2 Emission	**2,681.74 Tons**
Water conservation	**17,21,560 litres**

II. Steps taken for utilizing alternate energy sources;

The Company is working diligently to promote sustainability by leveraging renewable energy sources such as solar and wind energy. Our efforts have led to the generation of prominent amount of Green Energy, which helped in mitigation of CO2. The Fan Factory at Roorkee has implemented Solar energy based power generation system. During the previous Financial Year the Electronics division has released new models under solar inverter segment, including solar panel with 'half cut and mono perc' technology in the market. We remain committed to promote sustainability through our product portfolio.

The Wires and Cable Division (WCD) has two wind turbines of capacity 0.23MW situated in Tamil Nadu. In addition to these wind turbines, the division also utilises in-house and outsourced solar energy for its requirements. The division has been making significant strides in promoting green energy, as the Chavadi unit runs its operations with 39% of green energy. The Mechanical Electrical Division has implemented Photo Voltaic (PV) energy source, thereby reducing the electrical energy consumption during the year.

III. Capital investment on Energy Conservation Equipment

During the year under review, total capital invested in energy conservation projects at various plants is around ₹ 13.24 Lakh.

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 on adapting new techniques. The Company reinforces 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;

- the company has invested in new "Reliability lab" to conduct the reliability and durability testing in all product categories. It is intended to focus on better quality products at reasonable cost.
- Expanded CAE capabilities through adoption of open-source tools to improve product designs.
- Development of multistage pressure boosting system and new varieties of sewage pumps.
- Development of technology for component testing, analysis and approval.
- Design of improved extruded motor body and panel board cabinet.
- Development of digital panel box for pumps with smart features and automatic operation.
- Development of advanced BLDC pressure Booster Pump. Platform optimization of pumps and motors.

- Research on magnet free, higher efficient motor solutions. Design and development of DC switchgears.
- Development of solar market products like surge protection devices and Fuses.
- Performance improvement in MCB and Isolators.
- Development of energy efficient induction motor for ceiling fans.
- Research on eco-friendly packaging solutions.
- Adoption of advanced product life cycle management software to build in design thinking right from concept stage
- Developed advanced version of smart water heaters which can be operated from anywhere in the world.
- Developed and launched compact quick heating tankless water heaters which eliminates the requirement to store heated water and associated energy losses.
- Usage of advanced virtual engineering and simulation tools results in better product performance prediction as well as development cycle time improvement
- Developed new series of improved solar water heating systems and new sewage pumps.
- Development of aesthetically unique and cost-effective digital panel box to enable hassle free pump operation.
- Performed cost innovation activities in running models by:
  - i. Efficient thermal management
  - ii. Synchronized relay switching technology.
  - iii. Transformer design optimization
  - iv. Packaging design optimization
- Introduced new SKUs in on-grid solar system in market smart energy monitoring stabilizer to control AC power consumption.
- Optimized design in stabilizer transformer and introduced new model stabilizers with toroidal based design.
- Usage of long life PCBA components to reduce E-waste.
- PCB design changed to reduce lead usage in power consumption.
- Converted thermocol buffers to carton buffers to reduce carbon footprint.

Your Company has been investing in the latest technologies to enhance the efficiency of our operations, promoting sustainability, and providing greater customer experience in the following areas;

1. Protection of human health and the environment:
2. Product safety improvement:
3. Reducing Carbon Footprint:
4. Water conservation:
5. Technology in Process improvement:
   a. Technology adaptation in House Wire Coil Packing Line to increase the overall line efficiency.
   b. Energy efficient UPS System for House Wire Extruders.
   c. PVC granules conveying automation.

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

1. Use of recycled paper for packaging resulted in reducing the demand for virgin wood fibre.
2. Implemented know-how to eliminate the use of harmful substances, and toxic chemicals in the plant.
3. Reduction in physical prototypes and improve product reliability.
4. Reduction of noise levels in slow speed self-priming pumps.
5. Development of multistage pressure booster system enabled to expand the company's market reach and improved product offerings.
6. Development of BLDC booster pump helped the company to offer energy efficient booster pumps to customers.

7. Improved performance and better material efficiency.
8. Low-cost technology developed for better energy efficient product needs.
9. Improvement in product portfolio as per market requirement.
10. Entry into solar market with a new range of energy saving products.
11. Design and development of energy efficient induction motor for ceiling fans enabled to obtain BEE certification at enhanced efficiency levels.
12. In development of eco-friendly paddy buffer, which can replace non-biodegradable packaging materials like thermoscopes.
13. Better ergonomics, quality, and productivity.

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;
High Performance Analyser	2021	Yes	NA
High precision motor test device	2022	Yes	NA

IV. The expenditure incurred on Research and Development:

a. Capital : ₹ 90.39 Lakh

b. Recurring : ₹ 2064.52 Lakh

c. Total : ₹ 2154.91 Lakh

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 : ₹ 374.62 Lakh

Foreign Exchange outgo : ₹ 19,233.44 Lakh

For and on behalf of the Board of Directors

Sd/-
Cherian N Punnoose
Chairman
(DIN : 00061030)

Sd/-
Mithun K Chittilappilly
Managing Director
(DIN : 00027610)

Date : May 30, 2023
Place : Kochi

Annexure VI

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	107.94
		Mr. Ramachandran V	108.05
		Mr. Cherian N Punnoose	4.65
		Mr. C J George	1.14
		Mr. Ullas K Kamath	1.63
		Ms. Radha Unni	1.55
		Mr. George Muthoot Jacob	1.47
		Prof. Biju Varkkey	0.89
		Mr. B Jayaraj*	NA
(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**	Percentage (%)
		Mr. Mithun K Chittilappilly	5.94%
		Mr. Ramachandran V	-50.99%
		Mr. Cherian N Punnoose	30.55%
		Mr. C J George	46.46%
		Mr. Ullas K Kamath	79.31%
		Ms. Radha Unni	86.79%
		Mr. George Muthoot Jacob	147.37%
		Prof. Biju Varkkey	28.41%
		Mr. B Jayaraj*	NA
		Mr. Sudarshan Kasturi	15.37%
		Ms. Jayasree K**	NA
		Mr. Vikas Kumar Tak**	NA
(iii)	Median Remuneration for the Financial Year	₹ 6,38,157.16	
(iv)	Percentage increase in the median remuneration of employees in the Financial Year	6.75 %	
(v)	Number of permanent employees on the rolls of the Company.	2647 (As on March 31, 2023)	

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(vi)	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 "11.56%" Average percentage increase in the salary of managerial personnel in the Financial Year was "12.94%"
(vii)	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.

* Mr. B Jayaraj [Non-Executive Non Independent Director] retired from the Board of Directors with effect from July 28, 2022.

** Mr. Vikas Kumar Tak was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. February 02, 2023, consequent to resignation of Ms. Jayasree K from the said post from even date.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 30, 2023	Chairman	Managing Director
Place : Kochi	(DIN : 00061030)	(DIN: 00027610)

Report on Corporate Governance

Report on Corporate Governance of V-Guard Industries Ltd. (V-Guard /the Company) for the Financial Year ended March 31, 2023, 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 Listing Regulations'), is set out below:

I. CORPORATE GOVERNANCE PHILOSOPHY

It is imperative for every organisation to adopt and follow best practices to endure in the space in which it operates. The governance philosophy of the Company is not limited to compliance with the laws but also blends best management practices in the decision-making process. Over the last four decades of its existence, the Company has been following best practices from the stage of conceptualization of products for providing of services to consumers. The Company always endeavours to align the practices in line with the changing business environment and ensures that the interests of all stakeholders are safeguarded and the stakeholders are taken along in its journey to newer heights.

At V-Guard, we believe that good Corporate Governance is a continuing exercise and that every one at V-Guard is equally responsible and committed to support this cause in all management and operational activities. Integrity and transparency are key to our Corporate Governance practices helping us earn the trust of our stakeholders and facilitate effective and prudent management to come up to their expectations. Your Company is conscious of the fact that success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to regulatory compliance, your Company endeavours to meet highest standards of ethical and responsible conduct throughout the organisation in letter and in spirit.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders.

II. BOARD OF DIRECTORS

a) Composition of the Board

The composition of the Board of your Company is in conformity with Regulaiton 17 of the Listing Regulations. Every member of the Board is having experience and expertise in their respective fields. The Company's policy is to maintain an optimum combination of Executive and Non-Executive/ Independent Directors. As on March 31, 2023, the Board comprised of 2 (two) Executive Directors, 6 (six) Non-Executive Independent Directors including 1 (one) Woman Independent Director. Out of the two Executive Directors, one Director is from promoter category and the other is in the professional category. The Chairman of the Board is Non-Executive Independent Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in varied fields enabling it to discharge its responsibilities and provide effective leadership for long-term vision with highest standards of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

During the year under review, Mr. B Jayaraj retired from the position of Non-Executive Non-Independent Director effective from July 28, 2022. 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, 2023 are as follows

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

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 five 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 July 28, 2022)
Mr. Cherian N Punnoose	5	Yes
Mr. Mithun K Chittilappilly	5	Yes
Mr. Ramachandran V	5	Yes
Mr. C J George	4	No
Mr. Ullas K Kamath	5	Yes
Ms. Radha Unni	5	Yes
*Mr. B Jayaraj	1	Yes
Mr. George Muthoot Jacob	5	Yes
Prof. Biju Varkkey	3	No

* Mr. B Jayaraj retired from the Board of Directors of the Company with effect from July 28, 2022.

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, 2023.

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, 2023		
		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 Director	2	Nil	Nil
Mr. Ramachandran V **Director & Chief Operating Officer**	Executive Director	3	Nil	Nil
Mr. C J George **Director**	Non-Executive Independent	5	3	Nil

Name & Position of the Director	Category	Directorship on Board and Membership/ Chairmanship of Board Committees in other companies as on March 31, 2023		
		Director	Committee Member	Committee Chairman
Mr. Ullas K Kamath **Director**	Non-Executive Independent	4	4	Nil
Ms. Radha Unni **Director**	Non-Executive Independent	6	4	Nil
Mr. George Muthoot Jacob **Director**	Non-Executive Independent	7	3	Nil
Prof. Biju Varkkey **Director**	Non-Executive Independent	Nil	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 Companies Act, 2013 (the Act) and Companies incorporated outside India.

Membership and Chairmanship of Board Committees include Chairmanship/ Membership of Audit Committee and Stakeholder's 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.

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2023 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a member of more than 10 (Ten) Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairperson of more than 5 (Five) Committees across all listed companies and unlisted public Companies in which he / she is a Director.

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 company 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, 2023

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 V	Nil	Nil	Nil
Mr. C J George	Geojit Financial Services Ltd.	Promoter -Executive	Managing Director
	Aster DM Healthcare Ltd.	Non-Executive Independent	Independent Director
Mr. Ullas K Kamath	Veranda Learning Solutions Ltd.	Non-Executive Independent	Independent Director
	Wonderla Holidays Ltd.	Non-Executive Independent	Independent Director

Name of the Director	Name of the Company	Category of Directorship	Position
Ms. Radha Unni	Nitta Gelatin India Ltd.	Non-Executive Independent	Independent Director
	Western India Plywoods Ltd.	Non-Executive Independent	Independent Director
	The South Indian Bank	Non-Executive Independent	Independent Director
Mr. George Muthoot Jacob	Muthoot Finance Ltd.	Executive Director	Executive Director
Mr. Biju Varkkey	Nil	Nil	Nil

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

During the year under review, the Board of Directors met five times as mentioned below:

Number of Meetings held	Date of Meetings
5	May 19, 2022, July 27, 2022, October 27, 2022, December 9, 2022 and February 2, 2023.

The maximum interval between any two meetings was not more than 120 days and requisite quorum was present at the respective Board Meetings. The facility to attend the meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) was provided to the Directors. 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, regulations on a quarterly basis. At the Board Meeting, Board Members have full freedom to express their opinion and decisions are taken after detailed deliberations.

During the year under review, a separate meeting of the Independent Directors of the Company was held on August 25, 2022, and the Independent Directors present in the meeting discussed the matters enumerated in the Schedule IV to the Act and Regulation 25(3) of the Listing Regulations. The Independent Directors reviewed the performance of:

a) Non-Independent Directors and the Board as a whole;

b) Chairman of the Company, considering the views of Executive and Non-Executive Directors; and

c) Assessed the quality, quantity and timeliness of flow of information from the Company Management to the Board, which is required for the Board to perform its duties reasonably and effectively.

e) Disclosure of relationship between Directors Inter-se

None of the Directors have inter–se relationship.

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

None of the Non-Executive Independent Directors of the Company is holding shares or convertible instruments in the Company.

g) Details of familiarization program imparted to Independent Directors and weblink.

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 year under review, the Company had conducted session on overall performance of the Company, strategic initiatives, status of manufacturing plants, merger updates, acquisition proposals and regulatory updates. The details of such familiarization programmes are disclosed on the Company's website at https://www.vguard.in/uploads/downloads/Familiarisation-Program-ID-2022-23.pdf

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

The Company is engaged in the business of manufacturing 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 & Transformation	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, risk management and mitigations.
Sales / Marketing	Developing sales and marketing strategies, brand building, foraying into newer markets.
Corporate Governance	Adopting best in class practices for various processes to strengthen 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.

Skills and Description	Mr. Cherian N Punnoose	Mr. Mithun K Chittilappilly	Mr. Ramachandran V	Mr. C J George	Mr. Ullas K Kamath	Ms. Radha Unni	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 a highly competitive landscape. Enabling organisational and functional capability building through transformation 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, risk management and mitigations	√	√	√	√	√	√	√	

Skills and Description	Mr. Cherian N Punnoose	Mr. Mithun K Chittilappilly	Mr. Ramachandran V	Mr. C J George	Mr. Ullas K Kamath	Ms. Radha Unni	Mr. George Muthoot Jacob	Prof. Biju Varkkey
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.	√	√	√		√			
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. The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. 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 or Preferential Issue or Qualified Institution Placement 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 6 (six) Directors, of which 5 (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 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, 2023, 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

c) Meetings and Attendance during the year

During the year under review, the Committee Members met five times, i.e. May 18, 2022 & May 19, 2022 (Adjourned Meeting), July 26, 2022 & July 27, 2022 (Adjourned Meeting), October 26, 2022 & October 27, 2022 (Adjourned Meeting), December 9, 2022, February 1, 2023 & February 2, 2023 (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, 2023, were reviewed by the Committee members at their meeting held on May 30, 2023. Attendance of Committee members at the meetings held during the year under review is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Cherian N Punnoose	5	5
Mr. C J George	5	3
Mr. Mithun K Chittilappilly	5	5
Mr. Ullas K Kamath	5	5
Ms. Radha Unni	5	5
Mr. George M Jacob	5	5
Mr. B Jayaraj*	2	1

* Mr. B Jayaraj retired from the Board of Directors of the Company with effect from July 28, 2022, consequently he ceased to be a member of the Audit Committee from even date.

IV. NOMINATION AND REMUNERATION 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) Formulation of 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 from 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.

As per the criteria laid down in the Nomination, Remuneration and Evaluation Policy, the Committee has carried out the evaluation of every Director on the Board of the Company.

The Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company at https://www.vguard.in/uploads/policies/Nomination-Policy.pdf

b) Composition, name of members and Chairperson

The Company's Nomination & Remuneration Committee consists of 5 (five) Members and all are Non-Executive Independent Directors. Prof. Biju Varkkey is the Chairman of the Nomination & Remuneration Committee. The Company Secretary acts as the Secretary to the Nomination & Remuneration Committee.

The Composition of the Committee as on March 31, 2023, is as under

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

* Prof. Biju Varkkey was appointed as the Chairman of the Nomination and Remuneration Committee with effect from April 1, 2022.

c) Meetings and attendance during the year

The members of Nomination and Remuneration Committee met Four times i.e. May 18, 2022, July 26, 2022, October 17, 2022 and February 01, 2023, respectively. Attendance of the members at the meetings held during the year under review is as follows:

Name	No. of meetings held	No. of meetings attended
Prof. Biju Varkkey	4	4
Mr. Cherian N Punnoose	4	4
Mr. C J George	4	2
Mr. Ullas K Kamath	4	3
Ms. Radha Unni	4	4

d) Performance evaluation criteria for Independent Directors

As per the Nomination, Remuneration and Evaluation Policy of the Company, the Independent Directors of the Company are evaluated based on criteria such as highest personal and professional ethics, integrity, values and independence, contribution to Board deliberation, willingness to devote sufficient time to carry out the duties and responsibilities effectively including attendance at the meetings, act in the best interest of minority shareholders of the Company etc.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship 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 certificate, dematerialisation and rematerialisation of equity shares etc.

a) Composition and name of members and Chairperson

The Committee consists of 5 (five) Members comprising 4 (four) Non–Executive Independent Directors and 1 (one) Executive Director as members. The composition of the Stakeholders' Relationship Committee as on March 31, 2023 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
Mr. George Muthoot Jacob*	Non-Executive Independent	Member
Prof. Biju Varkkey*	Non-Executive Independent	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, with effect 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

Ms. Jayasree K resigned from the post of Company Secretary and Compliance officer with effect from February 2, 2023 and the Board of Directors has appointed Mr. Vikas Kumar Tak, Company Secretary as the Compliance Officer of the Company on even date.

d) Meeting and attendance during the year

During the year under review, the Committee met once on March 16, 2023. 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	0
Mr. George Muthoot Jacob	1	0
Prof. Biju Varkkey	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, 2022	0
2	No. of investor complaints received during the year	40
3	No. of investor complaints resolved during the year	40
4	No. of investor complaints pending as on March 31, 2023	0

VI. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company is constituted in line with the provisions of 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 and name of members and chairperson

The Committee consists of 4 (four) members comprising 1 (one) Non–Executive Independent Director and 2 (two) Executive Director and 1 (one) Key Managerial Person as members. The composition of the Risk Management Committee as on March 31, 2023 is as follows:

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

c) Meeting and attendance during the year

During the year under review, the Committee met thrice i.e. July 18, 2022, November 28, 2022 & February 15, 2023, respectively. Attendance of the members at the meetings held During the year under review is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Ullas K Kamath	3	3
Mr. Mithun K Chittilappilly	3	2
Mr. Ramachandran V	3	3
Mr. Sudarshan Kasturi	3	3

VII. REMUNERATION OF DIRECTORS

a) Details of pecuniary relationship or transaction of Non-Executive Directors with the Company

Mr. Cherian N Punnoose, Independent Director is eligible for payment of remuneration by way of commission during the Financial Year 2022-23. Commission to the Non-Executive Directors of the Company is not exceeding 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.

Apart from above, there are no other pecuniary relationship or transactions between any Non-Executive Directors 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 at the link https://www.vguard.in/uploads/policies/Nomination-Policy.pdf

The Non-Executive Directors are paid sitting fees for attending meetings of Board and its 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 fee paid to the Directors of the Company during the year under review:

(₹ In Lakhs)

Name	Salary	Retirement Benefits#	Perquisites$	Commission	Sitting fees	Total
Mr. Cherian N Punnoose	-	-	-	18.15	11.55	29.70
Mr. Mithun K Chittilappilly	236.20	22.50	47.99	382.14	-	688.83
Mr. Ramachandran V	228.48	27.93	433.12	-	-	689.53
Mr. C J George	-	-	-	-	7.25	7.25
Mr. Ullas K Kamath	-	-	-	-	10.40	10.40
Ms. Radha Unni	-	-	-	-	9.90	9.90
Mr. B Jayaraj*	-	-	-	-	2.40	2.40
Mr. George Muthoot Jacob	-	-	-	-	9.40	9.40
Prof. Biju Varkkey	-	-	-		5.65	5.65
Total	**464.68**	**50.43**	**481.11**	**400.29**	**56.55**	**1453.06**

* Mr. B Jayaraj, Director retired from the Board of Directors of the Company with effect from July 28, 2022.

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

$Perquisite value of options exercised by Mr. Ramachandran V under ESOS 2013 amounting to ₹ 420.18 Lakhs is included in the remuneration disclosed above. Perquisites value has been considered at actuals and not as per the provisions of Income Tax Act, 1961.

The Commission paid to Mr. Mithun K Chittilappilly is @1.5% of net profits calculated as per Section 198 of the Act.

As per the terms and reference of reappointment, no notice of severance fee is payable to Mr. Ramachandran V.

The details of stock options given to Directors and KMP are given in Annexure-IV of Directors Report.

VIII. GENERAL BODY MEETING

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

Financial Year	Date	Time	Address
2021-22	July 28, 2022	11.00 a.m.	The Annual General Meeting was held through Video Conference /Other Audio Visual Means. 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
2020-21	August 5, 2021	3.30 p.m.	The Annual General Meeting was held through Video Conference /Other Audio Visual Means. 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 Conference /Other Audio Visual Means. 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

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;
26th AGM held on July 28, 2022	To increase managerial remuneration payable to Mr. Ramachandran V (DIN: 06576300), Whole-time Director in excess of 5% of the net profits of the Company.
25th AGM 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 V, Whole Time Director in excess of 5% of the net profit of the Company.

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 on which Equity 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, 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 of quarterly earnings calls, information on material events, other developments, etc.

X. GENERAL SHAREHOLDER INFORMATION

a) Date, Venue and Time of the 27th Annual General Meeting

Day and Date	Thursday, August 24, 2023
Time	11:00 A.M.
Mode & Venue	Video Conference /Other Audio Visual Means

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 2023-24 is as follows:

For the quarter ended	Proposed Dates
June 30, 2023	August 09, 2023
September 30, 2023	October 31, 2023
December 31, 2023	February 01, 2024
March 31, 2024	May 16, 2024

c) Dividend for the Financial Year 2022-23

Considering the Dividend Policy of the Company, 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 on or before September 22, 2023. The Company has formulated a policy on Distribution of Dividend and the same is available on the website of the Company at https://www.vguard.in/uploads/downloads/DIVIDEND-POLICY.pdf 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 their 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 thus 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 August 18, 2023 to August 24, 2023 (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 record date i.e. August 17, 2023.

Unpaid dividend Amount

As per the provisions of Section 124(5) and (6) of the Act, 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 ₹ 3,73,779/- for the Final Dividend for Financial Year

2014-15 and ₹ 4,07,124/- for Interim Dividend for Financial Year 2015-16, which was lying in Unpaid Dividend Account, to IEPF. The Unclaimed dividend in respect of the final dividend for Financial Year 2015-16 is due for transfer to IEPF on August 25, 2023 in terms of section 124(6) of the Act. Claims against Unpaid/Unclaimed dividend pertaining to Financial Year 2015-16 may be lodged at the Registered Office or at the Office of Registrar and Transfer Agent of the Company on or before August 14, 2023.

Members whose dividend is unpaid, may write to the Company at its Registered Office or to Link Intime India Private Ltd., 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, 2023 (Amount in ₹)
2015-16	4.50	Interim	March 09, 2016	April 08, 2023	407,124.00
2015-16	2.50	Final	July 26, 2016	August 25, 2023	2,13,207.50
2016-17	0.70	Final	July 31, 2017	August 30, 2024	6,96,271.40
2017-18	0.70	Final	July 31, 2018	August 30, 2025	6,10,826.30
2018-19	0.80	Final	July 24, 2019	August 30, 2026	5,59,974.40
2019-20	0.90	Interim	February 14, 2020	March 22, 2027	7,47,618.30
2020-21	1.20	Final	August 05, 2021	September 04, 2028	6,04,786.60
2021-22	1.30	Final	July 28, 2022	September 03, 2029	6,02,603.20

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 hav not claimed dividend for seven consecutive years from the Financial Year 2015-16, indicating that such shares shall be transferred to IEPFA. The shareholders can claim dividend on or before August 14, 2023, 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 Investor Education and Protection Fund Authority (IEPFA)

During the year under review, the Company was required to transfer 6,292 equity shares to IEPFA as dividend has not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2015-16 to 2021-22. However, the Company could transfer only 5,492 equity shares to IEPFA, as 800 equity shares could not be transferred to the demat account of IEPFA, as the shareholder's demat account was under suspension since October 2009. The Company had intimated IEPFA the details of such shares 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 IEPF-5, as prescribed under the Rules. The details of shares transferred to IEPFA is available on the website of the Company at https://www.vguard.in/investor-relations/unpaid-dividend .

The procedures to be followed by the shareholder for filing of e-form IEPF-5 for claiming both unpaid dividend and the shares from IEPFA is detailed on the website of the Company at https://www.vguard.in/uploads/downloads/PROCEDURE-CLAIMING-SHARES.pdf.

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

Equity Shares of the Company are quoted on the National Stock Exchange of India Ltd. (NSE) and the BSE Ltd., since March 13, 2008. Listing fees for the Financial Year 2023-24 have been paid to both the Stock Exchanges. Address of the Stock Exchanges are as follows:

BSE Ltd.	National Stock Exchange of India Ltd.
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 Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the Financial Year 2023-24.

e) Details of Stock code

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

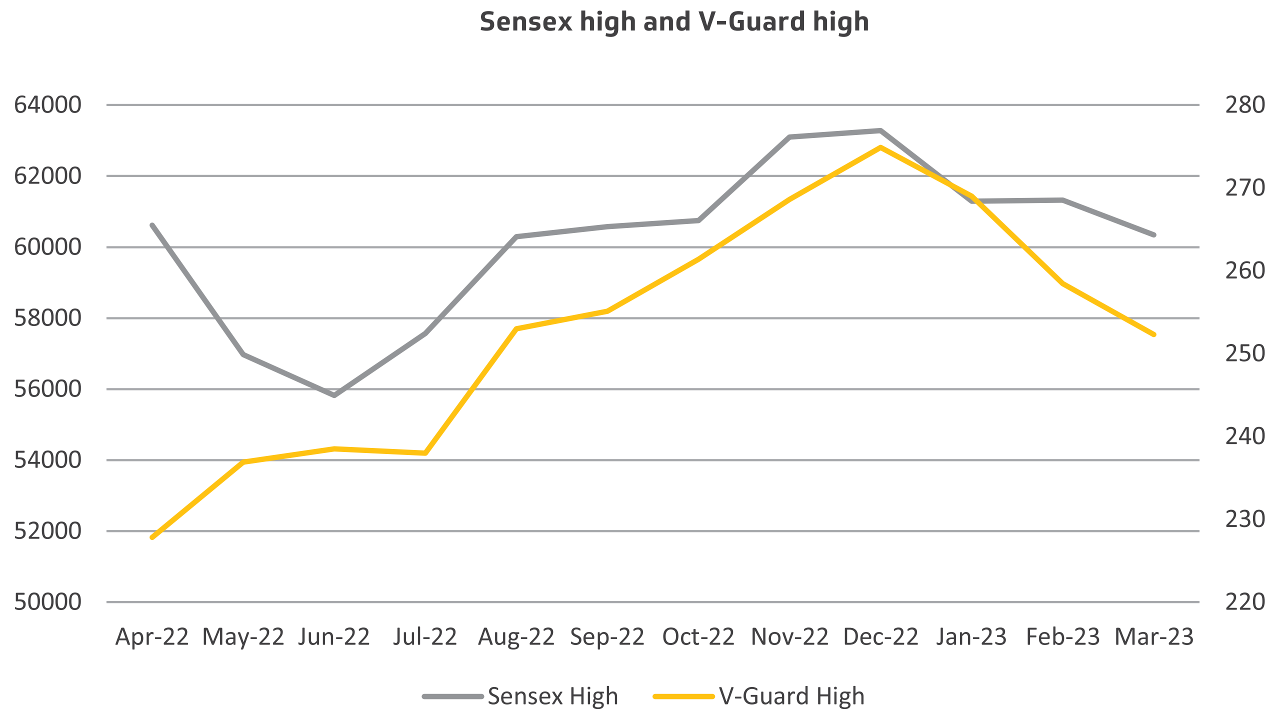
BSE Ltd. : Scrip code: 532953
National Stock Exchange of India Ltd. : Symbol VGUARD/Series: EQ
Company's ISIN : INE951I01027

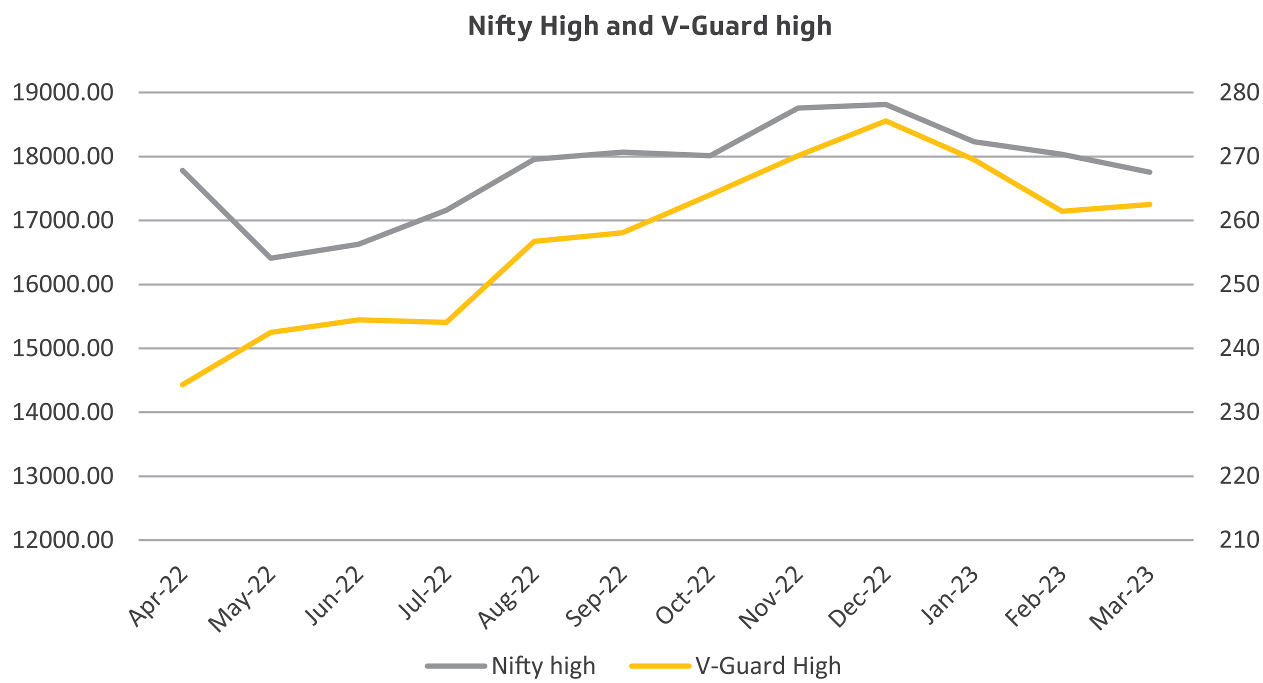
f) Market price data-high, low during each month in the Financial Year 2022-23

Monthly high and low quotations during each month during the Financial Year 2022-23 as well as the volume of shares traded at the National Stock Exchange of India Ltd. and BSE Ltd. are as follows:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-22	227.80	209.95	227.80	210.10
May-22	237.10	195.15	236.90	195.20
June-22	239.40	204.00	238.50	204.00
July-22	238.90	217.10	238.00	217.35
August-22	253.40	224.95	253.00	226.00
September-22	254.95	225.20	255.10	225.40
October -22	261.75	238.30	261.40	238.80
November -22	268.70	248.70	268.60	247.00
December -22	274.90	248.00	274.90	248.00
January – 23	268.00	241.30	269.00	241.15
February -23	258.80	229.05	258.45	230.25
March -23	260.00	237.50	252.30	238.15

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





h) The Company's Equity shares were not suspended from trading during the year under review.

i) Registrar and Share Transfer Agent

Link Intime India Private Ltd.
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 as and when required and reviews request for issue of duplicate share certificate and transmission of shares if any, received from shareholders or legal heirs respectively.

In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

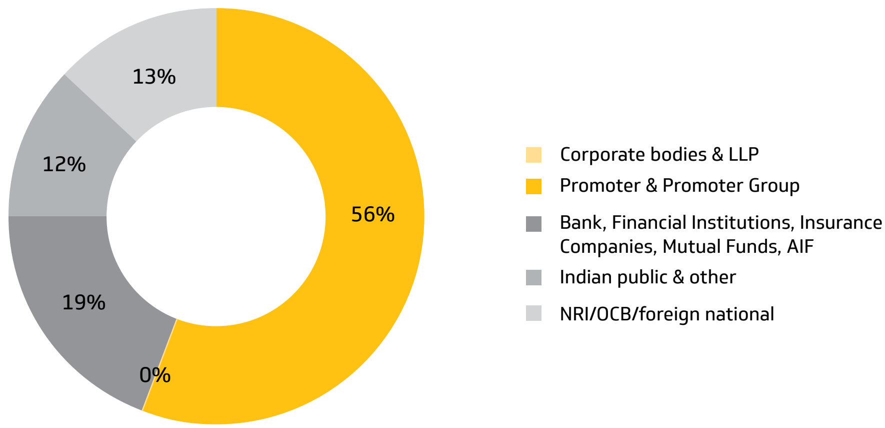
Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

k) Distribution of shareholding as on March 31, 2023

Sl. no.	Shareholding of Nominal shares		Number of shareholders	% of shareholders	Number of shares	% of shares
	From	To				
1	1	5000	1,24,165	99.33	2,02,78,068	4.69
2	5001	10,000	365	0.29	26,17,973	0.61
3	10,001	20,000	184	0.15	25,52,239	0.59
4	20,001	30,000	60	0.05	14,76,059	0.34
5	30,001	40,000	36	0.03	12,30,379	0.28
6	40,001	50,000	21	0.01	9,31,843	0.22
7	50,001	100,000	60	0.05	40,82,744	0.94
8	100,001	Above	106	0.09	39,90,05,127	92.33
Total			**1,24,997**	**100.00**	**43,21,74,432**	**100.00**

Category of shareholder as on March 31, 2023

Category	No. of shares	% of total no. of shares
Promoter & Promoter Group	24,11,37,552	55.80
Corporate bodies & LLP	4,61,833	0.11
Banks, Financial Institutions, Insurance Companies, Mutual Funds, AIF	8,25,18,266	19.09
Indian public & other	5,05,46,174	11.69
NRI/OCB/ FII/foreign nationals	5,75,10,607	13.31
Total	**43,21,74,432**	**100.00**



l) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory dematerialisation segment and actively traded in National Stock Exchange of India Ltd., and BSE Ltd. The status of shares held in dematerialised and physical form as on March 31, 2023 are given below:

Particulars	No. of shares	Percentage
Issued Capital	*43,21,74,432	100%
Listed Capital (Exchange-wise)	*43,20,96,759	99.98%
Shares held in Dematerialised form	43,15,89,067	99.86%
Shares held in Physical form	5,07,692	0.12%

*Allotment of 77,673 equity shares made on 24/03/2023 was listed on National Stock Exchange of India Ltd. and BSE Ltd. on 10/04/2023.

m) There were no outstanding Global Depository Receipts/American Depository Receipts/warrants or any convertible instruments as at and for the Financial Year ended March 31, 2023.

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

During the year under review, 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. 37 of the Annual Report.

p) Address for investor correspondence is as follows:

The Company Secretary
V-Guard Industries Ltd.
42/962, Vennala High School Road,
Vennala, Ernakulam – 682028
Phone: 0484-433 5000; 200 5000
e-mail: secretarial@vguard.in,
cscompliance@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 Ltd. (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 at https://www.vguard.in/uploads/downloads/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf. 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, 2023 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 hosted on the website of the Company at https://www.vguard.in/uploads/downloads/WHISTLEBLOWER-POLICY.pdf.

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

The Board of Directors have formulated a policy for determining material subsidiary and the same is hosted on the website of the Company, https://www.vguard.in/uploads/downloads/Policy-on-Material-subsidiary.pdf.

Governance of Subsidiary Companies – GUTS Electro-Mech Ltd., V-Guard Consumer Products Ltd. & Sunflame Enterprises Private Ltd.

The Company had acquired 74% of equity capital of GUTS Electro-mech Ltd (GUTS) in August 2017 by way of purchase of shares from the erstwhile promoters & their associates and subscription of new shares issued by GUTS vide Share Subscription and Shareholders Agreement (SSHA) dated August 31, 2017. The Company has acquired remaining 26% of equity capital of GUTS, held by Mr. Arun Kumar, erstwhile promoter during the year under review. Thus, GUTS became Wholly Owned subsidiary of the Company with effect from September 01, 2022.

The Company has acquired 100% equity shares of M/s. Sunflame Enterprises Private Ltd. (Sunflame) for an amount of ₹ 680.33 Cr., subsequently Sunflame became a Wholly Owned Subsidiary of the Company w.e.f. January 12, 2023. Sunflame is engaged in the business of kitchen and cooking appliances.

Hon'ble National Company Law Tribunal, Kochi (NCLT Kochi) on March 31, 2023, approved the Scheme of Amalgamation of Simon Electric Private Ltd. (SEPL) (Transferor Company) with V-Guard Industries Ltd. (Transferee Company) and their respective Shareholders and Creditors in compliance with sections 230 to 232 and other applicable provisions of the Act. NCLT Kochi has fixed March 25, 2023, as appointed date for the merger. The said Scheme of Amalgamation was duly approved by the

Shareholders and Creditors of the your Company in the Court convened meetings held on November 14, 2022. Your Company filed the relevant form with Registrar of Companies, Kerala on April 28, 2023, pursuant to which Scheme became effective from the appointed date. Pursuant to the NCLT Kochi order and the Scheme of Amalgamation, Board of Directors in their meeting held on May 03, 2023 issued and allotted 10,83,008 equity shares of your Company having face value of ₹1 each to the shareholders of SEPL in the shares swap ratio of 0.0076646:1.

The minutes of the Board Meetings of the subsidiary companies, along with the details of the significant transactions and arrangement 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.

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

The Board of Directors have formulated a policy on Materiality and Dealing with Related Party Transactions and the same is hosted on the website of the Company at https://www.vguard.in/uploads/downloads/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf.

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

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

h) 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, Practicing 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, 2023. Certificate obtained from the Practising Company Secretary, forms part of this Report.

i) 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 of all the Committees of the Board.

j) Total fees paid to Statutory Auditors

M/s Price Waterhouse Chartered Accountant LLP with Firm Registration No. 101049W/E30004, were appointed as Statutory Auditors of the Company from the conclusion of 26th Annual General Meeting until the conclusion of 31st Annual General Meeting of the Company to be held in the Financial Year 2027. Fees paid to Statutory Auditors is provided in note no. 36 of the Standalone financial statements as at March 31, 2023 which forms part of this Annual Report.

Fees paid to M/s Price Waterhouse Chartered Accountant LLP with Firm Registration No. 101049W/E30004, for conducting Statutory Audit of V-Guard Consumer Products Ltd. (Wholly-owned Subsidiary) is ₹ 8 Lakhs.

k) 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	

l) 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.

m) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

The Company does not have a material subsidiary as on the date of this report.

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 (i) 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 at https://www.vguard.in/uploads/policies/Code-Conduct-for-Board-Senior-Management.pdf.

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 at https://www.vguard.in/uploads/policies/Code-Conduct-Insider-Trading.pdf.

d) Risk management

The Board has adopted Risk Management Policy of the Company and has implemented the procedures to inform the members of Audit Committee and Board about the risk assessment and mitigations. 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 has 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 30 , 2023 and is annexed to this report.

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 the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date: May 30, 2023	Chairman	Managing Director
Place : Kochi	(DIN: 00061030)	(DIN: 00027610)

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 and 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, 2023, 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: F007756E000422566
Peer Review Certificate No.: 876/2020

May 30, 2023, 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, 2023 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/-
Date: May 30, 2023	**Mithun K Chittilappilly**	**Sudarshan Kasturi**
Place: Ernakulam	Managing Director	Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance with conditions of Corporate Governance by V-Guard Industries Limited ('the Company'), for the financial year ended on March 31, 2023, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance with conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2023.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable 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 Certificate for events and circumstances occurring after the date of this Certificate.

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

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756E000422511
Peer Review Certificate No: 876/2020

May 30, 2023, Mumbai.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L31200KL1996PLC010010
2	Name of the Company	V-Guard Industries Limited
3	Year of incorporation	February 12, 1996
4	Registered office address	42/962, Vennala High School Road, Vennala, Ernakulam, Kerala – 682028
5	Corporate address	42/962, Vennala High School Road, Vennala, Ernakulam, Kerala – 682028
6	E-mail	cscompliance@vguard.in
7	Telephone	0484 433 5000
8	Website	www.vguard.in
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange Ltd. & BSE Ltd.
11	Paid-up Capital	₹ 43.21 crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ramachandran V Telephone: 0484 433 5000 Email: cscompliance@vguard.in
13	Reporting boundary	Stand-alone basis

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Electronics	Stabilizers, Digital UPS and Solar Inverters	25%
2	Electrical	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches	44%
3	Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.	31%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Electronics	2710, 2720, 2790	25%
2	Electrical	2710, 2732, 2812	44%
3	Consumer Durables	2599, 2815, 27502, 27503	31%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	9 locations	1 Registered office, 1 Corporate office and 30 Branch office locations	41
International	-	-	-

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	5 No's (Nepal, Bhutan, UAE, Thailand & Bangladesh)

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

Export sales (₹ in Lakhs)

	FY 2022-23
Sales outside India	436.99
% to sales	0.11%

c. A brief on types of customers

a. Distributive Trade (including Dealers, Distributors and Direct Marketing Associates)

b. Modern Trade and Regional Specialty chains

c. E-commerce users

d. Central Police Canteens

e. Institutions

f. Component sales to authorized service providers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	2226	2063	92.68%	163	7.32%
2.	Other than Permanent (E)	1191	1092	91.69%	99	8.31%
3.	Total employees (D + E)	3417	3155	92.33%	262	7.67%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
4.	Permanent (F)	421	411	97.62%	10	2.38%
5.	Other than Permanent (G)	2171	1581	72.82%	590	27.18%
6.	Total workers (F + G)	2592	1992	76.85%	600	23.15%

b. Differently abled Employees and workers:

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

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	4	0	0%

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

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.29%	10.19%	14.92%	12.63%	9.52%	12.41%	9.02%	3.50%	8.62%
Permanent Workers	1.50%	0%	1.46%	1.58%	10%	1.80%	2.96%	0%	2.88%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

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

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Guts Electro-Mech Limited	Subsidiary	100%	Yes
2	V-Guard Consumer Products Limited	Subsidiary	100%	Yes
3	Sunflame Enterprises Private Limited	Subsidiary	100%	Yes

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in lakhs.): ₹ 4,04,960.32

(iii) Net worth (in lakhs.): ₹ 1,58,799.69

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://www.vguard.in/uploads/policies/Stake-holder-Engage-ment-Policy.pdf	0	0	-	0	0	-
Shareholders	Yes, https://www.vguard.in/uploads/policies/Stake-holder-Engage-ment-Policy.pdf	40	0	-	0	0	-
Investor	NA	-	-	-	-	-	-
Employees and workers	Yes, https://www.vguard.in/uploads/policies/Stake-holder-Engage-ment-Policy.pdf	65	0	-	61	0	-
Customers	Yes, https://www.vguard.in/uploads/policies/Stakeholder-Engagement-Policy.pdf	7,945	573	Number represents service calls escalation related to products by consumers.	6,294	1,282	Number represents service calls escalation related to products by consumers.
Value Chain Partners	Yes https://www.vguard.in/uploads/policies/Stakeholder-Engagement-Policy.pdf	0	0	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.	0	0	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.
Other (please specify)	NA	-	-	-	-	-	-

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Decarbonization	Opportunity	Transitioning to low carbon operations through implementing operational eco-efficiency and enhancing share of renewable energy	NA	Positive
		Risk	Evolving regulatory landscapes (carbon taxing)	The company is working towards rolling out a robust decarbonization roadmap across operations and cascading the commitment	Negative
2	Circularity	Opportunity	Focusing towards shifting from linear model 'Take › make › dispose' to a circular model of 'Make › use › return'. For the better use of resources, extend material usage life and also contribute to reducing generation of associated emissions and waste	NA	Positive
3	Sustainable supply chain	Risk	To minimize negative impacts on the environment, to ensure ethical and fair labour practices, and to create economic value for all stakeholders	Strengthening further our policies, procedures, and protocols across the value chain. Also, effectively engaging with suppliers to enhance the ESG performance.	Negative
4	Human Rights	Risk	Violation of human rights triggers conflicts and instability and causes severe risk in the overall reputation on the organization	The company's Code of Conduct & Ethics and the HR policies and processes adequately address the aspects of human rights	Negative
5	Employee Training and Development	Opportunity	Investing in employees for their development through various capacity building sessions, leadership programs and through effective feedback	NA	Positive
6	Health Safety and Wellbeing	Risk	Poor health and safety management system leads to various risks such as disruption in the continuation of work due to hazards and accidents, reputation risk, financial risk that results in reduced productivity, and decreased employee satisfaction	Implementing effective health and safety management system, providing appropriate training to employees, conducting safety audits, and fostering a culture of safety in the workplace	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Corporate Governance	Opportunity	Robust Governance structure is fundamental for seamless functioning of organization influencing the performance. It shall result in building a strong reputation and relationship with investors and other stakeholders.	NA	Positive
8	Risk Management	Risk	To better understand business / ESG-related shifts, impacts and dependencies that may affect a business's ability to achieve its strategy or objectives	The company's Risk Management framework has been designed to establish a process that addresses the Company's business needs while being simple and pragmatic. The framework is aligned to leading risk management standards and practices	Negative
9	Innovation, R&D	Opportunity	Exploring alternatives and breakthrough initiatives with an objective to enhance sustainable coefficient will help to deliver a positive impact in the market and society	NA	Positive
10	Data Privacy and Cyber Security	Risk	Data breach, data loss, cyber-attacks could lead to exposure of sensitive data to the unauthorized individuals.	The company has a robust cybersecurity management system. 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.	Negative
11	Digital Transformation	Opportunity	Integration of digital technology throughout all aspects of an organization, resulting in significant changes to how the organization functions and delivering long-term value	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	b. Has the policy been approved by the Board? (Yes/No) *	Y	N	Y	Y	Y	N	NA	Y	N
	c. Web Link of the Policies, if available	https://www.vguard.in/home/policies								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4	Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes. Policies have been developed considering relevant national and international standards and meet national regulatory requirements such as Factories Act,1948, ISO Standards, BIS, BEE, Companies Act, 2013, the Listing Regulations, and various other Statutes.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to the Managing Director's Statement in the Annual Report								
6	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	NA								

*Statutory Policies are approved by Board of Directors and business-related policies are approved by Management Committee.

Governance, leadership and oversight		
7.	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)** Please refer to the Managing Director's Statement in the Annual Report	
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. Mithun K Chittilappilly Managing Director
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Mr. Mithun K Chittilappilly Managing Director

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) *								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	NA	Y	Y	A	On going basis	M	A	Q	Q	NA	M	Q
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	NA	Y	Y	Q	Q	Q	Q	Q	Q	NA	Q	Q

Note- "A" indicated annually, "Q" Indicates Quarterly and "M" indicates Monthly.

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

P1	P2	P3	P4	P5	P6	P7	P8	P9
Y (secretarial audit by M/s. Keyul M Dedhia & Associates and internal audit of human resource done by Mahajan & Aibara)	Y (BIS and BEE assessments by regulatory agencies)	Y (ISO audits by Bureau Veritas)	Y (secretarial audit by M/s. Keyul M Dedhia & Associates)	Y (ISO audits by Bureau Veritas)	Y (ISO audits by Bureau Veritas)	NA	N	Y (IT maturity and policy assessments by Deloitte and internal audit of IT by Mahajan & Aibara)

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

Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	All 9 principles	100%
Key Managerial Personnel	4	All 9 principles	100%
Employees other than BoD and KMPs	4	Principle 1, 3, 5 and 9. 1. Code of Business Conduct, POSH, IT Security- every 18 months 2. IT Security and Data Awareness- yearly training and regular newsletter and mailers. Also, at the start of every congregation we start with the V-Guard Pledge covering Principles 1 to 6, 8 & 9.	100%
Workers	3	Principle 3- All workers go through periodic trainings as per EHS programmes.	100%

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

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
fee	NIL	NIL	NIL	NIL	NIL

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

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

   Not Applicable

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

   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 objective of this Code is to define acceptable conduct and ethical behavior expected from employees. Weblink for code of conduct- https://www.vguard.in/uploads/policies/Code-Conduct-Employees.

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

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

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

   There were no complaints received during the reporting year relating to ethics, bribery or corruption from any stakeholders which required action.

Leadership Indicators

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

   V-Guard has a Code of Conduct for Board and Senior Management (https://www.vguard.in/home/policies) which requires the Board members and senior management to avoid situations in which their personal interests could conflict with the interests of the Company. There is a declaration from the Board of Directors on an annual basis in relation to their Independence as required under Regulation 25(8) of the Listing Regulations.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

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

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	19%	9%	Various R&D and capital expenditure projects were undertaken to improve safety of consumer, plastic reduction in products, reduce water wastage, improve energy efficiency, development of solar products, improve solar product efficiency, BLDC technology improvements, ROHS and REACH compliance.
Capex	8%	1%	

2.

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

   Yes, V-Guard has recently developed a Supplier Code of Conduct to encourage sustainable practices across the supply chain. The Company will incorporate the Supplier code of Conduct as part of agreements with all major suppliers.

   b. ***If yes, what percentage of inputs were sourced sustainably?***

   Yes, 55% of our sourcing was through sustainable sourcing during FY 22-23 and we will be continuing to improve further. We have considered the vendors who have published their sustainability programs and who have agreed to our Supplier Code of Conduct.

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

   V-Guard has partnered with government authorized recyclers, as a part of plastic waste management collection program. In FY2022-23, we reclaimed 295 MT of plastic waste through authorized channels. V-Guard has initiated the process to bring in EPR action plan for e-waste from next year.

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

   Yes, Extended Producer Responsibility (EPR) is applicable to V-Guard under Plastic Waste Management Rules. The Company is registered with the Central Pollution Control Board (CPCB) and has submitted its action plan. Further, the company has contracted with registered vendors to comply with the obligation as per the action plan.

Leadership Indicators

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

Indicate Input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021- 22
Paper (approx. 60% of Packaging materials)	71%	71%
Lead (for Battery manufacturing)	100%	100%
Castings (for pumps)	31%	33%

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2063	2063	100%	2063	100%	NA	NA	0	0%	NA	NA
Female	163	163	100%	163	100%	163	100%	NA	NA	132	81%
Total	2226	2226	100%	2226	100%	163	100%	0	0%	132	6%
Other than Permanent Employees											
Male	1092	1092	100%	1092	100%	NA	NA	0	0%	NA	NA
Female	99	99	100%	99	100%	99	100%	NA	NA	31	31%
Total	1191	1191	100%	1191	100%	99	100%	0	0%	31	3%

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	411	411	100%	411	100%	NA	NA	0	0%	NA	NA
Female	10	10	100%	10	100%	10	100%	NA	NA	9	90%
Total	421	421	100%	421	100%	10	100%	0	0%	9	2%
Other than Permanent Workers											
Male	1581	1581	100%	1581	100%	NA	NA	0	0%	NA	NA
Female	590	590	100%	590	100%	590	100%	NA	NA	555	94%
Total	2171	2171	100%	2171	100%	590	100%	0	0%	555	26%

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% employees are covered based on eligibility as per respective legislation	100% workers are covered based on eligibility as per respective legislation	Yes	100% employees are covered based on eligibility as per respective legislation	100% workers are covered based on eligibility as per respective legislation	Yes
Gratuity			NA*			NA*
ESI			Yes			Yes

*Note - We are maintaining a gratuity fund with LIC

3. Accessibility of workplaces

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

Wheelchair ramps are available in the Head Office to assist people with physical disabilities. The company will build the infrastructure as per the requirement next year for all other locations.

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

Yes. The company has an equal opportunity and anti-discrimination policy which is available at https://www.vguard.in/home/policies.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

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

Yes. V-Guard has a well-established PoSH and Whistleblower policy and the process to redress grievances registered by all employees and workers mentioned below. The company has ombudsperson and respective committees to redress grievances as the case may be.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

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

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)*	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2226	0	0	2078	0	0
- Male	2063	0	0	1927	0	0
- Female	163	0	0	151	0	0
Total Permanent Workers	421	0	0	399	0	0
- Male	411	0	0	389	0	0
- Female	10	0	0	10	0	0

*In the current reporting period no employees are part of any membership/associations. However, we recognize the right of employees and workers to have freedom of association and collective bargaining at the workplace.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures*		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2063	2063	100%	2063	100%	1927	1927	100%	1917	100%
Female	163	163	100%	163	100%	151	151	100%	151	100%
Total	2226	2226	100%	2226	100%	2068	2068	100%	2068	100%
Workers										
Male	411	411	100%	411	100%	389	389	100%	389	100%
Female	10	10	100%	10	100%	10	10	100%	10	100%
Total	421	421	100%	421	100%	399	399	100%	399	100%

* For most of FY 2022-23 and FY 2021-22, employees were given option to work from home and health and safety awareness were created through newsletters and e-mail communications. For employees and workers at factory and warehouse locations, physical health and safety training were conducted.

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	2063	2063	100%	1927	1927	100%
Female	163	163	100%	151	151	100%
Total	2226	2226	100%	2078	2078	100%
Workers						
Male	411	411	100%	389	389	100%
Female	10	10	100%	10	10	100%
Total	421	421	100%	399	399	100%

10. Health and safety management system:

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

Yes, all plants and offices are covered by our health and safety management system.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard identification and risk assessment (HIRA) system has been implemented at all locations including corporate office to identify routine and non-routine activity hazards and associated risk and its assessment. Risk analysis is done to identify risk reduction opportunities. Online HIRA module has been implemented in EHS reporting software to track all factories risk, its periodic review and tracking of implementation of preventive actions being followed. More advanced risk assessment machine safety certification system implementation is in process for all units. Various safety protocols are prepared and released to identify the correct work safety requirements. Along with this regular training is provided on unsafe acts and unsafe conditions.

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

Reporting of near miss, unsafe act & unsafe condition have been defined as a lag indicator in all manufacturing locations of V-Guard. All employees are trained to identify and report near misses, unsafe act and unsafe conditions. Monthly targets have been set for all units to report near miss, unsafe act and unsafe conditions. Such reporting is logged in EHS software, deliberated by the unit EHS committee and corrective actions are taken.

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

Yes, permanent employees and permanent workers including their dependent family members are covered under group Mediclaim policies which gives them access to cashless claims across 5177 network hospitals. Further permanent employees and permanent workers have access to the Company provided free annual health checkups, their family members can access this facility at company negotiated rates at empaneled diagnostic centers.

Contingent workers have access to avail medical/maternity benefits under ESIC.

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

	Category	FY 2022-23	FY 2021-22
Safety Incident/Number			
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	4.88	0
Total recordable work-related injuries	Employees	0	0
	Workers	2	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

We have established a well-defined EHS policy and EHS management system with a robust monitoring mechanism. As a part of EHS management system, EHS observation targets are set every month to identify unsafe Act, unsafe conditions, and near miss cases. EHS protocols including Work Permit system for non-standard activities such as working at heights, hot work, excavation work etc., has been established for all factories as part of site safety requirements. Appropriate PPE is defined and adhered to for all operations. Machine Guards and periodic audit systems were introduced to proactively mitigate workplace accidents. Necessary Lux and Noise levels are ensured for workplace hygiene. Digitization initiatives such as Training modules, EHS inspections, HIRA, Incident reporting and permit tracking have been implemented. Fire detection and firefighting systems are provided in all units along with emergency response training and emergency response drills to ensure effective emergency response. Periodic Health Check-up is conducted annually for all employees. OHS management systems requirements are being implemented for all factories; 4 key factories have already been certified for ISO 45001. Periodic inspections are conducted by external agencies such as Fire adequacy audit, electrical safety audit, machine safety audit and EHS excellence assessment. In addition, a Safety Committee is constituted with equal participation of employees and workers, and a dedicated team of experienced professionals is involved to review and improve EHS performance.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	13	-	-	7	-	-
Health & Safety	2	-	-	1	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% by third parties for safety related inspections
Working Conditions	100% by third parties for safety related inspections

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

All incidents are being reported in Suraksha 360 intranet portal and subsequently the investigations are carried out to determine the root cause and finalize appropriate corrective actions. Implementation and effectiveness of those actions are tracked through the system. Suitable poka-yoke controls such as interlock in machine guarding, safety light curtains, two hand controls etc., are put in place for all significant risks. Best practices such as theme-based safety audit and "management of change" help to identify and deploy adequate control measures and make the workplace safe.

Leadership Indicators

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

A) Yes, and B) Yes. The company has life insurance policies for permanent employees and permanent workers, contingent workers are covered under Employees' Deposit Linked Insurance Scheme provided by the Employees' Provident Fund Organization (EPFO).

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

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

   V-Guard identifies individuals or groups of individuals as their stakeholders, both external and internal, who are impacted by V-Guard's products, services, and business operations.

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

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Shareholders and Investors	No	• Annual shareholder meeting • Investor presentations and conference calls • Press releases and newsletters • Annual Report • Intimation to Stock exchanges and website of the Company	As per requirement	• Disclose significant information • Avoid conflict of interest • Transparency • Complaints and grievances • Governance • Internal control, internal audit and risk management
Vendors and Suppliers	No	• Regular interaction through online and offline meetings, phone calls, e-mails • Conferences and workshops • Trainings and awareness programmes • Supplier Audits	As per requirement	• Well-defined and detailed procurement procedures • Sustainable and transparent business operations • Procurement of environmentally and socially sustainable products • Timely and complete payment to suppliers
Customers	No	• Customer satisfaction surveys • Marketing and advertising • Customer service centres • Complaint handling and feedback • Electronic Communication - Social media, WhatsApp, Calls and SMS • Company website	As per requirement	• Safe, reliable and environmentally friendly products • Meet quality requirements • Dedicated customer support • Innovation, research and development

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees and workers	No	• Intranet portal • Trainings and development programmes • Performance management system • Emails, written communication • Newsletters, circulars and internal publications • Employee engagement initiatives • Functional and cross-functional committees	As per requirement	• Professional training and development • Performance evaluation • Equal opportunities • Work ethics and discipline • Fair remuneration • Occupational health and safety matters
Government and Regulatory authorities	No	• Meetings and formal dialogue • Representation through various trade bodies workshops • Written communications	As per requirement	• Adherence to laws and regulations • NGRBC Principles
Industry associations	No	• Meetings and formal dialogue • Written communications	As per requirement	• Waste management • Skill development • NGRBC Principles
Media	No	• Written Communications • Interviews and Forums • Meetings • Publications and Announcements • Media releases	As per requirement	• Clarity and transparency • NGRBC Principles
NGOs and communities	No	• Conferences and workshops • Communication via telephone, email, etc. • Community-participation events • CSR partnerships - Contribution towards various causes	As per requirement	• Assistance to society and communities • Waste management • Disaster-relief initiatives • Skill development • Medical and public welfare activities • Conservation of art and cultural heritage preservation • Opportunities to the vulnerable and marginalized in society

PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

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

V-Guard has established and published on the website Code of Conduct and Human Rights policy. Apart from issues such as child labour, forced labour and human trafficking it covers safety and security of workplace, which is free from issues such as mental and sexual harassment, intimidation and other unsafe or threatening conditions. We conduct code of conduct and POSH training as part of new joiners' induction as well as every 18 months to cover all employees.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (C)	No. employees / workers covered (D)	% (D/C)
Employees						
Permanent	2226	429	19%*	2078	2078	100%
Other than permanent	1191	0	0%	1027	0	0%
Total Employees	3417	429	13%	3105	2078	67%
Workers						
Permanent	421	33	8%*	399	399	100%
Other than permanent	2171	0	0%	2785	0	0%
Total Workers	2592	33	1%	3184	399	13%

* Code of Conduct, POSH training is conducted for employees and top management every 18 months. The last mandatory training for employees on these topics was conducted during December 2021, and hence only new joiners were required to attend the training during FY 2022-23.

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No (C)	% (C/A)		No. E	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2063	0	0%	2063	100%	1927	0	0%	1927	100%
Female	163	0	0%	163	100%	151	0	0%	151	100%
Other than Permanent										
Male	1092	0	0%	1092	100%	938	0	0%	938	100%
Female	99	0	0%	99	100%	89	0	0%	89	100%
Workers										
Permanent										
Male	411	0	0%	411	100%	389	0	0%	389	100%
Female	10	0	0%	10	100%	10	0	0%	10	100%
Other than Permanent										
Male	1581	805	51%	776	49%	2037	1271	62%	766	38%
Female	590	496	84%	94	16%	748	727	97%	21	3%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	4,99,54,201	0	-
Key Managerial Personnel	2	1,88,83,537	1	45,99,033
Employees other than BoD and KMP	2063	7,94,426	163	6,83,261
Workers	411	3,59,389	10	3,36,158

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

Yes, the company has ombudsperson and respective committees to address human rights impacts or issues.

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

We have a grievance redressal mechanism for monitoring and redressing all the grievances. The human resource team reviews and redresses the grievances of the employees. The Company has established a Whistle Blower mechanism for employees to raise concerns of unethical behavior or violation to Companies Code of Conduct. Such issues can be reported to the ombudsman through the dedicated email id- ombudsman@vguard.in. Also, any incidents of sexual harassment can be reported through dedicated email id - posh@vguard.in.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

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

Confidentiality and non-retaliation aspects are covered as part of Prevention of Sexual Harassment (POSH) policy and Whistleblower policy.

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

V-Guard has recently developed a Supplier Code of Conduct to encourage sustainable practices across the supply chain. The Company will incorporate the Supplier code of Conduct as part of agreements with all major suppliers.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% by entity
Forced/involuntary labour	100% by entity
Sexual harassment	100% by entity
Discrimination at workplace	100% by entity
Wages	100% by entity

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

    No concerns/complaints noted in the assessments mentioned in Question 9. Hence no corrective action required.

Leadership Indicators

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

   No complaints were received in relation to human rights.

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

   Wheelchair ramps are available in the Head Office to assist people with physical disabilities. The company will build the infrastructure as per the requirement next year for all other locations.

3. **Details on assessment of value chain partners:**

   The company carries out 100% assessment on child labour for its key vendors during vendor onboarding and vendor evaluations. Assessment parameters will be further enhanced to incorporate same values, principles and business ethics upheld by the Company in all their functions.

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

   No concerns/complaints noted in the assessments mentioned in Question 4. Hence no corrective action required.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

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

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (in GJ)	64,105.37	61,884.29
Total fuel consumption (B)	22,386.84	26,214.40
Energy consumption through other sources (C)	11,918.86	12,797.28
Total energy consumption (A+B+C)	98,411.07	1,00,895.97
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	24.30	29.03

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

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

V-Guard does not have sites/facilities identified as designated consumer under PAT.

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	650.10	569.90
(ii) Groundwater	49,802.86	44,831.94
(iii) Third party water	25,114.16	20,392.14
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	75,567.12	65,793.98
Total volume of water consumption (in kilolitres)	75,506.98	65,406.83
Water intensity per rupee of turnover *(Water consumed / turnover)*	18.64	18.82

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

8 out of 9 manufacturing units, and at our corporate office we have installed Zero Liquid Discharge (ZLD) mechanism and in the remaining one unit we are in the process of installing ZLD mechanism. Wherever ZLD is in place we have installed ETPs or STPs to treat the effluent from the production process and sewage from domestic activities, and we are reusing the treated water for horticulture purposes.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	mg/NM3	58.56	38.88
SOx	mg/NM3	26.93	32.45
Particulate matter (PM)	mg/NM3	43.14	44.82
Carbon Monoxide (CO)		Samples analyzed by third party are within statutory limits, however we are not reporting the CO emissions due to the difficulty in converting the emission in a common quantifiable unit.	

We undertake third party lab testing for each of these air emission parameters including NOx and SOx for all locations periodically to ensure the parameters are within the permissible limits. We also submit the reports to the concerned authority. These are the averages across manufacturing units.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,837.01	2,122.58
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	14,423.71	13,923.97
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO2 equivalent	16,260.71	16,046.55
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent per ₹ in crore	4.01	4.61

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Actions are being undertaken to reduce greenhouse gas emissions by investing in renewable energy projects such as solar panels and wind turbines. 12.1% of energy consumed during the current year is from these renewable sources which offsets about 2490 tons of CO2 during FY 2022-23- and 2730 tons during FY 2021-22. With increase in our manufacturing footprint, we are committed towards a consistent increase in the total CO2 offset through strategic long-term programs. We are continually focusing on process efficiency improvement, migration to VFDs where applicable, upgrading technology for improved energy efficiency for our heating/cooling needs as contributors towards reduction of our CO2 footprint. We are further targeting the reduction in energy consumption by improving the energy efficiency of our products such as fans (BLDC models launched with 5-star energy efficiency rating), pumps (work has been initiated for the development of pumps using sustainable energy options), energy efficient electric water heaters. Further we are doing R&D investments to improve the efficiency of our solar and battery products.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic Waste **(A)**	136.60	135.30
E-Waste **(B)**	17.30	19.30
Bio-Medical Waste **(C)**	-	-
Construction & Demolition Waste **(D)**	-	-
Battery Waste **(E)**	393.30	631.50
Radioactive Waste **(F)**	-	-
Other Hazardous Waste **(G)**	176.90	174.80
Other Hazardous waste. Please specify, if any. **(G)**	Spent oil waste, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, Powder coating waste	Spent oil waste, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, Powder coating waste
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	2,348.20(Metal scrap, wood waste, paper waste etc.)	2,618.80 (Metal scrap, wood waste, paper waste etc.)
Total (A+B + C + D + E + F + G+ H)	3,072.30	3,579.70

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) Not Applicable		
Category of waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	3,072.30	3,579.70
Total	**3,072.30**	**3,579.70**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste reduction strategy is applied for all manufacturing locations and each year waste reduction targets are set for in-process waste reduction, rejection of products etc for hazardous waste. The company has adopted measures across units for waste segregation at the source.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

V-Guard has no offices/operations around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

As per the Environmental Impact Assessment ("EIA") notification 2006, the company is not required to carry out environmental impact assessment for the reporting year.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	11,918.86	12,797.28
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	11,918.86	12,797.28
From non-renewable sources		
Total electricity consumption (D) in GJ	64,105.37	61,884.29
Total fuel consumption (E) in GJ (High Speed Diesel)	22,386.84	26,214.40
Energy consumption through other sources (F) in GJ	-	-
Total energy consumed from non-renewable sources. (D+E+F)	86,492.21	88,098.69

2. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not present in ecologically sensitive areas.

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of initiative (weblink, if any, may be provided along with summary)	Outcome of the initiative	Corrective action taken, if any
1	Reduction of use of plastic in water purifier	Replacement of plastic tank with stainless steel in water purifiers	Increases the life of the product thereby decreasing the environmental impact and stores the purified water for a longer time	NA
2	Reduce wastage of water in water purifier	Introduction of high recovery RO in water purifier.	Doubled the recovery of drinkable water	NA
3	Water saving projects	Rainwater harvesting, Drip Irrigation for landscaping, sensor taps, and many projects have resulted in savings of water	Savings of over 1700kl of water in FY 22-23	NA
4	Renewable energy	Undertaken projects to reduce greenhouse gas emissions by investing in renewable energy projects such as solar panels and wind turbines	Tamil Nadu cluster plants use 47% renewable energy.	NA

S. No	Initiative undertaken	Details of initiative (weblink, if any, may be provided along with summary)	Outcome of the initiative	Corrective action taken, if any
5	Enhancing energy efficiency of our products	Improving the energy efficiency of our products such as fans (BLDC models launched with 5-star energy efficiency rating), pumps (work has been initiated for the development of pumps using sustainable energy options), energy efficient electric water heaters. Further we are doing R&D investments to improve the efficiency of our solar and battery products.	Reduction in energy consumption	NA
6	Reduce waste	Continuous Improvement projects for reducing rework and rejections	Reduction in the amount of waste generated and reprocessed	NA
7	Projects to improve energy efficiency	Projects to prioritize machine loading based on energy efficiency has been initiated	Reduction in specific energy consumption	NA
8	Six Sigma projects	Six Sigma projects to improve material yield and resource utilization across our plants	Reduction in waste generation, improved material consumption and increased productivity	NA
9	Energy saving projects	Motion sensor-based lighting, daylight systems, VFD implementation, Vortex controllers in chillers, HVAC temperature controllers and timer operated exhaust systems	2.5 lakhs units of power savings	NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1.

a. Number of affiliations with trade and industry chambers/ associations.

V-Guard is a member of 7 trade associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Electrical & Electronics Manufacturers' Association (IEEMA)	National
2	National Productivity Council	National
3	Indian Fan Manufacturers Association (IFMA)	National
4	International Copper Association India	National
5	Kerala Management Association (KMA)	State
6	Kerala State Productivity Council (KSPC)	State
7	Kerala Electrical Traders Association (KETA)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable since there were no cases of anti-competitive conduct by V-Guard in FY 2022-23.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

NIL

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   We do not have any projects for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by V-Guard.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Communities and NGOs can reach us through email at csr@vguard.in for any grievances as defined in CSR Policy available on our website (https://www.vguard.in/home/policies).

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	29%	28%
Sourced directly from within the district and neighbouring districts	38%	32%

* Districts within the state of the plant are considered as neighboring districts.

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sl No.	State	Aspirational District	Amount Spent in ₹
1	Jammu & Kashmir	Baramulla	2,05,000
2	Chhattisgarh	Bastar	9,04,000
3	Sikkim	West Sikkim	2,29,000
4	Kerala	Wayanad	7,15,000
5	Uttarakhand	Udham Singh Nagar	3,00,000
6	Uttarakhand	Haridwar	6,87,000

3. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Nil

4. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   We did not have any cases of intellectual property related disputes in FY 2022-23.

5. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Edu Care & Skill Development	26,479	99%
2	Health Care	17,058	77%
3	Build India & Relief	13,550	10%
4	Women Empowerment	60	100%

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

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

a. We have a WhatsApp Chat Messenger where a consumer can drop a message 9633503333,

b. Website: www.vguard.in Toll Free: 1800 103 1300 : Toll No: 1860 3000 email: customercare@vguard.in

c. Customers can drop their complaint products at our ASP Points and Dealer shops/ counter.

d. Buddy and smart App at Dealer Points

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	14%
Safe and responsible usage	100%
Recycling and/or safe disposal	2%

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	7945	573	Number represents service calls escalation related to products by consumers.	6294	1282	Number represents service calls escalation related to products by consumers.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, ISMS Policy and Procedures are in place in line with ISO 27001 and are available on the website (https://www.vguard.in/home/policies). Further refer to management discussion and analysis section for details on the mitigation for cyber security risk.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No data breaches are found.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information related to our products and services can be found on our website and via other channels:

   - Website: www.vguard.in
   - Product Brochure/ Catalogues
   - Retail Collaterals
   - Product Packaging
   - Social Media Platforms
   - e-commerce marketplaces
   - PR during launch
   - OOH
   - Print Ads
   - Influencers

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.**

   - Do it yourself videos on YouTube and our website (https://www.vguard.in/thoughtful/)
   - Product Usage Manual
   - Service personal for select product categories helping consumers get attuned to the product
   - At the time of Technician's field visit, mentioned in product warranty cards, etc.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   - Website Banner
   - Call Centre
   - WhatsApp messages

4. **Provide the following information relating to data breaches:**

   a. ***Number of instances of data breaches along-with impact***

      NIL

   b. ***Percentage of data breaches involving personally identifiable information of customers***

      NIL

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of V-Guard Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act . Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 31 of the standalone financial statements) The Company's revenue principally comprises sale of goods. The revenue from sale of goods is recognised in accordance with the accounting principles prescribed under Ind AS 115, "Revenue from contracts with customers" and is measured at the transaction price net of trade discounts and volume rebates as per trade schemes, refund liabilities and taxes or duties collected on behalf of government authorities and is recognised at a point in time when the entity satisfies the performance obligation by transferring control of promised goods to customers. The control in respect of sale of goods is generally transferred when the products are delivered to customers in accordance with the terms of contract with customers.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of Company's controls around revenue recognition including accounting for trade discounts and volume rebates. • Assessing the Company's accounting policy for revenue recognition including the policy for recording trade discounts and volume rebates in accordance with Ind AS 115 "Revenue from Contracts with Customers". • Selecting samples of revenue transactions during the year and inspecting underlying documents which included invoices, shipping documents/ customers' acceptance, as applicable, to determine that the revenue is recognised in accordance with the agreed terms.

Key audit matter	How our audit addressed the key audit matter
We have considered revenue recognition as a key audit matter as revenue is significant to the financial statements owing to its large volume and significant audit risk around revenue recognition requiring greater audit effort and attention on account of the risk of revenue being recorded in incorrect period and due to estimates involved in calculation of provision for trade schemes.	• Testing selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with agreed terms, in the appropriate financial period. • Testing on a sample basis the calculation of the provisions for trade discounts and volume rebates at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used by the Company's Management. • Testing on a sample basis credit notes issued to customers/ payments made for incentives as per the approved trade schemes. Based on the above procedures performed, we did not identify any material exceptions in revenue recognition of sale of goods.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility and Sustainability Report, but does not include the standalone financial statements and our auditor's report thereon.

6. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

8. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

9. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the standalone 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 financial statements

11. Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

    (a) Identify and assess the risks of material misstatement of the standalone 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.

    (b) 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 financial statements in place and the operating effectiveness of such controls.

    (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    (d) 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 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.

    (e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The standalone financial statements of the Company for the year ended March 31, 2022, were audited by another firm of chartered accountants under the Act who, vide their report dated May 19, 2022, expressed an unmodified opinion on those standalone financial statements.

Report on other legal and regulatory requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40B to the standalone financial statements.

    ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

    iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 54(vii)(A) to the standalone financial statements);

    (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 54(vii)B to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

19. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLO5320

Place : Kochi
Date : May 30, 2023

Annexure A to Independent Auditor's Report Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under Section 143(3)(i) of the Act

1. We have audited the internal financial controls with reference to financial statements of V-Guard Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use,

or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLO5320

Place : Kochi
Date : May 30, 2023

Annexure B to Independent Auditors' Report Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a planned programme designed to cover all the items once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all the Property, Plant and Equipment have been physically verified by the Management during the previous year and no material discrepancies were noticed on such verification. Accordingly, no physical verification was carried out by the Management during the year.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on property, plant and equipment and right of use assets, Note 4 on investment property to the standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. Further, the Company is yet to submit the returns or statements for the quarter ended March 31, 2023 with such banks and hence the question of our commenting under clause 3(ii)(b) of the Order to the extent it relates to the last quarter of the financial year does not arise. Refer note 54(ii) to the standalone financial statements.

iii. (a) The Company has made investments in three subsidiary companies, four mutual fund schemes and granted unsecured loans to 166 employees during the year. The Company has not stood guarantee or provided security to any party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances are as per the table given below:

Description	Amount (₹ In Lakhs)
Aggregate amount of loans granted/ provided during the year	
-Loans to employees	160.39
Balance outstanding as at balance sheet date in respect of the above loans	
-Loans to employees	125.38

(Also refer Note 8 and 16 to the standalone financial statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans outstanding as on the balance sheet date, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No loans were granted to promoters/related parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, professional tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of professional tax and employees' state insurance which have not been deposited on account of any dispute. The particulars of dues of income tax, entry tax, value added tax, service tax, goods and services tax, central excise duty, customs duty and provident fund as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid (₹ in Lakhs)	Period to which the amount relates (FY)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	4905.91	852.90	2007-08, 2009 -10 to 2017-18	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956	Central Sales tax	8.38	0.56	2011-12 and 2012-13	Sales Tax Tribunal
Orissa Entry Tax Act, 1999	Entry Tax	155.37	10.36	2011-12 and 2012-13	Sales Tax Tribunal
Orissa Value Added Tax Act, 2004	Value added tax	520.13	57.38	2007-08 to 2012-13	Sales Tax Tribunal
		16.65	0.56	2014-15 to 2015-16	Sales Tax Tribunal
Bihar Entry Tax – Goods Act 1993	Entry Tax	39.08	6.04	2013-14, 2014-15 and 2015-16	Joint Commissioner of Commercial Taxes (Appeals)
Bihar Value Added Tax Act 2005	Value added tax	77.07	-	2015-16	Joint Commissioner of Commercial Taxes (Appeals)
		8.43	8.43	2017-18	Appellate Tribunal (Commercial Taxes)
Andhra Pradesh Value Added Tax Act 2005	Value added tax	12.82	3.2	2006-07 to 2009-10	Appellate Tribunal (Commercial Taxes)
		80.54	30.2	2014-15 to 2015-16	Appellate Deputy Commissioner (Commercial Taxes)
Uttarakhand Value Added Tax Act 2005	Value added tax	3.78	0.76	2014-15	Joint Commissioner Commercial Taxes (Appeals)
Finance Act, 1994	Service tax	42.38	1.17	2014-15, 2015-16 and 2016-17	Commissioner (Appeals), GST & Central Excise
Central Goods and Services taxes Act, 2017	Goods and Services tax	31.62	1.83	2017-18	Commissioner of Customs and Central Excise (Appeals)
		2.97	2.97	2020-21	Joint Commissioner (Appeals)
		2.97	2.97	2022-23	Joint Commissioner (Appeals)
Central Excise Act, 1944	Central Excise duty	35.89	0.78	2016-17 and 2017-18	Commissioner of GST & Central Excise (Appeals)
Customs Act 1962	Customs duty	0.11	-	2013-14	Commissioner of Customs Appeals
		7.53	2.53	2018-19 and 2019-20	Commissioner of Customs Appeals
		22.98	20.99	2016-17	Central Excise and Service Tax Appellate Tribunal
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	6.82	2.73	2008-09 to 2011-12	Central Government Industrial Tribunal
		7.29	-	2009-10 to 2011-12	Central Government Industrial Tribunal

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 54(xiv) to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any joint ventures or associate companies during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 53 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLO5320

Place : Kochi
Date : May 30, 2023

Standalone Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
1. Non-current assets			
Property plant and equipment	3	34,092.27	33,164.97
Capital work-in-progress	3	1,217.27	864.37
Investment property	4	27.90	27.90
Other intangible assets	5	1,761.56	808.54
Intangible assets under development	5	364.79	783.85
Right of use assets	3	8,786.26	6,025.69
Financial assets			
(a) Investment in subsidiaries	6	81,798.45	6,864.70
(b) Other investments	7	3,340.00	3,340.00
(c) Loans	8	103.43	143.94
(d) Other financial assets	9	1,929.94	1,525.43
Current tax assets (net)	10	3,036.65	2,210.60
Deferred tax assets (net)	11	735.48	862.92
Other non-current assets	12	998.34	1,291.15
		138,192.34	**57,914.06**
2. Current assets			
Inventories	13	68,941.33	84,988.85
Financial assets			
(a) Trade receivables	14	53,173.69	47,924.29
(b) Cash and cash equivalents	15A	2,365.27	5,344.86
(c) Other bank balances	15B	44.66	42.86
(d) Loans	16	156.39	175.18
(e) Other financial assets	17	541.79	13.14
Other current assets	18	8,077.54	11,829.34
		133,300.67	**150,318.52**
TOTAL ASSETS		**271,493.01**	**208,232.58**
B. EQUITY AND LIABILITIES			
1. Equity			
Equity share capital	19	4,321.74	4,315.42
Other equity *		154,477.95	135,935.46
TOTAL EQUITY		**158,799.69**	**140,250.88**
2. Non-current liabilities			
Financial liabilities			
(a) Borrowings	21	27,290.60	-
(b) Lease liabilities	22	6,542.62	4,843.31
(c) Other financial liabilities	23	2,540.31	572.55
Provisions	24	1,366.85	1,289.68
		37,740.38	**6,705.54**
3. Current liabilities			
Financial liabilities			
(a) Borrowings	25	14,670.23	1,000.00
(b) Lease liabilities	22	1,551.74	791.33
(c) Trade payables	26		
(i) Total outstanding dues of micro enterprises and small enterprises		5,621.72	4,272.32
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		37,688.53	40,468.63
(d) Other financial liabilities	27	3,845.96	5,390.69
Other current liabilities	28	5,380.97	4,411.38
Provisions	29	6,193.79	4,758.35
Current tax liabilities (net)	30	-	183.46
		74,952.94	**61,276.16**
TOTAL LIABILITIES		**112,693.32**	**67,981.70**
TOTAL EQUITY AND LIABILITIES		**271,493.01**	**208,232.58**
* 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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in lakhs)

Particulars			Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Income				
	(a)	Revenue from operations	31	404,960.32	347,666.74
	(b)	Other income	32	1,496.60	1,092.26
	Total income			**406,456.92**	**348,759.00**
2	Expenses				
	(a)	Cost of raw materials consumed		122,343.84	137,476.66
	(b)	Purchase of stock-in-trade		156,749.73	117,888.24
	(c)	Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods	33	8,911.78	(13,969.56)
	(d)	Employee benefits expenses	34	29,486.20	26,688.06
	(e)	Depreciation and amortization expenses	35.A	5,844.06	4,750.00
	(f)	Finance costs	35.B	1,592.41	752.49
	(g)	Other expenses	36	57,391.75	46,168.34
	Total expenses			**382,319.77**	**319,754.23**
3	Profit before tax (1 - 2)			**24,137.15**	**29,004.77**
4	Income tax expenses		38		
	(a)	Current tax expenses		3,589.23	7,709.69
	(b)	Deferred tax expense / (credit)		2,615.45	(575.97)
	(c)	Current tax relating to earlier years		-	(808.67)
	Total income tax			**6,204.68**	**6,325.05**
5	Profit for the year (3 - 4)			**17,932.47**	**22,679.72**
6	Other comprehensive income				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	(a)	Re-measurement (losses) / gains on defined benefit plans	43	(47.35)	(74.89)
	(b)	Bargain purchase gain on business combination	48	2,045.76	-
	(c)	Income tax effect		7.02	19.91
	Other comprehensive income for the year, net of tax			**2,005.43**	**(54.98)**
7	Total comprehensive income for the year, net of tax (5 + 6)			**19,937.90**	**22,624.74**
8	Earnings per equity share (basic and diluted) (₹) : (Nominal value of equity share - ₹ 1 each)		46		
	Basic			4.15	5.27
	Diluted			4.12	5.23
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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Standalone Statement of changes in equity

for the year ended March 31, 2023

A) Equity Share Capital

Particulars	No. of shares	₹ in lakhs
As at April 1, 2021	**430,188,458**	**4,301.88**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	1,353,476	13.54
As at March 31, 2022	**431,541,934**	**4,315.42**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	632,498	6.32
As at March 31, 2023	**432,174,432**	**4,321.74**

B) Other Equity

(₹ in lakhs)

Particulars	Attributable to the equity holders						Total
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance*	
As at April 1, 2021	**11,941.78**	**6,489.01**	**95,038.39**	**-**	**3,005.83**	**-**	**116,475.01**
Net profit for the year	-	-	22,679.72	-	-	-	22,679.72
Other comprehensive income for the year							
Remeasurement (loss) / gain 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**	**112,500.87**	**-**	**3,690.82**	**-**	**135,935.46**
Net profit for the year	-	-	17,932.47	-	-	-	17,932.47
Other comprehensive income for the year							
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	-	-	(40.33)	-	-	-	(40.33)
Bargain purchase gain on business combination (Refer Note 48)	-	-	-	2,045.76	-	-	2,045.76
Total comprehensive income	**-**	**-**	**17,892.14**	**2,045.76**	**-**	**-**	**19,937.90**
Equity shares issued under ESOS 2013	194.07	-	-	-	-	-	194.07
Final dividend (Refer Note 20)	-	-	(5,610.05)	-	-	-	(5,610.05)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	743.75	-	-	-	(743.75)	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	1,336.88	-	1,336.88
Shares pending to be issued as consideration for business combination (Refer Note 48)	-	-	-	-	-	2,683.69	2,683.69
As at March 31, 2023	**14,192.59**	**6,489.01**	**124,782.96**	**2,045.76**	**4,283.95**	**2,683.69**	**154,477.95**

Standalone Statement of changes in equity

for the year ended March 31, 2023

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. Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve: The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

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.

* Shares pending issuance represents the equity shares pending to be issued as on March 31, 2023 pursuant to the business combination (Refer Note 48).

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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Standalone Statement of Cash Flows for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash flow from operating activities				
Profit before tax		24,137.15		29,004.77
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortization expenses	5,844.06		4,750.00	
Loss on property, plant and equipment sold / scrapped / written off (net)	12.93		67.49	
Finance costs	1,592.41		752.49	
Finance income	(177.83)		(319.46)	
Carrying value adjustment of put option liability	47.45		106.99	
Gain on sale of investments	(532.55)		(17.38)	
(Gain) / loss on lease modifications	(15.34)		-	
Liabilities / provisions no longer required written back	(12.04)		(14.83)	
Loss allowance for trade receivables (net)	(745.81)		207.24	
Impairment allowance for doubtful advances (net)	(308.99)		344.32	
Share based payments expense	1,336.88		1,555.02	
		7,041.17		**7,431.88**
Operating profit before working capital changes		**31,178.32**		**36,436.65**
Movement in working capital				
Decrease / (increase) in inventories	16,429.30		(22,122.94)	
(Increase) / decrease in trade receivables	(4,141.24)		(9,659.77)	
Decrease / (increase) in loans to employees and others	59.30		46.73	
(Increase) / decrease in other financial assets	(467.14)		(95.01)	
Decrease / (increase) in other assets	4,032.08		(1409.69)	
(Decrease) / increase in trade payables	(1,803.38)		841.97	
(Decrease) / increase in other financial liabilities	(1,379.19)		105.95	
Increase / (decrease) in provisions	1,355.54		601.52	
Increase / (decrease) in other liabilities	928.73		655.05	
		15,014.00		**(31,036.19)**
Cash generated from operations		**46,192.32**		**5,400.46**
Income tax paid (net of refunds)		(4,597.41)		(8,690.01)
Net cash flow from / (used in) operating activities (A)		**41,594.91**		**(3,289.55)**
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(5,286.79)		(7,744.93)	
Proceeds from sale of property, plant and equipment	151.70		8.64	
Investment in equity shares of subsidiary companies	(73,053.75)		(5,979.75)	
Acquisition of cash balance as part of business combination	71.28		-	
(Investment in) / redemption of fixed deposits with maturity more than 3 months (net)	(0.88)		20.80	
Finance income	170.69		329.16	
Proceeds from sale of current investments (net)	532.55		17.38	
Net cash flow (used in) / from investing activities (B)		**(77,415.20)**		**(13,348.70)**

Standalone Statement of Cash Flows for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
C. Cash flow from financing activities				
Proceeds from exercise of share options (including share application money)	200.39		456.49	
Payment of principal portion of lease liabilities	(1,119.86)		(713.09)	
Proceeds / (repayment) of short term borrowings (net)	13,670.23		-	
Proceeds / (repayment) of long term borrowings	27,290.60		-	
Finance costs paid	(1,592.41)		(671.91)	
Dividends paid on equity shares	(5,608.25)		(5,160.69)	
Net cash flow from / (used in) financing activities (C)		**32,840.70**		**(6,089.20)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(2,979.59)**		**(22,727.45)**
Cash and cash equivalents at the beginning of the year		**5,344.86**		**28,072.31**
Cash and cash equivalents at the end of the year		**2,365.27**		**5,344.86**
Components of cash and cash equivalents: (Refer Note 15A)				
(a) Cash on hand		1.07		0.19
(b) Balances with bank:				
In current accounts		2,364.20		5,344.67
		2,365.27		**5,344.86**

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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Notes forming part of the Standalone 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 and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Single Phase Pumps and Modular Switches
Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, 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, Roorkee and Haridwar, 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 30, 2023.

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

a) *Compliance with Ind AS*

The financial statements of the Company comply in all material aspects with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the standalone financial statements.

b) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and liabilities (including derivative instruments) measured at fair value

(ii) defined benefit plans – plan assets measured at fair value

(iii) share-based payments.

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 Standalone 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 a monthly 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 at the measurement date.

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 Standalone 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 sale/ 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. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. Revenue is thus recognized as the service is performed and there are no unsatisfied performance 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, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates

Notes forming part of the Standalone Financial Statements

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, 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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). 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 is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Notes forming part of the Standalone Financial Statements

(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.

(v) Financing components

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money

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.

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 uncertainty.

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:

Notes forming part of the Standalone Financial Statements

- 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.

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. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

Notes forming part of the Standalone Financial Statements

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

g) *Property, plant and equipment*

Freehold land is carried at historical cost. All other items of 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 derecognised 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 statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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 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

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* 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.

Notes forming part of the Standalone Financial Statements

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, 2023 and March 31, 2022 comprise of land.

Investment properties are derecognised 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.

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 derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are 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;

Notes forming part of the Standalone Financial Statements

- 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 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 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 22).

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 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.

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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 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

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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 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

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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 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

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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 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

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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 derecognition (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 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 derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Interest income

For all debt instruments measured either at amortised cost or at fair value through

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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.

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.

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.

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 derecognised (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 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

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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 (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at amortised cost and contractual revenue 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.

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,

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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 derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR 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 derecognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is derecognised 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 derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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 reclassification of a financial asset out of the fair value through profit or loss category.

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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 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.

u) *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of an entity comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Company

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- fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

v) 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.

w) 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.

x) 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 Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes forming part of the Standalone Financial Statements

2.4 Standards notified but not yet effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

2.5 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.

A) Revenue from sale of products

Revenue from contracts with customers is recognised when control of the goods 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. 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.

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.

Notes forming part of the Standalone Financial Statements

B) *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.

C) *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.

D) *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.

E) *Determination of control / significant influence for investments made by the Company*

As detailed in Note 7, the Company has 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 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 3 : Property, plant and 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 equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total	
Gross block													
As at April 1, 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)	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(6,068.88)
Adjustments *	-	0.09	571.68	58.69	41.22	21.75	68.71	762.14	-	-	-	-	-
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**
Additions	-	649.48	2,804.03	222.13	-	147.92	307.70	4,131.26	-	3,521.59	323.74	3,845.33	2,068.65
Disposals	-	(12.94)	(404.67)	(5.23)	-	(48.15)	(61.41)	(532.40)	-	(268.20)	(19.90)	(288.10)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,715.75)
Acquisition through business combination (Refer Note 48)	-	529.94	335.47	12.75	14.70	7.45	3.76	904.06	556.40	-	-	556.40	-
As at March 31, 2023	**1,916.14**	**14,752.15**	**28,780.59**	**1,568.59**	**82.33**	**1,546.33**	**2,383.66**	**51,029.78**	**2,512.39**	**8,733.32**	**971.03**	**12,216.74**	**1,217.27**
Accumulated depreciation													
As at April 1, 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**	**-**
Charge for the year	-	504.93	2,790.73	145.29	7.33	185.29	309.82	3,943.39	84.49	1,204.92	219.04	1,508.45	-
Disposals	-	(2.26)	(270.32)	(4.04)	-	(29.74)	(61.41)	(367.77)	-	(146.12)	(9.27)	(155.39)	-
As at March 31, 2023	**-**	**2,514.57**	**10,839.43**	**780.18**	**57.43**	**1,047.36**	**1,698.54**	**16,937.51**	**325.20**	**2,742.61**	**362.67**	**3,430.48**	**-**
Net block													
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**
As at March 31, 2023	**1,916.14**	**12,237.58**	**17,941.16**	**788.41**	**24.90**	**498.97**	**685.12**	**34,092.27**	**2,187.19**	**5,990.71**	**608.36**	**8,786.26**	**1,217.27**

* Includes adjustments amounting to ₹ 762.14 lakhs in gross block and accumulated depreciation for the year ended March 31, 2022 relating to earlier years.

Notes forming part of the Standalone Financial Statements

Notes:

1. Capital work-in-progress (CWIP) as at March 31, 2023 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

2. Capital work-in-progress ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,153.80	63.47	-	-	1,217.27
Projects temporarily suspended	-	-	-	-	-

(₹ 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	770.34	94.03	-	-	864.37
Projects temporarily suspended	-	-	-	-	-

3. Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2023:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Vitreous enamel coated solar water heater project at Perundurai	818.94	-	-	-	818.94

4. The Company has not capitalised any borrowing cost in the current and previous year.

5. 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.

6. During the year ended March 31, 2023, the Company has capitalized expenses amounting to ₹ 21.38 lakhs (March 31, 2022 - Nil) to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under Note 36, other expenses are net of amounts capitalized by the Company.

7. Land, buildings, plant and equipments with a carrying amount of ₹ 27,746.88 lakhs as at March 31, 2023 (March 31, 2022 - Nil) are subject to a hypothecation to secure the term loans availed. The registration of mortgage is under process as on the reporting date.

8. Also refer Note 40.A on capital commitments.

Notes forming part of the Standalone Financial Statements

Note 4 : Investment property

(At cost)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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**

Note: 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.

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				
As at April 1, 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**
Purchase / additions	1,343.99	-	1,343.99	110.94
Acquisition through business combination (Refer Note 48)	1.25	-	1.25	-
Capitalised during the year	-	-	-	(530.00)
As at March 31, 2023	**3,373.83**	**4.60**	**3,378.43**	**364.79**
Accumulated amortization				
As at April 1, 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**	**-**
Charge for the year	392.22	-	392.22	-
As at March 31, 2023	**1,612.27**	**4.60**	**1,616.87**	**-**
Net block				
As at March 31, 2022	**808.54**	**-**	**808.54**	**783.85**
As at March 31, 2023	**1,761.56**	**-**	**1,761.56**	**364.79**

Notes forming part of the Standalone 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, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	110.94	148.53	105.32	-	364.79
Projects temporarily suspended	-	-	-	-	-

(₹ 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	-	-	-	-	-

Note: There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

2. Also refer Note 40.A on capital commitments.
3. Remaining useful life of intangible assets ranges from 1 to 5 years, as at the year end.

Note 6: Investment in subsidiaries

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in subsidiaries (unquoted) (carried at cost):		
Guts Electro-Mech Limited		
1,965,242 (March 31, 2022 : 1,454,722) equity shares of ₹ 10 each fully paid up (Refer Note 41)	884.95	884.95
V-Guard Consumer Products Limited		
121,089,961 (March 31, 2022 : 59,797,507) equity shares of ₹ 10 each fully paid up (Refer Note 41)	12,109.00	5,979.75
Sunflame Enterprises Private Limited		
15,650 (March 31, 2022 : NIL) equity shares of ₹ 10 each fully paid up (Refer Note 41)	68,804.50	-
Total	**81,798.45**	**6,864.70**

Notes forming part of the Standalone Financial Statements

Note 7: Other investments

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments (at fair value through profit or loss) (unquoted):		
Investment in Gegadyne Energy Labs Private Limited		
7 (March 31, 2022 : 7) equity shares of ₹ 10 each fully paid up	8.04	8.04
2,900 (March 31, 2022 : 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 ₹ 3,340.00 lakhs in return for 18.77% stake on a fully diluted basis. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions.

Note 8: Loans (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	103.43	76.60
(b) Other loans (Refer note (i) below)	-	67.34
Total	**103.43**	**143.94**

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, 2023 and March 31, 2022 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, 2023	As at March 31, 2022
(a) Security deposits (unsecured, considered good) (carried at amortised cost)	1,602.05	1,139.85
(b) Non-current bank balance (carried at amortised cost) (Refer Note 15B)	327.89	327.01
(c) Derivative instrument - Call option (valued at fair value through profit or loss) (Refer Note 41)	-	58.57
Total	**1,929.94**	**1,525.43**

Note: There are no financial assets as at March 31, 2023 and March 31, 2022 which have significant increase in credit risk or which are credit impaired.

Notes forming part of the Standalone Financial Statements

Note 10: Income tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions)	3,036.65	2,210.60
Total	**3,036.65**	**2,210.60**

Note 11: Deferred tax asset / (liability) (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment	(3,300.81)	(2,659.28)
	(3,300.81)	**(2,659.28)**
Tax effect of items constituting deferred tax assets		
Loss allowance for trade receivables and impairment allowance for doubtful advances (net)	809.05	1,081.82
Disallowances under Section 43B of the Income Tax Act, 1961	676.36	542.73
Others including lease liabilities	2,550.88	1,897.65
	4,036.29	**3,522.20**
Net deferred tax asset / (liability) [Refer Note 38(e) and 38(f)]	**735.48**	**862.92**

Note 12: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
(a) Capital advances	710.27	1,031.79
(b) Deposits with statutory / Government authorities	245.78	245.78
(c) Prepaid expenses	42.29	13.58
Total	**998.34**	**1,291.15**

Note 13: Inventories

(Valued at lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	12,823.06	20,245.64
(b) Work-in-progress	3,774.13	4,939.77
(c) Finished goods	19,361.63	25,980.28
(d) Stock-in-trade	31,562.74	32,374.40
(e) Packing materials and consumables	1,419.77	1,448.76
Total	**68,941.33**	**84,988.85**

Notes forming part of the Standalone Financial Statements

Notes:

(a) The above includes goods in transit as under:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	48.29	1,440.77
Stock-in-trade	1,523.33	-
Packing materials and consumables	33.84	42.98
Total	**1,605.46**	**1,483.75**

(b) During the year ended March 31, 2023, ₹ 207.90 lakhs (March 31, 2022: ₹ 267.40 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, 2023	As at March 31, 2022
Trade receivables		
Secured, considered good	1,101.80	1,106.54
Unsecured, considered good	54,569.80	50,090.47
	55,671.60	**51,197.01**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 51C)		
Unsecured, considered good based on expected credit loss provisioning	2,497.91	3,272.72
	2,497.91	**3,272.72**
Total	**53,173.69**	**47,924.29**

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) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

(iii) Refer Note 45 for receivables from related parties.

(iv) Offsetting financial assets and financial liabilities: The Company provides certain incentives to selected customers, the amounts payable by the Company as at March 31, 2023 of ₹ 7,532.30 lakhs (March 31, 2022: ₹ 6,862.10 lakhs) are offset against receivables from the customers and only the net amounts are settled.

Notes forming part of the Standalone 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, 2023
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	45,526.25	7,434.52	141.57	78.12	44.59	159.19	53,384.24
ii) Disputed trade receivables - considered good	-	-	-	64.01	359.66	1,863.69	2,287.36
Total	**45,526.25**	**7,434.52**	**141.57**	**142.13**	**404.25**	**2,022.88**	**55,671.60**

(₹ 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	212.67	134.64	215.29	194.86	49,201.75
ii) Disputed trade receivables - considered good	-	-	-	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**

Note 15: Cash and cash equivalents and Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
15A. Cash and cash equivalents		
(a) Cash on hand	1.07	0.19
(b) Balances with banks:		
In current accounts	2,364.20	5,344.67
Total	**2,365.27**	**5,344.86**
15B. Other bank balances		
(a) Unpaid dividend accounts	44.66	42.86
(b) Fixed deposits (Refer note (i) below)	327.89	327.01
Total	**372.55**	**369.87**
Less: Amount disclosed under other non-current financial assets (Refer Note 9)	(327.89)	(327.01)
Total	**44.66**	**42.86**

Notes:

(i) Fixed deposits of ₹ 327.89 lakhs (March 31, 2022: ₹ 327.01 lakhs) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

Notes forming part of the Standalone Financial Statements

(ii) Changes in liabilities arising from financing activities are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Lease liabilities		Borrowings	
Balance outstanding as at beginning of the year	**5,634.64**	**5,625.07**	**1,000.00**	**1,000.00**
Addition on account of new leases during the year	3,727.63	722.66	-	-
Deletion on account of termination of leases during the year	(148.05)	-	-	-
Cash inflow from borrowings	-	-	51,794.83	15,100.00
Finance costs	665.56	507.06	781.95	80.87
Cash outflows	(1,785.42)	(1,220.15)	(11,615.95)	(15,180.87)
Balance outstanding as at end of the year	**8,094.36**	**5,634.64**	**41,960.83**	**1,000.00**
Disclosed as:				
Current borrowings (Refer Note 25)			14,670.23	1,000.00
Non-current borrowings (Refer Note 21)			27,290.60	-
Current portion of lease liabilities (Refer Note 22)	1,551.74	791.33		
Non-current portion of lease liabilities (Refer Note 22)	6,542.62	4,843.31		
Total	**8,094.36**	**5,634.64**	**41,960.83**	**1,000.00**

Note 16: Loans (Current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	98.62	68.72
(b) Other loans (Refer Note 8(i))	57.77	106.46
Total	**156.39**	**175.18**

Note: There are no loans as at March 31, 2023 and March 31, 2022 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, 2023	As at March 31, 2022
Unsecured, considered good (carried at amortised cost)		
(i) Interest accrued	20.28	13.14
(ii) Receivable pursuant to merger (Refer Note 48)	521.51	-
Total	**541.79**	**13.14**

Note: There are no current financial assets as at March 31, 2023 and March 31, 2022 which have significant increase in credit risk or which are credit impaired.

Notes forming part of the Standalone Financial Statements

Note 18: Other current assets

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless other wise stated			
(a)	Advance to suppliers		
	Considered good	3,313.78	4,340.92
	Considered doubtful	716.69	1,025.68
		4,030.47	**5,366.60**
	Less: Provision for doubtful advances	(716.69)	(1,025.68)
		3,313.78	**4,340.92**
(b)	Balances with Government authorities	2,598.40	5,380.36
(c)	Prepaid expenses	1,401.36	1,395.26
(d)	Right to return asset (Refer Note 31 (v))	666.62	645.36
(e)	Others	97.38	67.44
Total		**8,077.54**	**11,829.34**

Note 19: Share capital

Particulars		As at March 31, 2023		As at March 31, 2022	
		Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a)	**Authorised:**				
	Equity shares of ₹ 1/- (March 31, 2022: ₹ 1/-) each with voting rights	1,915,000,000	19,150.00	500,000,000	5,000.00
(b)	**Issued, subscribed and fully paid-up:**				
	Equity shares of ₹ 1/- (March 31, 2022: ₹ 1/-) each with voting rights	432,174,432	4,321.74	431,541,934	4,315.42

Pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited, the authorised share capital of the Company increased to ₹19,150.00 lakhs divided into 1,915,000,000 equity shares of ₹1 each (Refer Note 48).

(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, 2023		As at March 31, 2022	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the period	431,541,934	4,315.42	430,188,458	4,301.88
Issued during the period	632,498	6.32	1,353,476	13.54
Outstanding at the end of the period	**432,174,432**	**4,321.74**	**431,541,934**	**4,315.42**

Notes forming part of the Standalone Financial Statements

(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, 2022: ₹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, 2023		As at March 31, 2022	
	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	45,405,394	10.51%	45,405,394	10.52%
Mr. Arun K Chittilappilly	37,777,828	8.74%	37,777,828	8.75%
Mr. Mithun K Chittilappilly	86,389,878	19.99%	86,389,878	20.02%
Kotak Mahindra Mutual Fund	26,119,060	6.04%	21,837,838	5.06%
SBI Mutual Fund	40,052,082	9.27%	36,451,087	8.45%

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.

(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:

The Company has issued 6,498,801 shares of face value of ₹ 1 each (March 31, 2022: 6,887,473 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 and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 47.

Equity shares are pending to be issued as on March 31, 2023 pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited (Refer Note 48 and Statement of changes in equity).

Notes forming part of the Standalone Financial Statements

(f) Details of shares held by promoters:

As at March 31, 2023

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	45,405,394	-	45,405,394	10.51%	(0.02%)
Mrs. Sheela Kochouseph	10,931,202	-	10,931,202	2.53%	-
Promoter group					
Mr. Arun K Chittilappilly	37,777,828	-	37,777,828	8.74%	(0.01%)
Mr. Mithun K Chittilappilly	86,389,878	-	86,389,878	19.99%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	20,808,000	-	20,808,000	4.81%	(0.01%)
Mr. Mithun K Chittilappilly, Trustee of Anekha Chittilappilly Trust	21,300,000	-	21,300,000	4.93%	(0.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	18,525,250	-	18,525,250	4.29%	(0.01%)

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%	(1.20%)
Mrs. Sheela Kochouseph	10,931,202	-	10,931,202	2.53%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	37,777,828	-	37,777,828	8.75%	(0.03%)
Mr. Mithun K Chittilappilly	107,687,278	(21,297,400)	86,389,878	20.02%	(5.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	20,808,000	-	20,808,000	4.82%	(0.02%)
Mr. Mithun K 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%	(0.01%)

Notes forming part of the Standalone Financial Statements

Note 20: Distribution made and proposed

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividends on equity shares declared and paid:		
Final 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**
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2023 - ₹ 1.30 per share of face value of ₹ 1 each (March 31, 2022 - ₹ 1.30 per share of face value of ₹ 1 each) (Refer note below)	5,618.27	5,610.05
Total	**5,618.27**	**5,610.05**

Note: 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.

Note 21: Non-current borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
Secured		
(a) Term loan from bank	8,928.92	-
(b) Term loan from financial institution	18,361.68	-
Total	**27,290.60**	**-**

Notes:

(i) Terms of loans are listed below:

Particulars	Terms of repayment	Interest rate	As at March 31, 2023	As at March 31, 2022
Term loan of ₹ 9,000.00 lakhs	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	8.5% p.a. Repo rate + 200 bps	8,928.92	-
Term loan of ₹ 18,500.00 lakhs	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	9.13% p.a. 91 day T-Bill rate + 239 bps	18,361.68	-

(ii) Security of term loans is detailed below:

(a) Term loan from bank : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(b) Term loan from financial institution : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(iii) Also refer Note 15(ii).

Notes forming part of the Standalone Financial Statements

Note 22: Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 15 (ii) and 42)	6,542.62	4,843.31
(b) Current portion of lease liabilities (Refer Note 15 (ii) and 42)	1,551.74	791.33
Total	**8,094.36**	**5,634.64**

Note 23: Other non-current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Put option liability (Refer Note 41)	-	572.55
(b) Deferred consideration payable (Refer Note 41)	2,540.31	-
Total	**2,540.31**	**572.55**

Note 24: Provisions (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for warranty (Refer Note 29)	1,366.85	1,289.68
Total	**1,366.85**	**1,289.68**

Note 25: Current borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
Unsecured		
(a) Channel financing facility from bank (Refer note (iv) below)	4,822.00	1,000.00
(b) Purchase invoice financing from banks - (Refer notes (i), (ii) and (iii) below)	9,848.23	-
Total	**14,670.23**	**1,000.00**

Notes forming part of the Standalone Financial Statements

Notes:

(i) Terms of borrowings are listed below:

Particulars	Terms of repayment	Interest rate	Balance as at	
			As at March 31, 2023	As at March 31, 2022
Purchase invoice financing	Repayable on the 90th day from the disbursement	7.6% p.a.	9,848.23	-

(ii) Purchase invoice financing from banks is an arrangement where banks remit the amount due to suppliers on due dates and the Company repays the amount to banks at an agreed later date.

(iii) The Company has not made any defaults in the repayment of loans availed from banks during the year.

(iv) Channel financing facility from bank represents financing arrangement with limited recourse to the Company. The Company therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.

(v) Also refer Note 15 (ii).

Note 26: Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Total outstanding dues of micro enterprises and small enterprises	5,621.72	4,272.32
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises:		
-Related parties	984.08	90.31
-Others	36,704.45	40,378.32
	37,688.53	**40,468.63**
Total	**43,310.25**	**44,740.95**

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.

Notes forming part of the Standalone Financial Statements

(iii) Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(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	5,604.10	4,357.50
	Interest due on above	32.14	-
		5,636.24	**4,357.50**
(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	32.14	-
(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	-	-

Notes:

(i) 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.

(ii) Principal amount due to micro and small enterprises and interest thereon of ₹ 104.96 lakhs and ₹ 32.14 lakhs represents amounts acquired by way of business combination (Refer Note 48).

(iii) Principal amount due to micro and small enterprises includes dues of micro and small enterprises included under other financial liabilities (Refer Note 27 (ii)).

Trade payables ageing schedule

(₹ in lakhs)

Particulars		Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2023
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	Micro enterprises and small enterprises	5,589.01	32.71	-	-	-	5,621.72
ii)	Others	30,762.27	5,597.69	506.64	302.08	519.85	37,688.53
iii)	Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv)	Disputed dues - Others	-	-	-	-	-	-

(₹ in lakhs)

Particulars		Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2022
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	Micro enterprises and small enterprises	4,055.55	216.77	-	-	-	4,272.32
ii)	Others	32,744.58	5,306.47	1,264.91	692.54	460.13	40,468.63
iii)	Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv)	Disputed dues - Others	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

Note 27: Other current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Unpaid dividends (Refer note (i) below)	44.66	42.86
(b) Trade / Security deposits received	1,370.27	1,379.37
(c) Capital creditors (Refer note (ii) below)	238.25	437.46
(d) Employee benefits payable	2,131.60	3,450.34
(e) Other payables	61.18	80.66
Total	**3,845.96**	**5,390.69**

Notes:

(i) Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

(ii) Capital creditors includes outstanding dues of micro enterprises and small enterprises of ₹ 14.52 lakhs (March 31, 2022: ₹ 85.18 lakhs)

Note 28: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory dues*	2,957.71	1,793.77
(b) Contract liability (Refer Note 31 (iv))	1,447.28	1,648.61
(c) Refund liabilities arising from right to return assets (Refer Note 31 (v))	966.56	934.77
(d) Others	9.42	34.23
Total	**5,380.97**	**4,411.38**

*Represents contributions to Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Note 29: Provisions (Current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note (i) below)	1,862.08	1,600.86
(ii) Provision for gratuity (Refer Note 43)	814.96	555.55
(b) Other provisions		
(i) Provision for warranty (Refer note (ii) below)	3,514.75	2,601.94
(ii) Provision for indirect tax litigations	2.00	-
Total	**6,193.79**	**4,758.35**

Notes:

(i) Provision for compensated absences

The obligations for compensated absences cover the Company's liability for paid leaves. The entire amount of the provision is presented as current as the Company does not have an unconditional right to defer settlement for any

Notes forming part of the Standalone Financial Statements

of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision per the actuarial valuation report, included in the total obligation for compensated absences, is ₹244.69 lakhs (March 31, 2022: ₹210.10 lakhs).

(ii) 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.

The table below gives information about movement in provision for warranty : (₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	3,891.62	3,526.44
Additional provision recognized	6,296.00	4,712.77
Amounts used during the year	(5,306.02)	(4,347.59)
Balance as at the end of the year	**4,881.60**	**3,891.62**
Disclosed as:		
Non-current (Refer Note 24)	1,366.85	1,289.68
Current	3,514.75	2,601.94

Note 30: Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (net of advance tax)	-	183.46
Total	**-**	**183.46**

Note 31: Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Revenue from contracts with customers		
Sale of products	401,419.45	344,333.87
Sale of services	242.74	17.13
Sale of scrap*	2,857.75	2,705.75
	404,519.94	**347,056.75**
(b) Government budgetary support* (Refer note (i) below)	440.38	609.99
Total	**404,960.32**	**347,666.74**

* Represents other operating revenues.

Notes forming part of the Standalone Financial Statements

Notes:

(i) Government budgetary support represents benefits provided by the Central Government of India 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.

(ii) Refer Note 44 for disaggregated revenue information.

(iii) **Timing of revenue recognition is as below:**

(₹ in lakhs)

Particulars	For the year ended March 31, 2023			
	Electronics	Electricals	Consumer Durables	Total
Goods transferred at a point in time	99,544.82	177,181.55	127,550.83	404,277.20
Services transferred over time	180.94	49.50	12.30	242.74
Total revenue from contracts with customers	**99,725.76**	**177,231.05**	**127,563.13**	**404,519.94**

(₹ in lakhs)

Particulars	For the year ended March 31, 2022			
	Electronics	Electricals	Consumer Durables	Total
Goods transferred at a point in time	81,167.50	159,656.91	106,215.21	347,039.62
Services transferred over time	3.35	8.28	5.50	17.13
Total revenue from contracts with customers	**81,170.85**	**159,665.19**	**106,220.71**	**347,056.75**

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, 2023			For the year ended March 31, 2022		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	100,084.61	177,245.29	127,630.42	81,559.56	159,707.55	106,399.63
Government budgetary support	(358.85)	(14.24)	(67.29)	(422.05)	(6.51)	(181.43)
Total revenue from contracts with customers	**99,725.76**	**177,231.05**	**127,563.13**	**81,137.51**	**159,701.04**	**106,218.20**

(iv) Contract balances

The following are the contract balances:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Current) (Refer Note 14)	53,173.69	47,924.29
Contract liabilities (Current) (Refer Note 28)	1,447.28	1,648.61

Contract liabilities represents advance received from customers for sale of products. During the year ended March 31, 2023, revenue recognised from the amount included in contract liability at the beginning of the year is ₹1,589.23 lakhs (March 31,2022: ₹1,302.65 lakhs).

Notes forming part of the Standalone Financial Statements

(v) Right of return assets and refund liabilities arising from right of return assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right of return assets (Current) (Refer Note 18)	666.62	645.36
Refund liabilities arising from rights of return assets (Current) (Refer Note 28)	966.56	934.77

(vi) 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, 2023	For the year ended March 31, 2022
Revenue as per contract price	430,745.37	364,840.15
Adjustments:		
Discounts, rebates and trade incentives	(25,258.87)	(16,848.63)
Refund liabilities	(966.56)	(934.77)
Total revenue from contracts with customers	**404,519.94**	**347,056.75**

(vii) 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 services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2023 and March 31, 2022.

Note 32: Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on sale of investments	532.55	17.38
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	372.82	414.35
(ii) Interest income from banks on deposits	134.50	289.02
(iii) Interest income on loans	43.33	30.44
Mould hire charges	10.22	3.76
Liabilities / provisions no longer required written back	12.04	14.83
Gain on foreign currency transactions and translation (net)	78.57	123.18
Miscellaneous income	312.57	199.30
Total	**1,496.60**	**1,092.26**

Notes forming part of the Standalone Financial Statements

Note 33. Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year:		
Finished goods	19,361.63	25,980.28
Work-in-progress	3,774.13	4,939.77
Stock-in-trade	31,562.74	32,374.40
Total (A)	**54,698.50**	**63,294.45**
Inventories at the beginning of the year:		
Finished goods	25,980.28	19,517.72
Work-in-progress	4,939.77	2,718.30
Stock-in-trade	32,374.40	27,088.87
Total (B)	**63,294.45**	**49,324.89**
Acquired through business combination (Refer Note 48)		
Finished goods	105.67	-
Work-in-progress	210.16	-
Total (C)	**315.83**	**-**
(Increase) / decrease in inventories		
Finished goods	6,724.32	(6,462.56)
Work-in-progress	1,375.80	(2,221.47)
Stock-in-trade	811.66	(5,285.53)
Net (increase) / decrease (C + B - A)	**8,911.78**	**(13,969.56)**

Note 34: Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries, wages and bonus	25,507.31	22,594.03
(b) Contributions to provident and other funds	1,331.96	1,091.93
(c) Share based payment expense (Refer Note 47)	1,336.88	1,555.02
(d) Gratuity expense (Refer Note 43)	467.29	401.52
(e) Staff welfare expenses	842.76	1,045.56
Total	**29,486.20**	**26,688.06**

Notes:

(i) 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.

(ii) Also refer Note 39.

Notes forming part of the Standalone Financial Statements

Note 35.A: Depreciation and amortization expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Depreciation of property, plant and equipment (Refer Note 3)	3,943.39	3,551.57
(ii) Depreciation of right of use assets (Refer Note 3)	1,508.45	943.54
(iii) Amortization of intangible assets (Refer Note 5)	392.22	254.89
Total	**5,844.06**	**4,750.00**

Note 35.B: Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Income Tax	20.20	80.58
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	781.95	80.87
(ii) Interest on lease liability (Refer Note 42)	665.56	507.06
(iii) Interest - others	124.70	83.98
Total	**1,592.41**	**752.49**

Note 36: Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of packing materials and consumables	6,372.16	6,476.36
Power and fuel	1,801.43	1,564.11
Rent (Refer Note 42)	1,687.75	1,581.86
Repairs and maintenance		
Plant and machinery	369.40	584.31
Building	143.76	97.36
Others	3,033.12	2,363.71
Rates and taxes	347.00	196.03
Travelling and conveyance	3,881.91	2,202.58
Freight and forwarding charges	8,597.37	6,383.97
Advertisement and business promotion expenses	8,752.22	5,713.88
Donations and contributions	0.59	0.45
CSR expenditure (Refer Note 37)	550.06	498.21
Legal and professional fees	3,118.73	2,049.55
Directors' sitting fees	56.36	35.05
Payments to statutory auditors (Refer note (i) below)	85.95	85.61
Loss on property, plant and equipment sold / scrapped / written off (net)	12.93	67.49
Loss allowance for trade receivables (net)	(745.81)	207.24
Impairment allowance for doubtful advances (net)	(308.99)	344.32
Outsourced manpower cost	7,249.65	5,963.88
Warranty expenses	6,296.00	4,712.77
Contributions to political parties (Refer note (ii) below)	0.31	4.12
Miscellaneous expenses	6,089.85	5,035.48
Total	**57,391.75**	**46,168.34**

Notes forming part of the Standalone Financial Statements

Notes:

(₹ in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	**Payments to statutory auditors comprises:**		
	Statutory audit fees	44.00	43.00
	Tax audit fees	5.00	4.00
	Limited review fees	20.50	21.00
	Fees for other services (certifications)	2.50	9.00
	Reimbursement of expenses	13.95	8.61
	Total	**85.95**	**85.61**
(ii)	**Contribution to political parties**		
	National Democratic Alliance	-	2.12
	United Democratic Front	0.08	2.00
	Left Democratic Front	0.23	-
Total		**0.31**	**4.12**

Note 37: Details of CSR expenditure

(₹ in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	**Gross amount required to be spent during the year**	546.77	496.47
b)	**Amount spent during the year:**		
	(i) In cash		
	-Construction / acquisition of any asset	-	-
	-On purposes other than (i) above	550.06	498.21
	(ii) Yet to be paid in cash		
	-Construction / acquisition of any asset	-	-
	-On purposes other than (i) above	-	-
c)	**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)	543.29	492.39
	(iv) Others	6.77	5.82
	(v) Unspent amount in relation to:		
	- Ongoing project	-	-
	- Other than ongoing project	-	-

d) 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
-	-	546.77	550.06	3.29

e) Refer Note 45 (3) for nature of projects under CSR.

Notes forming part of the Standalone Financial Statements

Note 38: Income taxes

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

(a) Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax		
Current income tax charge	3,589.23	7,709.69
Adjustment of tax relating to earlier years	-	(808.67)
Deferred Tax		
Relating to origination and reversal of temporary differences	2,615.45	(575.97)
Income tax expense reported in the statement of profit and loss	**6,204.68**	**6,325.05**

(b) OCI section

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax related to items recognised in OCI during the year	7.02	19.91

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before income tax	24,137.15	29,004.77
Applicable tax rate (Refer note (d) below)	25.168%	25.168%
Computed tax expense at statutory rate	6,074.84	7,299.92
Adjustments in respect of current income tax of previous years (Refer note (d) below)	-	(808.67)
Impact of opting new tax regime from year ended March 31, 2021 (Refer note (d) below)	-	(301.07)
Expenses disallowed for tax purposes	147.00	163.81
Other adjustments	(17.16)	(28.94)
Income tax charged to the Statement of profit and loss	**6,204.68**	**6,325.05**

Notes forming part of the Standalone Financial Statements

(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 FY 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 year 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 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 25.168%.

(e) Reconciliation of deferred tax asset / (liability) (net):

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as at beginning of the year	862.92	267.04
Acquired through business combination (Refer Note 48)	2,480.99	-
Tax income / (expense) during the year recognised in Statement of profit and loss	(2,615.45)	575.97
Tax income / (expense) during the year recognised in other comprehensive income	7.02	19.91
Closing balance as at end of the year	**735.48**	**862.92**

(f) Movement of deferred tax asset / (liability) (net) for the year ended March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	Difference between book balance and tax balance of property, plant and equipment and right of use assets	Loss allowance for trade receivables and Impairment allowance for doubtful advances (net)	Disallowances under Section 43B of the Income Tax Act, 1961	Brought forward losses and unabsorbed depreciation	Others including lease liabilities	Total
As at April 1, 2021	**(2,338.75)**	**1,344.12**	**644.71**	**-**	**616.96**	**267.04**
(Charged) or credited:						
- to profit or loss	(320.53)	(262.30)	(121.89)	-	1,280.69	575.97
- to other comprehensive income	-	-	19.91	-	-	19.91
As at March 31, 2022	**(2,659.28)**	**1,081.82**	**542.73**	**-**	**1,897.65**	**862.92**
Acquired through business combination (Refer Note 48)	(41.64)	20.71	27.11	2,450.39	24.42	2,480.99
(Charged) or credited:						
- to profit or loss	(599.89)	(293.48)	99.50	(2,450.39)	628.81	(2,615.45)
- to other comprehensive income	-	-	7.02	-	-	7.02
As at March 31, 2023	**(3,300.81)**	**809.05**	**676.36**	**-**	**2,550.88**	**735.48**

Notes forming part of the Standalone Financial Statements

Note 39: Details of research and development expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee benefits expenses	1,463.39	1,300.56
Travelling expenses	96.16	44.85
Others	504.97	356.79
Total	**2,064.52**	**1,702.20**

Note 40: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,711.31	1,583.70

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, 2023	As at March 31, 2022
(a) Claims against the Company not acknowledged as debt	275.58	286.93
(b) Direct tax matters under dispute / pending before Income Tax Authorities	4,323.87	4,365.26
(c) Indirect tax matters for demands raised by goods and services tax / sales tax / VAT department pending before various appellate authorities	1,045.72	1,037.65
(d) Others	14.11	6.82
Total	**5,659.28**	**5,696.66**

Notes forming part of the Standalone Financial Statements

Notes:

(i) 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.

It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

(ii) 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.

(iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

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, 2023	Portion of ownership interest as at March 31, 2022	Method used to account for the investment
Guts Electro-Mech Limited (Refer note (i) below)	India	100%	74%	At cost
V-Guard Consumer Products Limited (Refer note (ii) below)	India	100%	100%	At cost
Sunflame Enterprises Private Limited (Refer note (iii) below)	India	100%	NIL	At cost

(i) The Company had acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") on August 31, 2017 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's Board of Directors at its meeting held on July 27, 2022 approved acquisition of balance 26% equity shares of Guts by exercising call option in accordance with the Share purchase and subscription agreement dated August 31, 2017. Consequently, Guts has become a wholly-owned subsidiary of the Company.

(ii) 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 121,089,961 equity shares of ₹ 10 each as at March 31, 2023 (March 31, 2022 - 59,797,507 equity shares of ₹ 10 each). 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.

(iii) Pursuant to the approval of the Board of directors in their meeting held on December 09, 2022, the Company completed the acquisition of 100% shareholding of Sunflame Enterprises Private Limited on January 12, 2023 for an aggregate consideration of ₹ 68,804.50 lakhs (including deferred consideration of ₹ 2,500 lakhs (excluding the interest component of ₹ 40.31 lakhs) and costs related to acquisition ₹ 771.00 lakhs) computed after the closing adjustments relating to working capital and net debt as described in the Share Purchase Agreement dated December 09, 2022. Accordingly, Sunflame Enterprises Private Limited has become a wholly-owned subsidiary of the Company with effect from January 12, 2023.

Notes forming part of the Standalone Financial Statements

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. Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Company's real estate portfolio, allowing the Company to readily adapt to changing business needs. The Company also has lease for vehicles, which have an average lease term 4 years. 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.

(ii) Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2023 and March 31, 2022.

(iii) Refer Note 22 for carrying amount and movements of lease liabilities during the years ended March 31, 2023 and March 31, 2022.

(iv) Amounts recognised in statement of profit and loss during the year: (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on right of use assets	1,508.45	943.54
Finance cost accrued during the year (included in finance costs) (Refer Note 35.B)	665.56	507.06
Expense related to short term leases (included in other expenses) (Refer Note 36)	1,687.75	1,581.86
(Gain) / loss on lease modifications	(15.34)	-
Total	**3,846.42**	**3,032.46**

(v) Non-cash investing activities during the year: (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Acquisition of right of use assets	3,845.33	722.66
Disposal of right of use assets	(288.10)	-
Total	**3,557.23**	**722.66**

(vi) The maturity analysis of lease liabilities are disclosed in Note 51A.

(vii) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(viii) 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.

(ix) The Company had total cash outflows for leases of ₹ 3,473.17 lakhs during the year ended March 31, 2023 (March 31, 2022: ₹ 2,802.01 lakhs).

Notes forming part of the Standalone Financial Statements

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, 2023	For the year ended March 31, 2022
Components of employer expense:		
Current service cost	440.73	382.08
Net interest expense / (income) on net defined benefit obligations	26.56	19.44
Total expense recognised in the Statement of Profit and Loss	**467.29**	**401.52**
Actual contribution and benefit payments for year:		
Actual benefit payments	155.09	100.79
Actual contributions	319.34	448.36
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(4,321.21)	(3,679.19)
Fair value of plan assets	3,506.25	3,123.64
Net (liability) / asset recognised in the Balance Sheet	**(814.96)**	**(555.55)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	3,679.19	3,106.62
Current service cost	440.73	382.08
Interest cost on DBO	241.31	195.60
Transfer to subsidiary	(12.55)	-
Acquired through business combination (Refer Note 48)	76.66	-
Actuarial losses / (gains)	50.96	95.68
Benefits paid	(155.09)	(100.79)
Present value of DBO at the end of the year	**4,321.21**	**3,679.19**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	3,123.64	2,579.12
Return on plan assets greater / (lesser) than discount rate	3.61	20.79
Actual company contributions	319.34	448.36
Interest income on plan assets	214.75	176.16
Benefits paid	(155.09)	(100.79)
Plan assets at the end of the year	**3,506.25**	**3,123.64**

Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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	3.61	20.79
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(173.39)	(179.09)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	122.42	83.41
Total amount recognised in OCI	**(47.35)**	**(74.89)**

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	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined benefit obligation	4,321.21	3,679.19

(₹ in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	318.21	(280.64)	291.49	(255.73)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(278.99)	309.96	(253.33)	282.76

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).

Notes forming part of the Standalone Financial Statements

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

(₹ in lakhs)

Expected cash flows (value on undiscounted basis)	As at March 31 2023	As at March 31 2022
Within 1 year	464.08	359.58
Within 2 years	516.39	402.71
Within 3 years	521.72	460.24
Within 4 years	554.99	467.75
Within 5 years	605.87	506.67
Within 6 to 10 years	3,762.93	3,036.98

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2022: 7 years).

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial assumptions:		
Discount rate	7.10%	6.70%
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)	814.96	555.55

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:

Notes forming part of the Standalone Financial Statements

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 and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, 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 and others, 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.

Notes forming part of the Standalone Financial Statements

Transfer pricing between operating segments are on an arm length basis in a manner similar to transaction with third parties.

Year ended March 31, 2023 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	100,084.61	177,245.29	127,630.42	-	404,960.32
Inter-segment	-	-	-	-	-
Total revenue	**100,084.61**	**177,245.29**	**127,630.42**	**-**	**404,960.32**
Income / (Expenses)					
Depreciation and amortisation	(295.00)	(1,065.44)	(1,306.56)	-	(2,667.00)
Impairment allowance for doubtful trade receivables and provision for doubtful advances (net)	260.69	461.67	332.44	-	1,054.80
Segment profit	**12,582.41**	**13,508.72**	**978.10**	**-**	**27,069.23**
Total assets	**38,633.89**	**55,130.94**	**60,078.13**	**-**	**153,842.96**
Total liabilities	**14,645.12**	**35,927.55**	**21,044.15**	**-**	**71,616.82**
Other disclosure: Capital expenditure	18.48	2,814.11	2,111.02	-	4,943.61

Year ended March 31, 2022 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	81,559.56	159,707.55	106,399.63	-	347,666.74
Inter-segment	-	-	-	-	-
Total revenue	**81,559.56**	**159,707.55**	**106,399.63**	**-**	**347,666.74**
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	**38,934.31**	**59,950.69**	**71,965.27**	**-**	**170,850.27**
Total liabilities	**11,398.85**	**25,458.65**	**17,000.17**	**-**	**53,857.67**
Other disclosure: Capital expenditure	479.16	4,215.79	2,057.52	-	6,752.47

Notes forming part of the Standalone Financial Statements

Reconciliation of amount reflected in the financial statements

(₹ in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Reconciliation of profit**		
	Segment profit	27,069.23	30,816.54
	Other unallocable income	1,607.93	1,289.49
	Other unallocable expenses	(2,947.60)	(2,348.77)
	Finance cost	(1,592.41)	(752.49)
	Profit before tax	**24,137.15**	**29,004.77**

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(b)	**Reconciliation of assets**		
	Segment operating assets	153,842.96	170,850.27
	Investment in Subsidiaries	81,798.45	6,864.70
	Investment property	27.90	27.90
	Investments - Current & Non-Current	3,340.00	3,340.00
	Deferred tax asset	735.48	862.92
	Cash and cash equivalents	2,365.27	5,344.86
	Other bank balances	44.66	42.86
	Income tax assets (net)	3,036.65	2,210.60
	Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of use assets	17,659.03	14,466.10
	Other unallocable assets	8,642.61	4,222.37
	Total assets	**271,493.01**	**208,232.58**
(c)	**Reconciliation of liabilities**		
	Segment operating liabilities	71,616.82	53,857.67
	Borrowings	27,290.60	1,000.00
	Current tax liabilities	-	183.46
	Lease liability	4,744.86	2,066.43
	Provision for leave benefits	1,862.08	1,600.86
	Provision for gratuity	814.96	555.55
	Other unallocable liabilities	6,364.00	8,717.73
	Total liabilities	**112,693.32**	**67,981.70**

Revenue from external customer

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	404,523.33	347,020.26
Outside India	436.99	646.48

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, investment property, intangible assets and capital advances.

Notes forming part of the Standalone 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) (ceased to be KMP w.e.f February 02, 2023)
	Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below) (w.e.f February 02, 2023)
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
	Prof. Biju Varkey (w.e.f May 26, 2021)
	Mr. B Jayaraj (ceased to be director w.e.f July 28, 2022)
	Ms. Radha Unni
Subsidiaries	Guts Electro-Mech Limited (Refer Note 41)
	V-Guard Consumer Products Limited (Refer Note 41)
	Sunflame Enterprises Private 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)

Notes forming part of the Standalone Financial Statements

(b) Transactions with related parties during the year

(₹ in lakhs)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Kochouseph Chittilappilly	Dividends paid	590.27	544.86
	Emoluments	63.69	75.17
Mr. Mithun K Chittilappilly	Dividends paid	1,123.07	1,036.65
	Salaries and allowances	284.19	181.16
	Company contribution to provident fund	22.50	18.00
	Commission	382.14	451.03
Mr. Ramachandran Venkataraman	Dividends paid	21.26	14.25
	Salaries and allowances	241.42	282.12
	Company contribution to provident fund	27.93	26.15
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	420.18	1,098.63
	Issue of Equity shares including premium	149.19	327.23
Mr. Sudarshan Kasturi	Dividends paid	0.03	0.02
	Salaries and allowances	230.37	208.37
	Company contribution to provident fund	13.49	11.58
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	120.24	95.64
	Issue of Equity shares including premium	0.52	0.38
Ms. Jayasree K	Dividends paid	0.52	0.54
	Salaries and allowances	30.49	30.35
	Company contribution to provident fund	1.40	1.32
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	11.15	11.94
	Issue of Equity shares including premium	0.05	0.05
Mr. Vikas Kumar Tak	Salaries and allowances	6.15	-
	Company contribution to provident fund	0.32	-
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid	641.66	592.30
Enterprises in which KMP/ relatives of KMP can exercise significant influence	Dividends paid	788.23	727.60
Non - Executive Directors	Dividends paid	1.76	1.80
	Sitting fees	56.55	35.05
	Commission	18.15	16.50

Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Guts Electro-Mech Limited	Purchase of goods	4,504.25	3,590.90
	Sale of goods	22.69	-
	Sale of services	34.20	-
	Sale of property, plant and equipment	35.23	-
	Reimbursement of expenses by subsidiary	71.06	45.53
V-Guard Consumer Products Limited	Investment in Equity Shares	6,129.25	5,979.75
	Corporate Guarantee given	-	5,000.00
	Purchase of goods	10,084.46	40.48
	Sale of goods	510.64	-
	Sale of services	173.19	43.58
	Reimbursement of expenses by subsidiary	25.36	-
	Rent received	3.36	2.36
	Rent deposit received	-	0.84
Sunflame Enterprises Private Limited	Reimbursement of expenses by subsidiary	24.13	-

(c) Related party balances

(₹ in lakhs)

Name of the Related Party	Nature of transactions	As at March 31, 2023	As at March 31, 2022
Mr. Kochouseph Chittilappilly	Emoluments payable	63.69	75.17
Mr. Mithun K Chittilappilly	Commission payable	382.14	451.03
Non - Executive Directors	Commission payable	18.15	16.50
Mr. Ramachandran Venkataraman	Salaries and allowances payable	-	63.00
Mr. Sudarshan Kasturi	Salaries and allowances payable	-	11.50
Ms. Jayasree K	Salaries and allowances payable	-	2.55
Guts Electro-Mech Limited	Corporate guarantee given	800.00	800.00
	Trade receivables	57.64	-
	Other current assets	70.21	-
	Trade payables	-	87.42
V-Guard Consumer Products Limited	Corporate guarantee given	5,000.00	5,000.00
	Rent deposit	0.84	0.84
	Trade receivables	324.21	-
	Trade payables	984.08	2.89
Sunflame Enterprises Private Limited	Trade receivables	24.13	-

Notes forming part of the Standalone Financial Statements

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. The details of KMP compensation is as below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	1,174.76	1,153.03
Post-employment benefits	65.64	57.05
Share based payment expense	551.57	1,206.21

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, 2023, the Company has contributed ₹ 543.29 lakhs (year ended March 31, 2022: ₹ 492.39 lakhs) towards expenditure for CSR activities. V-Guard Foundation has undertaken various CSR projects like V-Guard Educare and Skill Development, V-Guard Build India, V-Guard Health Care and V-Guard Women Empowerment.

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 (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for the year (₹ in lakhs)	17,932.47	22,679.72
Weighted average number of equity shares outstanding	43,17,63,620	43,06,31,935
Basic earnings per share (₹)	**4.15**	**5.27**
Net profit for the year (₹ in lakhs)	17,932.47	22,679.72
Weighted average number of equity shares outstanding	43,50,07,084	43,38,64,144
Diluted earnings per share (₹)	**4.12**	**5.23**
Weighted average number of equity shares in calculating basic EPS	43,17,63,620	43,06,31,935
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	32,43,464	32,32,209
Weighted average number of equity shares in calculating diluted EPS	**43,50,07,084**	**43,38,64,144**

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

Notes forming part of the Standalone Financial Statements

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	2,187,216	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.
			7,951,888	34.64		
Grant II	2015-16	4-May-15	281,266	1.00	Over 3 years	
			920,564	71.36		
Grant III	2016-17	4-May-16	420,000	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.
			3,780,000	68.75		
Grant IV	2016-17	16-Jun-16	259,504	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	8-Aug-16	1,261,246	1.00	Over 4 years	
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.
			280,000	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.
			1,120,000	121.79		
Grant VI	2016-17	21-Oct-16	115,976	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	201,100	1.00	Over 4 years	
Grant IX	2017-18	31-Jul-17	154,854	1.00	Over 4 years	
Grant X	2017-18	22-Jan-18	250,768	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	6-Nov-19	31,444	1.00	Over 4 years	

Notes forming part of the Standalone 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	1,259,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			260,000	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	1,062,635	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	3-Feb-21	316,325	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	147,685	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	114,365	1.00	Over 4 years	
Grant XXI	2021-22	2-Feb-22	251,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	2-Feb-23	123,651	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Weighted average 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)
1.00	2,268,284	301,926	127,117	348,623	2,44,021	2,094,470	7.35
	(2,155,855)	(573,173)	(39,476)	(421,268)	(243,605)	(2,268,284)	(7.76)
34.64	-	-	-	-	-	-	-
	(542,581)	-	-	(542,581)	-	-	-
71.36	86,463	-	-	66,875	19,588	19,588	1.09
	(113,725)	-	(14)	(27,248)	(86,463)	(86,463)	(2.09)
68.75	1,918,000	-	-	217,000	1,701,000	1,701,000	1.71
	(2,268,000)	-	-	(350,000)	(1,918,000)	(1,918,000)	(2.87)
121.79	672,000	-	-	-	672,000	672,000	1.79
	(672,000)	-	-	-	(672,000)	(672,000)	(2.80)
172.05	1,259,200	-	-	-	629,600	1,259,200	5.64
	(1,259,200)	-	-	-	(314,800)	(1,259,200)	(6.64)

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2022

Weighted average fair value of the options granted during the year was ₹ 230.78 (March 31, 2022: ₹ 228.34).

Weighted average equity share price at the date of exercise of options during the year was ₹ 247.06 (March 31, 2022: ₹ 238.16).

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:

Notes forming part of the Standalone Financial Statements

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Risk-free interest rate (%)	6.80 % to 7.24 %	5.00 % to 6.68 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	29.90 % to 31.91 %	30.44 % to 32.15 %
Dividend yield	0.48 % to 0.56 %	0.48 % to 0.56 %

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: Acquisition of Simon Electric Private Limited through Scheme of Amalgamation

In accordance with the Scheme of Amalgamation (Scheme) between the Company and Simon Electric Private Limited ("Simon") as approved by Hon'ble National Company Law Tribunal, Simon was merged with business of the Company with effect from March 25, 2023 (appointed date), in consideration of 0.76646 equity shares of the Company of ₹1 each fully paid up for every 100 equity shares held in Simon of ₹10 each fully paid up.

The Scheme will enable the Company to expand its presence in the switches and home automation products market while also helping to enter a premium modular switches segment. It is also expected to result in revenue and cost synergies.

Pursuant to the Scheme, the authorised share capital of the Company was increased to ₹19,150.00 lakhs divided into 1,91,50,00,000 equity shares of ₹1 each. In discharge of the consideration, the Company is to allot 10,83,008 equity shares to the shareholders of Simon. The fair value of consideration amounts to ₹2,683.69 lakhs. The shares pending to be issued as on March 31, 2023 has been disclosed under Other Equity as 'Shares pending issuance'.

As per the provisions of the Scheme, transfer of the above business into the Company has been accounted in accordance with Ind AS 103, 'Business Combinations', with effect from the appointed date.

Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities of Simon as at the date of acquisition were:

(₹ in lakhs)

Particulars	Amount recognised on acquisition
Assets	
Property plant and equipment	904.06
Right of use assets	556.40
Intangible assets	1.25
Inventories	381.78
Trade receivables (net of provision for expected credit loss of ₹ 82.28 lakhs)	362.35
Cash and cash equivalents	71.28
Other financial assets	554.30
Current tax assets (net)	1.33
Deferred tax asset (net)	2,480.99
Other assets	23.19
	5,336.93

Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

Particulars	Amount recognised on acquisition
Liabilities	
Provisions	109.72
Trade payables	384.72
Other financial liabilities	72.18
Other current liabilities	40.86
	607.48
Total identifiable net assets at fair value	4,729.45
Bargain purchase gain arising on acquisition (Refer note below)	(2,045.76)
Purchase consideration	**2,683.69**

Notes:

(i) Bargain purchase gain on acquisition of ₹ 2,045.76 lakhs is mainly on account of deferred tax assets of ₹ 2,450.30 lakhs recognised on carried forward losses and unabsorbed depreciation of Simon. The same was not recognised as an asset in Simon books considering absence of virtual certainty regarding future taxable income to set off these carried forward losses and unabsorbed depreciation.

(ii) Subsequent to the year end, the Company has alloted 1,083,008 equity shares to the erstwhile shareholders of Simon (0.76646 equity shares of the Company of ₹ 1 each fully paid up for every 100 equity shares held in Simon of ₹ 10 each fully paid up).

(iii) If the acquisition had occurred on April 1, 2022, consolidated pro-forma revenue and loss contribution from Simon for the year ended March 31, 2023 would have been ₹ 1,482.47 lakhs and ₹ 837.07 lakhs respectively. These amounts have been calculated using Simon's results and adjusting them for the additional depreciation that would have been charged assuming the fair value adjustments to property, plant and equipment and right of use asset had applied from April 1, 2022.

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets at FVTPL				
Derivative instrument - Call option	-	58.57	-	58.57
Other investments	3,340.00	3,340.00	3,340.00	3,340.00
Financial assets at amortised cost				
Loans	259.82	319.12	259.82	319.12
Cash and bank balances	2,409.93	5,387.72	2,409.93	5,387.72
Other financial assets	2,471.73	1,480.00	2,471.73	1,480.00
Trade receivables	53,173.69	47,924.29	53,173.69	47,924.29
Total	**61,655.17**	**58,509.70**	**61,655.17**	**58,509.70**
Financial liabilities at amortised cost				
Borrowings	41,960.83	1,000.00	41,960.83	1,000.00
Put option liability	-	572.55	-	572.55
Other financial liabilities	6,386.27	5,390.69	6,386.27	5,390.69
Trade payables	43,310.25	44,740.95	43,310.25	44,740.95
Total	**91,657.35**	**51,704.19**	**91,657.35**	**51,704.19**

Notes forming part of the Standalone Financial Statements

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.

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	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4)	March 31, 2023	27.90	-	-	27.90
	March 31, 2022	27.90	-	-	27.90
Fair value of financial assets disclosed					
FVTPL - Other investments	March 31, 2023	3,340.00	-	-	3,340.00
	March 31, 2022	3,340.00	-	-	3,340.00
FVTPL Financial Instrument - Call option	March 31, 2023	-	-	-	-
	March 31, 2022	58.57	-	58.57	-
Assets carried at amortised cost for which fair value are disclosed					
Cash and bank balances	March 31, 2023	2,409.93	-	-	2,409.93
	March 31, 2022	5,387.72	-	-	5,387.72
Other financial assets	March 31, 2023	2,471.73	-	-	2,471.73
	March 31, 2022	1,480.00	-	-	1,480.00
Loans	March 31, 2023	259.82	-	-	259.82
	March 31, 2022	319.12	-	-	319.12
Trade receivables	March 31, 2023	53,173.69	-	-	53,173.69
	March 31, 2022	47,924.29	-	-	47,924.29

Notes forming part of the Standalone Financial Statements

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities carried at amortised cost for which fair value are disclosed					
Trade payables	March 31, 2023	43,310.25	-	-	43,310.25
	March 31, 2022	44,740.95	-	-	44,740.95
Borrowings	March 31, 2023	41,960.83	-	41,960.83	-
	March 31, 2022	1,000.00	-	1,000.00	-
Put option liability	March 31, 2023	-	-	-	-
	March 31, 2022	572.55	-	572.55	-
Other financial liabilities	March 31, 2023	6,386.27	-	-	6,386.27
	March 31, 2022	5,390.69	-	-	5,390.69

(i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 49.

(ii) Short-term 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.

(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 techniques	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.

Notes forming part of the Standalone Financial Statements

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, 2023 and March 31, 2022. 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.

As at March 31, 2023, the Company had ₹ 38,200.00 lakhs (March 31, 2022: ₹ 18,307.71 lakhs) of undrawn committed borrowing / credit facilities including non fund based facilities.

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, 2023				
a) Borrowings	14,791.44	32,088.77	-	46,880.21
b) Lease liabilities	2,232.50	6,179.77	2,131.07	10,543.34
c) Trade payables	43,310.25	-	-	43,310.25
d) Other financial liabilities	3,845.96	2,540.31	-	6,386.27
Total	**64,180.15**	**40,808.85**	**2,131.07**	**1,07,120.07**
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	7,935.68
c) Put option liability	-	572.55	-	572.55
d) Trade payables	44,740.95	-	-	44,740.95
e) Other financial liabilities	5,390.69	-	-	5,390.69
Total	**52,399.71**	**4,694.68**	**2,545.47**	**59,639.87**

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 term loans which are at floating interest rates.

Notes forming part of the Standalone Financial Statements

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

(₹ in lakhs)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2023	371.39	(371.39)
March 31, 2022	-	-

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, 2023	(2.93)	2.93
March 31, 2022	7.63	(7.63)

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.

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

Notes forming part of the Standalone Financial Statements

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 in certain instances. 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 is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	3,272.72	3,380.42
Acquired through business combination (Refer Note 48)	82.28	-
Change in allowance for expected credit loss during the year	(745.81)	207.24
Bad debts written off	(111.28)	(314.94)
Balance as at the end of the year	**2,497.91**	**3,272.72**

The Company follows the following provision matrix as on 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%	2.50%	5%	25%	30%	70%	100%

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 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 Standalone Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	41,960.83	1,000.00
Less: Cash and cash equivalents and other bank balances	2,409.93	5,387.72
Net debt (A)	**39,550.90**	**(4,387.72)**
Equity	1,58,799.69	1,40,250.88
Capital and Net debt (B)	**1,98,350.59**	**1,35,863.16**
Gearing ratio (A/B)	**20%**	**-**

Note 53: Ratios

(₹ In lakhs)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change
Current ratio (Refer (i) below)	Current assets	Current liabilities	1.78	2.45	(27%)
Debt - Equity ratio (Refer (ii) below)	Total debt	Shareholder's equity	0.26	0.01	2500%
Debt service coverage ratio	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	1.80	1.74	3%
Return on equity ratio (Refer (iii) below)	Net profit after tax	Average shareholder's equity	0.12	0.17	(29%)
Inventory turnover ratio	Cost of goods sold	Average inventory	3.74	3.27	14%
Trade receivable turnover ratio	Net sales	Average trade receivables	8.01	8.05	0%
Trade payable turnover ratio	Net purchases	Average trade payables	6.54	5.24	25%
Net capital turnover ratio (Refer (iv) below)	Net sales	Working capital = Current assets - Current liabilities	6.94	3.90	78%
Net profit ratio (Refer (v) below)	Net profit after tax	Net sales	4%	7%	(43%)
Return on capital employed (Refer (vi) below)	Earnings before interest and tax	Capital employed = Net worth + Total borrowings	13%	21%	(38%)
Return on investment (Refer (vii) below)	Income generated from invested funds	Average invested funds (excluding investment in subsidiaries and other investments)	1.15	0.50	130%

Notes forming part of the Standalone Financial Statements

Notes:

Variance in the above ratios in excess of 25% is on account of the below reasons:

(i) Reduction is on account of increase in borrowings.

(ii) Increase is on account of increase in borrowings.

(iii) Reduction is on account of reduction in net income.

(iv) Increase is on account of increase in borrowings.

(v) Reduction is on account of increase in expenses.

(vi) Reduction is on account of reduction in earnings before interest and tax.

(vii) Increase is on account of increase in mutual fund holdings during the year.

Note 54: Other statutory information

(i) **Details of Benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) **Borrowing secured against current assets**

The Company has borrowings from banks and financial institution on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company during the year with banks and financial institution are in agreement with the books of accounts.

(iii) **Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(iv) **Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) **Compliance with number of layers of companies**

The Comapny has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) **Compliance with approved scheme of arrangements**

The effect of such Scheme of Arrangement as mentioned in Note 48 have been accounted for in the books of account of the Company in accordance with the Scheme of Amalgamation between Simon Electric Private Limited, the Company and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and in accordance with accounting standards.

(vii) **Utilisation of borrowed funds and share premium**

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the Standalone Financial Statements

(viii) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) **Valuation of property, plant and equipment, right of use assets, intangible assets and investment property**

The Company has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

(xi) **Core Investment Company**

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

(xii) **Title deeds of immovable properties**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3 and 4, are held in the name of the Company.

(xiii) **Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiv) **Utilisation of borrowings availed from banks and financial institution**

The borrowings obtained by the Company from banks and financial institution have been applied for the purposes for which such loans were taken.

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, 2023 and March 31, 2022, the Company has provided guarantee amounting to ₹ 800.00 lakhs (Maximum amount outstanding: ₹ 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, 2023 and March 31, 2022, the Company has provided guarantee amounting to ₹ 5000.00 lakhs (Maximum amount outstanding: ₹ 5000.00 lakhs) to a bank for the borrowings availed by the subsidiary of the Company - V-Guard Consumer Products Limited ("VCPL"). The borrowing is 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 and Note 16.

Note 56: Disclosure required under Section 186 (4) of the Companies Act, 2013

Name of the investee	As at March 31, 2023		As at March 31, 2022	
	Investment made	Outstanding balance	Investment made	Outstanding balance
Guts Electro-Mech Limited	-	884.95	-	884.95
V-Guard Consumer Products Limited	6,129.25	12,109.00	5,979.75	5,979.75
Sunflame Enterprises Private Limited	68,804.50	68,804.50	-	-

Notes forming part of the Standalone Financial Statements

Note: The Company has also provided guarantee to subsidiary companies Guts Electro-Mech Limited and V-Guard Consumer Products Limited of ₹ 800.00 lakhs and ₹ 5,000.00 lakhs respectively as at March 31, 2023 (March 31, 2022: Guts Electro-Mech Limited - ₹ 800.00 lakhs and V-Guard Consumer Products Limited of - ₹ 5,000.00 lakhs).

Note 57: During the current year, the Company was required to transfer 6,292 equity shares to the Investor Education and Protection Fund Authority ("IEPFA"). However, the Company could not transfer 800 equity shares as the demat account of one shareholder was suspended for trading and inactive. The Company has intimated IEPFA the details of such shares by filing form IEPF-3.

Note 58: 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.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of V-Guard Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 41 to the consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 18 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 31 of the consolidated financial statements) The Holding Company's revenue principally comprises sale of goods. The revenue from sale of goods is recognised in accordance with the accounting principles prescribed under Ind AS 115, "Revenue from contracts with customers" and is measured at the transaction price net of trade discounts and volume rebates as per trade schemes, refund liabilities and taxes or duties collected on behalf of government authorities and is recognised at a point in time when the entity satisfies the performance obligation by transferring control of promised goods to customers. The control in respect of sale of goods is generally transferred when the products are delivered to customers in accordance with the terms of contract with customers. We have considered revenue recognition as a key audit matter as revenue is significant to the financial statements owing to its large volume and significant audit risk around revenue recognition requiring greater audit effort and attention on account of the risk of revenue being recorded in incorrect period and due to estimates involved in calculation of provision for trade schemes.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of Holding Company's controls around revenue recognition including accounting for trade discounts and volume rebates. • Assessing the Holding Company's accounting policy for revenue recognition including the policy for recording trade discounts and volume rebates in accordance with Ind AS 115 "Revenue from Contracts with Customers". • Selecting samples of revenue transactions during the year and inspecting underlying documents which included invoices, shipping documents/ customers' acceptance, as applicable, to determine that the revenue is recognised in accordance with the agreed terms. • Testing selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with agreed terms, in the appropriate financial period. • Testing on a sample basis the calculation of the provisions for trade discounts and volume rebates at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used by the Holding Company's Management. • Testing on a sample basis credit notes issued to customers/ payments made for incentives as per the approved trade schemes. Based on the above procedures performed, we did not identify any material exceptions in revenue recognition of sale of goods.
Appropriateness of business combination accounting including Purchase Price Allocation ("PPA") with respect to acquisition of Sunflame Enterprises Private Limited ("Sunflame") (Refer to 41(d) to the Consolidated financial statements) Pursuant to the share purchase agreement entered into by the Company with Sunflame, the Company acquired 100% stake in Sunflame on January 12, 2023. The Group's management ("Management") determined that the acquisition qualifies as a business combination in accordance with Ind AS 103 'Business Combinations'.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of the controls on accounting for business combinations. • Reading the share purchase agreement and other documents related to acquisition of the business to obtain an understanding of the business combination and to verify the consideration paid. • Reading the report issued by the independent professional valuer engaged by the management and conducting enquiries with them to understand the assumptions considered by them.

Key audit matter	How our audit addressed the key audit matter
The Management engaged an independent professional valuer (management's expert) for identification of the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in accordance with Ind AS 38 'Intangible Assets') and liabilities assumed, and for determination of the fair values of the assets acquired for the purpose of allocation of the purchase price to the various assets and liabilities (hereinafter referred to as 'the purchase price allocation' or 'the PPA'). The excess of consideration paid over the net assets acquired has been recognised as Goodwill amounting to Rs. 24,913.77 lakhs We considered this as a key audit matter as the PPA involved significant amounts and assumptions and estimates that were used by the Management and the independent professional valuer in identification of the identifiable assets acquired and liabilities assumed and the determination of the fair values using appropriate valuation methods.	• Evaluating the competence, capabilities and objectivity of the independent professional valuer engaged by the management for carrying out the PPA. • Assessing the appropriateness and completeness of the identifiable assets as per the PPA along with the auditor's expert. • Assessing the reasonableness of key management assumptions and estimates used (e.g., forecasted revenue, margin percentages, useful life of intangible assets, etc.) by seeking necessary explanations in this regard. • Involving auditor's experts to assess appropriateness of the valuation methodology adopted and reasonableness of the underlying assumptions relating to discount rate used by the management's expert to estimate the fair values of identifiable assets in the PPA. • Verifying the mathematical accuracy of the calculations including the computation of Goodwill in accordance with Ind AS 103. • Assessing the adequacy of disclosures made in the consolidated financial statements in accordance with the requirements of Ind AS 103. Based on the above procedures performed, we considered the business combination accounting including management's purchase price allocation for the said business combination to be appropriate.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility and Sustainability Report but does not include the consolidated financial statements and our auditor's report thereon.

6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 18 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

8. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated

cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    (a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

    (e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. The consolidated financial statements of the Company for the year ended March 31, 2022, were audited by another firm of chartered accountants under the Act who, vide their report dated May 19, 2022, expressed an unmodified opinion on those consolidated financial statements.

18. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 18,692.76 lakhs and net assets of ₹ 13,359.14 lakhs as at March 31, 2023, total revenues of ₹ 12,889.07 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 1,045.43 and net cash flows amounting to ₹ 1,232.74 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

19. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

20. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matter specified in paragraph 3(xxi) of the Order.

21. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 40B to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2023.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year.

iv. (a) The respective Managements of the 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 their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 52(vii)(A) to the consolidated financial statements);

(b) The respective Managements of the 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 their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 52(vii)(B) to the consolidated financial statements); and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those 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) above contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. The Subsidiary companies have not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

22. The Group have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLQ2762

Place : Kochi
Date : May 30, 2023

Annexure A to Independent Auditor's Report Referred to in paragraph 21(f) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Section 143(3)(i) of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of V-Guard Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that,

in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLQ2762

Place : Kochi
Date : May 30, 2023

Annexure B to Independent Auditors' Report Referred to in paragraph 20 of the Independent Auditors' Report of even date to the members of V-Guard Industries Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023

As required by paragraph 3(xxi) of the Order, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Guts Electro-Mech Limited	U52520TG1987PLC007245	Subsidiary	May 9, 2023	(i)(a)(A), (i)(b), (vii)(a) and (xi)(a)
2	V-Guard Consumer Products Limited	U31904KL2021PLC069893	Subsidiary	May 9, 2023	(vii)(a)

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLQ2762

Place : Kochi
Date : May 30, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars		Notes	As at March 31, 2023	As at March 31, 2022
A.	ASSETS			
1.	**Non-current assets**			
	Property, plant and equipment	3	45,924.89	37,281.53
	Capital work-in-progress	3	2,370.02	915.09
	Investment property	4	177.90	27.90
	Goodwill	5	25,280.17	366.40
	Other intangible assets	5	42,579.78	846.63
	Intangible assets under development	5	364.79	783.85
	Right of use assets	3	10,729.02	7,771.76
	Financial assets			
	(a) Other investments	6	3,340.45	3,340.00
	(b) Loans	7	506.13	143.94
	(c) Other financial assets	8	2,019.36	1,489.49
	Current tax assets (net)	9	3,076.05	2,210.66
	Deferred tax assets (net)	10A	819.79	908.49
	Other non-current assets	11	2,981.59	1,561.60
			1,40,169.94	**57,647.34**
2.	**Current assets**			
	Inventories	12	76,743.76	85,958.47
	Financial assets			
	(a) Current investments	13	12.23	-
	(b) Trade receivables	14	56,865.70	48,412.63
	(c) Cash and cash equivalents	15A	3,954.20	6,079.68
	(d) Other bank balances	15B	2,732.99	46.86
	(e) Loans	16	168.01	175.39
	(f) Other financial assets	17	638.21	72.79
	Other current assets	18	9,408.13	12,289.53
			1,50,523.23	**1,53,035.35**
	TOTAL ASSETS		**2,90,693.17**	**2,10,682.69**
B.	EQUITY AND LIABILITIES			
1.	**Equity**			
	Equity share capital	19	4,321.74	4,315.42
	Other equity *		1,56,440.29	1,36,380.45
	Equity attributable to equity holders of the parent		1,60,762.03	1,40,695.87
	Non controlling interests *		-	546.79
	TOTAL EQUITY		**1,60,762.03**	**1,41,242.66**
2.	**Non-current liabilities**			
	Financial liabilities			
	(a) Borrowings	21	27,290.60	-
	(b) Lease liabilities	22	6,684.11	4,864.56
	(c) Other financial liabilities	23	2,540.31	572.55
	Deferred tax liabilities (net)	10B	10,325.54	-
	Provisions	24	1,421.94	1,342.58
			48,262.50	**6,779.69**
3.	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	25	14,670.23	1,179.22
	(b) Lease liabilities	22	1,653.49	791.39
	(c) Trade payables	26		
	(i) Total outstanding dues of micro enterprises and small enterprises		6,407.42	4,398.31
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		42,447.28	40,949.28
	(d) Other financial liabilities	27	4,231.76	5,828.47
	Other current liabilities	28	5,778.67	4,422.73
	Provisions	29	6,348.05	4,843.31
	Current tax liabilities (net)	30	131.74	247.63
			81,668.64	**62,660.34**
	TOTAL LIABILITIES		**1,29,931.14**	**69,440.03**
	TOTAL EQUITY AND LIABILITIES		**2,90,693.17**	**2,10,682.69**
* 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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in lakhs)

	Particulars		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Income				
	(a)	Revenue from operations	31	4,12,604.42	3,50,018.59
	(b)	Other income	32	1,643.83	1,076.36
	Total income			**4,14,248.25**	**3,51,094.95**
2	Expenses				
	(a)	Cost of raw materials consumed		1,36,092.23	1,41,250.61
	(b)	Purchase of stock-in-trade		1,44,442.86	1,14,256.86
	(c)	Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods	33	7,904.18	(14,118.04)
	(d)	Employee benefits expenses	34	30,293.04	26,999.53
	(e)	Depreciation and amortization expenses	35A	6,442.49	4,914.73
	(f)	Finance costs	35B	1,619.13	788.06
	(g)	Other expenses	36	61,880.68	47,606.75
	Total expenses			**3,88,674.61**	**3,21,698.50**
3	**Profit before tax (1 - 2)**			**25,573.64**	**29,396.45**
4	**Income tax expenses**		38		
	(a)	Current tax expenses		4,026.45	7,869.69
	(b)	Deferred tax expense / (credit)		2,642.49	(508.32)
	(c)	Current tax relating to earlier years		-	(808.67)
	Total income tax			**6,668.94**	**6,552.70**
5	**Profit for the year (3 - 4)**			**18,904.70**	**22,843.75**
6	**Other comprehensive income**				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	(a)	Re-measurement (losses) / gains on defined benefit plans	43	(49.28)	(68.98)
	(b)	Bargain purchase gain on business combination	41 (c)	2,045.76	-
	(c)	Income tax effect		7.28	18.43
	Other comprehensive income for the year, net of tax			**2,003.76**	**(50.55)**
7	**Total comprehensive income for the year, net of tax (5 + 6)**			**20,908.46**	**22,793.20**
8	**Profit for the year, net of tax attributable to:**				
	Equity holders of the parent company			18,911.35	22,769.24
	Non controlling interests			(6.65)	74.51
9	**Total comprehensive income for the year, net of tax attributable to:**				
	Equity holders of the parent company			20,915.11	22,717.54
	Non controlling interests			(6.65)	75.66
10	**Earnings per equity share (basic and diluted) (₹) :**		46		
	(Nominal value of equity share - ₹ 1 each)				
	Basic			4.38	5.29
	Diluted			4.35	5.25
	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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A) Equity Share Capital

Particulars	No. of shares	₹ in lakhs
As at April 1, 2021	**430,188,458**	**4,301.88**
Add: Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	1,353,476	13.54
As at March 31, 2022	**431,541,934**	**4,315.42**
Add: Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	632,498	6.32
As at March 31, 2023	**432,174,432**	**4,321.74**

B) Other Equity

(₹ in lakhs)

Particulars	Attributable to the equity holders of the parent company									
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance*	Put option liability	Total	Non controlling interests	Total
As at April 1, 2021	**11,941.78**	**6,489.01**	**95,707.73**	**-**	**3,005.83**	**-**	**(317.15)**	**116,827.20**	**471.13**	**117,298.33**
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**	**113,263.01**	**-**	**3,690.82**	**-**	**(317.15)**	**136,380.45**	**546.79**	**136,927.24**
Net profit for the year	-	-	18,911.35	-	-	-	-	18,911.35	(6.65)	18,904.70
Other comprehensive income for the year										
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(42.00)	-	-	-	-	(42.00)	-	(42.00)
Bargain purchase gain on business combination (Refer Note 41)	-	-	-	2,045.76	-	-	-	2,045.76	-	2,045.76
Total comprehensive income	**-**	**-**	**18,869.35**	**2,045.76**	**-**	**-**	**-**	**20,915.11**	**(6.65)**	**20,908.46**
Equity shares issued under ESOS 2013	194.07	-	-	-	-	-	-	194.07	-	194.07
Final dividend (Refer Note 19)	-	-	(5,610.05)	-	-	-	-	(5,610.05)	-	(5,610.05)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	743.75	-	-	-	(743.75)	-	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	1,336.88	-	-	1,336.88	-	1,336.88
Derecognition of Put option liability on Non controlling interests	-	-	(317.15)	-	-	-	317.15	-	-	-
Derecognition of Non controlling interests	-	-	540.14	-	-	-	-	540.14	(540.14)	-
Shares pending to be issued as consideration for business combination (Refer Note 41)	-	-	-	-	-	2,683.69	-	2,683.69	-	2,683.69
As at March 31, 2023	**14,192.59**	**6,489.01**	**126,745.30**	**2,045.76**	**4,283.95**	**2,683.69**	**-**	**156,440.29**	**-**	**156,440.29**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

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.Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve: The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

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(a).

*Shares pending issuance represents the equity shares pending to be issued as on March 31, 2023 pursuant to the business combination (Refer Note 41(c))

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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

Consolidated Statement of Cash Flows for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash flow from operating activities				
Profit before tax		25,573.64		29,396.45
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortization expenses	6,442.49		4,914.73	
Loss on property, plant and equipment sold / scrapped / written off (net)	18.17		71.40	
Finance costs	1,619.13		788.06	
Finance income	(241.80)		(320.14)	
Carrying value adjustment of put option liability	47.45		106.99	
Gain on sale of investments	(544.88)		(17.38)	
(Gain) / loss on lease modifications	(15.34)		-	
Liabilities / provisions no longer required written back	(24.74)		(14.83)	
Loss allowance for trade receivables (net)	(774.88)		568.15	
Impairment allowance for doubtful advances (net)	(308.99)		-	
Share based payments expense / (reversals)	1,336.88		1,555.02	
		7,553.49		**7,652.00**
Operating profit before working capital changes		**33,127.13**		**37,048.45**
Movement in working capital				
Decrease / (increase) in inventories	12,810.62		(22,807.87)	
(Increase) / decrease in trade receivables	(3,017.93)		(9,829.35)	
Decrease/(increase) in loans to employees and others	45.19		47.56	
(Increase) / decrease in other financial assets	(638.50)		(117.29)	
Decrease / (increase) in other assets	3,260.42		(2,832.89)	
Increase / (decrease) in trade payables	1,520.91		(2,166.19)	
(Decrease)/increase in other financial liabilities	(1,198.83)		2,625.54	
Increase / (decrease) in provisions	1,395.91		620.85	
(Decrease) / increase in other liabilities	(39.57)		2,612.49	
		14,138.22		**(31,847.15)**
Cash generated from operations		**47,265.35**		**5,201.30**
Income tax paid (net of refunds)		(4,884.41)		(8,882.84)
Net cash flow from / (used in) operating activities (A)		**42,380.94**		**(3,681.54)**
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(10,262.97)		(12,461.64)	
Proceeds from sale of property, plant and equipment	147.18		13.99	
Acquisition of Non controlling interests of subsidiary company	(620.00)		-	
Acquisition of subsidiary company	(65,533.50)		-	
Acquisition of cash balance as part of business combination	1,084.91		-	
Proceeds from sale of current investments (net)	532.65		17.38	
(Investment in) / redemption of fixed deposits with maturity more than 3 months (net)	(2,674.12)		16.80	
Finance income	209.60		329.84	
Net cash flow (used in) / from investing activities (B)		**(77,116.25)**		**(12,083.63)**

Consolidated Statement of Cash Flows for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
C. Cash flow from financing activities				
Proceeds from exercise of share options (including share application money)	200.39		456.49	
Proceeds / (repayment) of short term borrowings (net)	13,491.01		(122.10)	
Proceeds / (repayment) of long term borrowings	27,290.60		-	
Payment of principal portion of lease liabilities	(1,144.79)		(713.10)	
Finance costs paid	(1,619.13)		(692.65)	
Dividends paid on equity shares	(5,608.25)		(5,160.69)	
Net cash flow from / (used in) financing activities (C)		**32,609.83**		**(6,232.05)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(2,125.48)**		**(21,997.22)**
Cash and cash equivalents at the beginning of the year		6,079.68		28,076.90
Cash and cash equivalents at the end of the year		**3,954.20**		**6,079.68**
Components of cash and cash equivalents: (Refer Note 15A)				
(a) Cash on hand		1.95		0.53
(b) Balances with bank:				
In current accounts		3,952.25		6,079.15
		3,954.20		**6,079.68**

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 Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

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') and Sunflame Enterprises Private Limited ('Sunflame') (collectively, the 'Group') for the year ended March 31, 2023. 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 and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Single Phase Pumps and Modular Switches
Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers
Sunflame	Products sold under trademark Sunflame and Superflame.

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; at Majitar, Rangpo and Mamring in Sikkim and at IMT, Faridabad. 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 30, 2023.

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

a) *Compliance with Ind AS*

The consolidated financial statements of the Group comply in all material aspects with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the consolidated financial statements.

b) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and liabilities (including derivative instruments) measured at fair value

(ii) defined benefit plans – plan assets measured at fair value

(iii) share based payments

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, 2023. 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

Notes forming part of the Consolidated Financial Statements

- 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:

- 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.

Notes forming part of the Consolidated Financial Statements

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:

- 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) *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.

b) *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.

Notes forming part of the Consolidated Financial Statements

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 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 at the measurement date.

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 sale/ distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and

Notes forming part of the Consolidated Financial Statements

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 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 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. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. Revenue is thus recognized as the service is performed and there are no unsatisfied performance 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, 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, 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

Notes forming part of the Consolidated Financial Statements

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.

(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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time).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.

(v) Financing components

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money

Notes forming part of the Consolidated Financial Statements

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 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.

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.

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 theuncertainty.

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

Notes forming part of the Consolidated Financial Statements

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. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

g) Property, plant and equipment

Freehold land is carried at historical cost. All other items of 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

Notes forming part of the Consolidated Financial Statements

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 derecognised 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 derecognised.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment 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*	5 to 10
Furniture & fixtures	10
Vehicles	8 to 10

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* 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 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 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, 2023 and March 31, 2022 comprise of land and building.

Investment properties are derecognised either when they have been disposed off or when

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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. 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 derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are 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.

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.

Notes forming part of the Consolidated Financial Statements

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	Indefinite / 10 years
Customer relationships / Distribution network	5 to 10 years
Non Compete	5 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 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.

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.

Notes forming part of the Consolidated Financial Statements

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 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 22).

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.

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.

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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 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.

n) *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

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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.

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 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.

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

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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.

p) *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.

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.

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 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 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.

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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 derecognition (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 derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and 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.

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.

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 derecognised (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

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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
- 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 (P&L). 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 and, contractual revenue 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:

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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 derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR 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 derecognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to Other Equity.

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 derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

Notes forming part of the Consolidated Financial Statements

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.
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.

r) *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.

s) *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.

Notes forming part of the Consolidated Financial Statements

- 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 price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

t) *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of an entity comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

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.

Notes forming part of the Consolidated Financial Statements

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 Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.5 Standards notified but not yet effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment

2.6 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 from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in

Notes forming part of the Consolidated Financial Statements

exchange for those goods. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer. 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.

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.

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.

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.

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.

Notes forming part of the Consolidated Financial Statements

Determination of control / significant influence for investments made by the Group

As detailed in Note 6, the Group has 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 Group is less than 1% of the total equity shareholding and OCCPS are convertible at the option of the Group and can be liquidated at a predetermined IRR.

b) The Group 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 Group'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.

Note 3 : Property, plant and 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 equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total	
Gross block													
As at April 1, 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)	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(8,918.21)
Adjustments *	-	0.09	571.68	58.69	41.22	21.75	68.71	762.14	-	-	-	-	-
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**
Additions	-	1,653.88	3,451.61	284.12	7.71	282.60	411.22	6,091.14	-	3,768.45	323.74	4,092.19	3,263.06
Disposals	-	(12.94)	(360.25)	(5.23)	-	(48.15)	(61.41)	(487.98)	-	(268.20)	(19.90)	(288.10)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,808.13)
Acquisition through business combination (Refer Note 41 (c) and (d))	3,756.77	2,450.98	659.15	49.55	100.88	24.56	9.66	7,051.55	556.40	-	-	556.40	-
As at March 31, 2023	**5,982.75**	**18,917.97**	**32,524.27**	**1,699.76**	**200.77**	**1,769.43**	**2,567.34**	**63,662.29**	**4,269.33**	**8,980.18**	**971.03**	**14,220.54**	**2,370.02**
Accumulated depreciation													
As at April 1, 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**	**-**
Charge for the year	-	616.57	3,039.10	151.90	16.40	210.64	333.81	4,368.42	108.32	1,231.26	219.04	1,558.62	-
Disposals	-	(2.26)	(259.62)	(4.04)	-	(29.74)	(61.41)	(357.07)	-	(146.12)	(9.27)	(155.39)	-
As at March 31, 2023	**-**	**2,670.89**	**11,372.54**	**798.72**	**66.73**	**1,093.23**	**1,735.29**	**17,737.40**	**359.90**	**2,768.95**	**362.67**	**3,491.52**	**-**
Net Block													
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**
As at March 31, 2023	**5,982.75**	**16,247.08**	**21,151.73**	**901.04**	**134.04**	**676.20**	**832.05**	**45,924.89**	**3,909.43**	**6,211.23**	**608.36**	**10,729.02**	**2,370.02**

* Includes adjustments amounting to ₹ 762.14 lakhs in gross block and accumulated depreciation for the year ended March 31, 2022 relating to earlier years.

Notes forming part of the Consolidated Financial Statements

Notes:

1. Capital work-in-progress (CWIP) as at March 31, 2023 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

2. Capital work-in-progress ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,306.55	63.47	-	-	2,370.02
Projects temporarily suspended	-	-	-	-	-

(₹ 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	-	-	-	-	-

3. Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2023:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Hyderabad plant	1,083.52	-	-	-	1,083.52
Vapi plant	16.80	-	-	-	16.80
Vitreous enamel coated solar water heater project at Perundurai	818.94	-	-	-	818.94

4. The Group has not capitalised any borrowing cost in the current and previous year.

5. 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.

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 2022-23	FY 2021-22
Employee benefits expenses	19.70	0.80
Cost of raw materials consumed	-	-
Power and fuel	-	14.46
Others	76.31	68.62
Total	**96.01**	**83.88**

7. Land, buildings, plant and equipments with a carrying amount of ₹ 28,476.03 lakhs as at March 31, 2023 (March 31, 2022 - ₹ 695.50 lakhs) are subject to a hypothecation to secure the term loans availed. The registration of part of the mortgage is under process as on the reporting date.
8. Refer Note 40.A on capital commitments.

Notes forming part of the Consolidated Financial Statements

Note 4 : Investment property

(At cost)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	27.90	27.90
Acquistion through business combination	150.00	-
Balance as at the end of the year	**177.90**	**27.90**

Note: Investment Property represents land at Coimbatore and flat at Jasola 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.

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 / Distribution network	Non Compete	Total		
Gross block							
As at April 1, 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**
Purchase / additions	1,343.99	-	-	-	1,343.99	-	110.94
Acquisition through business combination (Refer Note 41 (c) and (d))	4.61	37,100.00	3,800.00	-	40,904.61	24,913.77	-
Capitalised during the year	-	-	-	-	-	-	(530.00)
As at March 31, 2023	**3,389.26**	**37,104.60**	**3,953.69**	**90.77**	**44,538.32**	**25,280.17**	**364.79**
Accumulated amortisation							
As at April 1, 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**	-	-
Charge for the year	423.81	10.66	80.98	-	515.45	-	-
As at March 31, 2023	**1,647.37**	**15.26**	**212.33**	**83.58**	**1,958.54**	-	-
Net block							
As at March 31, 2022	**817.10**	**-**	**22.34**	**7.19**	**846.63**	**366.40**	**783.85**
As at March 31, 2023	**1,741.89**	**37,089.34**	**3,741.36**	**7.19**	**42,579.78**	**25,280.17**	**364.79**

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, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	110.94	148.53	105.32	-	364.79
Projects temporarily suspended	-	-	-	-	-

(₹ 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	-	-	-	-	-

Note: There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

2. Refer Note 40.A on capital commitments.

3. Trademark acquired through business combination during the year include an amount of ₹ 36,600.00 lakhs which has been considered to have an indefinite life and will be annually tested for impairment. Remaining useful life of other intangible assets ranges from 1 to 10 years, as at the year end.

4. Refer Note 41 (d) on goodwill acquired through business combination.

Note 6: Other investments

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments (at fair value through profit or loss) (unquoted):		
Investment in Gegadyne Energy Labs Private Limited		
7 (March 31, 2022 : 7) equity shares of ₹ 10 each fully paid up	8.04	8.04
2,900 (March 31, 2022 : 2,900) Optionally Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up	3,331.96	3,331.96
Investments (at amortised cost) (unquoted):		
Investments in National Savings certificate	0.45	-
Total	**3,340.45**	**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 ₹ 3,340.00 lakhs in return for 18.77% stake on a fully diluted basis. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions.

Notes forming part of the Consolidated Financial Statements

Note 7: Loans (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	106.13	76.60
(b) Other loans (Refer Note (i) below)	400.00	67.34
Total	**506.13**	**143.94**

Notes:

(i) Others represents the below loans:

a) inter-corporate loans given to M/s Universal Build well Pvt. Ltd., M/s International Land Developers Pvt Ltd. and M/s ALM Infotech City Pvt Ltd aggregating to ₹ 400.00 lakhs as at March 31, 2023 (March 31, 2022: Nil).

b) 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, 2023 and March 31, 2022 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, 2023	As at March 31, 2022
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	1,691.47	1,151.39
(b) Non-current bank balance (Refer Note 15B)	327.89	338.10
Total	**2,019.36**	**1,489.49**

Note: There are no financial assets as at March 31, 2023 and March 31, 2022 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, 2023	As at March 31, 2022
Advance income tax (net of provisions)	3,076.05	2,210.66
Total	**3,076.05**	**2,210.66**

Notes forming part of the Consolidated Financial Statements

Note 10: Deferred tax asset / (liability)

10A: Deferred tax asset (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets		
Loss allowance for trade receivables and impairment allowance for doubtful advances (net)	810.52	1,090.36
Disallowances under Section 43B of the Income Tax Act, 1961	694.90	552.84
Others including lease liabilities	2,657.70	2,105.05
	4,163.12	**3,748.25**
Set-off of deferred tax liability pursuant to set-off provisions		
On difference between book balance and tax balance of property, plant and equipment and right of use assets	(3,343.33)	(2,839.76)
	(3,343.33)	**(2,839.76)**
Net deferred tax asset [Refer Note 38 (e) and 38 (g)]	**819.79**	**908.49**

10B: Deferred tax (liability) (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment and right of use assets	(79.11)	-
On difference between book balance and tax balance of intangible assets (Refer note 41 (d))	(10,270.65)	-
Others	(2.86)	-
	(10,352.62)	**-**
Set-off of deferred tax asset pursuant to set-off provisions		
Disallowances under Section 43B of the Income Tax Act, 1961	6.50	-
Others including lease liabilities	20.58	-
	27.08	**-**
Net deferred tax (liability) [Refer Note 38 (f) and 38 (h)]	**(10,325.54)**	**-**

Note 11: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
(a) Capital advances	2,609.90	1,283.63
(b) Deposits with statutory / Government authorities	245.78	245.78
(c) Prepaid expenses	125.91	27.19
(d) Other receivables	-	5.00
Total	**2,981.59**	**1,561.60**

Notes forming part of the Consolidated Financial Statements

Note 12: Inventories

(Valued at lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	17,127.97	21,190.17
(b) Work-in-progress	4,326.84	5,134.87
(c) Finished goods	25,851.14	26,131.24
(d) Stock-in-trade	27,853.78	32,053.43
(e) Packing materials and consumables	1,584.03	1,448.76
Total	**76,743.76**	**85,958.47**

Notes:

(a) The above includes goods in transit as under:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	48.29	1,009.13
Stock-in-trade	1,523.33	445.13
Packing materials and consumables	33.84	42.98
Total	**1,605.46**	**1,497.24**

(b) During the year ended March 31, 2023, ₹ 224.82 lakhs (March 31, 2022: ₹ 267.40 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: Current investments

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (Fair value through Profit and Loss account)		
Quoted		
347 (March 31, 2022: Nil) units in SBI Liquid Fund Direct Growth Mutual Fund(Refer note below)	12.23	-
Total	**12.23**	**-**

Note: The aggregate book value and market value of quoted investments as on March 31, 2023 amounted to ₹ 12.23 lakhs (March 31, 2022: Nil). There is no impairment in the value of investments during the years ended March 31, 2023 and March 31, 2022.

Notes forming part of the Consolidated Financial Statements

Note 14: Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Secured, considered good	1,101.80	1,106.54
Unsecured, considered good	58,302.67	50,612.75
	59,404.49	**51,719.29**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 50C)		
Unsecured, considered good based on expected credit loss provisioning	2,538.79	3,306.66
	2,538.79	**3,306.66**
Total	**56,865.70**	**48,412.63**

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) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

(iii) Offsetting financial assets and financial liabilities: The Company provides certain incentives to selected customers, the amounts payable by the Group as at March 31, 2023 of ₹ 7,532.30 lakhs (March 31, 2022: ₹ 6,862.10 lakhs) are offset against receivables from the customers and only the net amounts are settled.

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, 2023
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	46,145.04	10,222.19	349.53	195.32	45.25	159.81	57,117.14
ii) Disputed trade receivables – considered good	-	-	-	64.01	359.66	1,863.68	2,287.35
Total	**46,145.04**	**10,222.19**	**349.53**	**259.33**	**404.91**	**2,023.49**	**59,404.49**

(₹ 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	250.52	134.64	216.26	208.85	49,724.03
ii) Disputed trade receivables – considered good	-	-	-	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**

Notes forming part of the Consolidated Financial Statements

Note 15: Cash and cash equivalents and Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
15A. Cash and cash equivalents		
(a) Cash on hand	1.95	0.53
(b) Balances with banks:		
In current accounts	3,952.25	6,079.15
Total	**3,954.20**	**6,079.68**
15B. Other bank balances		
(a) Unpaid dividend accounts	44.66	42.86
(b) Fixed deposits (Refer note (i) below)	3,016.22	342.10
Total	**3,060.88**	**384.96**
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(327.89)	(338.10)
Total	**2,732.99**	**46.86**

Notes:

(i) Fixed deposits of ₹ 327.89 lakhs (March 31, 2022: ₹ 338.10 lakhs) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

(ii) Changes in liabilities arising from financing activities are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Lease liabilities		Borrowings	
Balance outstanding as at beginning of the year	**5,655.95**	**5,625.53**	**1,179.22**	**1,301.32**
Addition on account of new leases during the year	3,974.49	743.52	-	-
Deletion on account of termination of leases during the year	(148.05)	-	-	-
Cash inflow from borrowings	-	-	51,794.83	15,100.00
Finance costs	671.95	507.89	790.21	78.00
Cash outflows	(1,816.74)	(1,220.99)	(11,806.37)	(15,300.10)
Balance outstanding as at end of the year	**8,337.60**	**5,655.95**	**41,957.89**	**1,179.22**
Disclosed as:				
Current borrowings (Refer Note 25)			14,670.23	1,179.22
Non-current borrowings (Refer Note 21)			27,290.60	-
Current portion of lease liabilities (Refer Note 22)	1,653.49	791.39		
Non-current portion of lease liabilities (Refer Note 22)	6,684.11	4,864.56		
Total	**8,337.60**	**5,655.95**	**41,960.83**	**1,179.22**

Note 16: Loans (Current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	110.24	68.93
(b) Other loans (Refer Note 7 (i))	57.77	106.46
Total	**168.01**	**175.39**

Notes forming part of the Consolidated Financial Statements

Note: There are no loans as at March 31, 2023 and March 31, 2022 which have significant increase in credit risk or which are credit impaired. Also refer Note 7 (iii).

Note 17: Other current financial assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	0.01	0.14
(b) Receivable pursuant to merger (Refer Note 41 (c))	521.51	-
(c) Other receivables	116.69	72.65
Total	**638.21**	**72.79**

Note: There are no current financial assets as at March 31, 2023 and March 31, 2022 which have significant increase in credit risk or which are credit impaired.

Note 18: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers		
Considered good	3,421.91	4,246.27
Considered doubtful	796.04	1,105.03
	4,217.95	**5,351.30**
Less: Provision for doubtful advances	(796.04)	(1,105.03)
	3,421.91	**4,246.27**
(b) Balances with Government authorities	3,749.66	5,913.92
(c) Prepaid expenses	1,472.55	1,416.54
(d) Right to return asset (Refer Note 31 (v))	666.62	645.36
(e) Others	97.39	67.44
Total	**9,408.13**	**12,289.53**

Note 19: Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised:				
Equity shares of ₹ 1/- (March 31, 2022: ₹ 1/-) each with voting rights	1,915,000,000	19,150.00	500,000,000	5,000.00
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1/- (March 31, 2022: ₹ 1/-) each with voting rights	432,174,432	4,321.74	431,541,934	4,315.42

Pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited, the authorised share capital of the Company increased to ₹19,150.00 lakhs divided into 1,91,50,00,000 equity shares of ₹1 each (Refer Note 41 (d)).

Notes forming part of the Consolidated Financial Statements

(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, 2023		As at March 31, 2022	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the period	431,541,934	4,315.42	430,188,458	4,301.88
Issued during the period	632,498	6.32	1,353,476	13.54
Outstanding at the end of the period	**432,174,432**	**4,321.74**	**431,541,934**	**4,315.42**

(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, 2022: ₹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, 2023		As at March 31, 2022	
	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	45,405,394	10.51%	45,405,394	10.52%
Mr. Arun K Chittilappilly	37,777,828	8.74%	37,777,828	8.75%
Mr. Mithun K Chittilappilly	86,389,878	19.99%	86,389,878	20.02%
Kotak Mahindra Mutual Fund	26,119,060	6.04%	21,837,838	5.06%
SBI Mutual Fund	40,052,082	9.27%	36,451,087	8.45%

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.

(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:

The Company has issued 6,498,801 shares of face value of ₹ 1 each (March 31, 2022: 6,887,473 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 and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 47.

Equity shares are pending to be issued as on March 31, 2023 pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited (Refer Note 41 (c) and Statement of changes in equity).

Notes forming part of the Consolidated Financial Statements

(f) Details of shares held by promoters:

As at March 31, 2023

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	45,405,394	-	45,405,394	10.51%	(0.02%)
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	8.74%	(0.01%)
Mr. Mithun K Chittilappilly	86,389,878	-	86,389,878	19.99%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	20,808,000	-	20,808,000	4.81%	(0.01%)
Mr. Mithun K Chittilappilly, Trustee of Anekha Chittilappilly Trust	21,300,000	-	21,300,000	4.93%	(0.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	18,525,250	-	18,525,250	4.29%	(0.01%)

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%	(1.20%)
Mrs. Sheela Kochouseph	10,931,202	-	10,931,202	2.53%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	37,777,828	-	37,777,828	8.75%	(0.03%)
Mr. Mithun K Chittilappilly	107,687,278	(21,297,400)	86,389,878	20.02%	(5.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	20,808,000	-	20,808,000	4.82%	(0.02%)
Mr. Mithun K 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%	(0.01%)

Notes forming part of the Consolidated Financial Statements

Note 20: Distribution made and proposed

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividends on equity shares declared and paid:		
Final 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**
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2023 - ₹ 1.30 per share of face value of ₹ 1 each (March 31, 2022 - ₹ 1.30 per share of face value of ₹ 1 each) (Refer note below)	5,618.27	5,610.05
Total	**5,618.27**	**5,610.05**

Note: 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.

Note 21: Non-current borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
Secured		
(a) Term loans from bank	8,928.92	-
(b) Term loans from financial institution	18,361.68	-
Total	**27,290.60**	**-**

Notes:

(i) Terms of loans are listed below:

Particulars	Terms of repayment	Interest rate	As at March 31, 2023	As at March 31, 2022
Term loan of ₹ 9,000.00 lakhs	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	8.5% p.a. (Repo rate + 200 bps)	8,928.92	-
Term loan of ₹ 18,500.00 lakhs	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	9.13% p.a. (91 day T-Bill rate + 239 bps)	18,361.68	-

(ii) Security of term loans is detailed below:

(a) Term loan from bank : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(b) Term loan from financial institution : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(iii) Also refer Note 15(ii).

Notes forming part of the Consolidated Financial Statements

Note 22: Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 15 (ii) and 42)	6,684.11	4,864.56
(b) Current portion of lease liabilities (Refer Note 15 (ii) and 42)	1,653.49	791.39
Total	**8,337.60**	**5,655.95**

Note 23: Other non-current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Put option liability (Refer Note 41 (a))	-	572.55
(b) Deferred consideration payable (Refer Note 41 (d))	2,540.31	-
Total	**2,540.31**	**572.55**

Note 24: Provisions (Non-current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 43)	39.63	38.85
(b) Other provisions		
(i) Provision for warranty (Refer Note 29 (i))	1,366.85	1,289.68
(ii) De-commissioning liability (Refer Note 29 (iii))	15.46	14.05
Total	**1,421.94**	**1,342.58**

Note 25: Current Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Cash credit from banks - Secured (Refer note (i) and (iii) below)	-	179.22
(b) Channel financing facility from bank - Unsecured (Refer note (iv) below)	4,822.00	1,000.00
(c) Purchase invoice financing from banks - Unsecured (Refer note (i), (ii), (v) below)	9,848.23	-
Total	**14,670.23**	**1,179.22**

Notes forming part of the Consolidated Financial Statements

Notes:

(i) Terms of borrowings are listed below:

Particulars	Terms of repayment	Interest rate	Balance as at	
			As at March 31, 2023	As at March 31, 2022
Purchase invoice financing	Repayable on the 90th day from the disbursement	7.6% p.a.	9,848.23	-
Cash credits from banks	Repayable on demand	7.95 % - 8.35 % p.a.	-	179.22

(ii) Purchase invoice financing from banks is an arrangement where banks remit the amount due to suppliers on due dates and the Company repays the amount to banks at an agreed later date.

(iii) 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.

(iv) Channel financing facility from bank represents channel financing arrangement with limited recourse to the Group. The Group therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.

(v) The Group has not made any defaults in the repayment of loans availed during the year.

(vi) Also refer Note 15(ii)

Note 26: Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	6,407.42	4,398.31
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	42,447.28	40,949.28
Total	**48,854.70**	**45,347.59**

Trade payables ageing schedule

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2023
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	6,374.71	32.71	-	-	-	6,407.42
ii) Others	32,044.98	9,021.45	538.38	310.87	531.60	42,447.28
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2022
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	4,055.55	342.76	-	-	-	4,398.31
ii) Others	32,686.25	5,814.67	1,265.63	694.72	488.01	40,949.28
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

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 50.

(ii) Trade payables are unsecured.

Note 27: Other current financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(carried at amortised cost)		
(a) Unpaid dividends (Refer note below)	44.66	42.86
(b) Trade / Security deposits received	1,538.12	1,379.37
(c) Capital creditors	421.07	852.62
(d) Employee benefits payable	2,165.36	3,450.34
(e) Other payables	62.55	103.28
Total	**4,231.76**	**5,828.47**

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 28: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory dues*	3,215.46	1,805.12
(b) Contract liability (Refer Note 31 (iv))	1,587.15	1,648.61
(c) Refund liabilities arising from right to return assets (Refer Note 31 (v))	966.56	934.77
(d) Others	9.50	34.23
Total	**5,778.67**	**4,422.73**

*Represents contributions to Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Notes forming part of the Consolidated Financial Statements

Note 29: Provisions (Current)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note (i) below)	1,902.75	1,610.35
(ii) Provision for gratuity (Refer Note 43)	842.89	558.55
(b) Other provisions		
(i) Provision for warranty (Refer note (ii) below)	3,600.41	2,674.41
(ii) Provision for indirect tax litigations	2.00	-
Total	**6,348.05**	**4,843.31**

Notes:

(i) Provision for compensated absences

The obligations for compensated absences cover the Group's liability for paid leaves. The entire amount of the provision is presented as current as the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision as per the actuarial valuation report, included in total obligation for compensated absences, is ₹266.06 lakhs (March 31, 2022 : ₹215.10 lakhs).

(ii) 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.

(iii) 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	3,964.09	3,595.74	14.05	12.77
Additional provision recognized	6,309.19	4,715.93	1.41	1.28
Amounts used during the year	(5,306.02)	(4,347.58)	-	-
Balance as at the end of the year	**4,967.26**	**3,964.09**	**15.46**	**14.05**
Disclosed as:				
Non-current (Refer Note 24)	1,366.85	1,289.68	15.46	14.05
Current	3,600.41	2,674.41	-	-

Notes forming part of the Consolidated Financial Statements

Note 30: Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (net of advance tax)	131.74	247.63
Total	**131.74**	**247.63**

Note 31: Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Revenue from contracts with customers		
Sale of products	409,047.11	346,608.03
Sale of services	35.35	17.13
Sale of scrap*	3,081.58	2,780.33
	412,164.04	**349,405.49**
(b) Government budgetary support (Refer Note (i) below)*	440.38	613.10
Total	**412,604.42**	**350,018.59**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Central Government of India 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) Refer Note 44 for disaggregated revenue information

(iii) Timing of revenue recognition is as below:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	99,034.18	179,853.58	127,550.83	5,690.10	412,128.69
Services transferred over time	7.75	15.30	12.30	-	35.35
Total revenue from contracts with customers	**99,041.93**	**179,868.88**	**127,563.13**	**5,690.10**	**412,164.04**

(₹ in lakhs)

Particulars	For the year ended March 31, 2022				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	81,134.16	162,041.50	106,212.70	-	349,388.36
Services transferred over time	3.35	8.28	5.50	-	17.13
Total revenue from contracts with customers	**81,137.51**	**162,049.78**	**106,218.20**	**-**	**349,405.49**

Notes forming part of the Consolidated Financial Statements

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, 2023				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	99,400.78	179,883.12	127,630.42	5,690.10	412,604.42
Government budgetary support	(358.85)	(14.24)	(67.29)	-	(440.38)
Total revenue from contracts with customers	**99,041.93**	**179,868.88**	**127,563.13**	**5,690.10**	**412,164.04**

Particulars	For the year ended March 31, 2022				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	81,559.56	162,059.40	106,399.63	-	350,018.59
Government budgetary support	(422.05)	(9.62)	(181.43)	-	(613.10)
Total revenue from contracts with customers	**81,137.51**	**162,049.78**	**106,218.20**	**-**	**349,405.49**

(iv) Contract balances

The following are the contract balances:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Current) (Refer Note 14)	56,865.70	48,412.63
Contract liabilities (Current) (Refer Note 28)	1,587.15	1,648.61

Contract liabilities represents advance received from customers for sale of products.

During the year ended March 31, 2023, revenue recognised from the amount included in contract liability at the beginning of the year is ₹ 1,589.23 lakhs (March 31, 2022: ₹ 1,302.65 lakhs).

(v) Right of return assets and refund liabilities arising from right of return assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right of return assets (Current) (Refer Note 18)	666.62	645.36
Refund liabilities arising from rights of return assets (Current) (Refer Note 28)	966.56	934.77

(vi) 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, 2023	For the year ended March 31, 2022
Revenue as per contract price	438,389.46	367,188.95
Adjustments:		
Discounts, rebates and trade incentives	(25,258.86)	(16,848.69)
Refund liabilities	(966.56)	(934.77)
Total revenue from contracts with customers	**412,164.04**	**349,405.49**

Notes forming part of the Consolidated Financial Statements

(vii) 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 services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2023 and March 31, 2022.

Note 32: Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on sale of investments	544.88	17.38
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	372.82	414.35
(ii) Interest income from banks on deposits	198.47	289.70
(iii) Interest income on loans	43.33	30.44
Mould hire charges	12.32	5.86
Liabilities / provisions no longer required written back	24.74	14.83
Gain on foreign currency transactions and translation (net)	78.57	-
Miscellaneous income	368.70	303.80
Total	**1,643.83**	**1,076.36**

Note 33: Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year:		
Finished goods	25,851.14	26,131.24
Work-in-progress	4,326.84	5,134.87
Stock-in-trade	27,853.78	32,053.43
Total (A)	**58,031.76**	**63,319.54**
Inventories at the beginning of the year:		
Finished goods	26,131.24	19,607.39
Work-in-progress	5,134.87	2,968.69
Stock-in-trade	32,053.43	26,625.42
Total (B)	**63,319.54**	**49,201.50**

Notes forming part of the Consolidated Financial Statements

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Acquired through business combination (Refer Note 41 (c) and (d))		
Finished goods	2,406.24	-
Work-in-progress	210.16	-
Total (C)	**2,616.40**	**-**
Decrease / (increase) in inventories		
Finished goods	2,686.34	(6,523.85)
Work-in-progress	1,018.19	(2,166.18)
Stock-in-trade	4,199.65	(5,428.01)
Net decrease / (increase) (C + B - A)	**7,904.18**	**(14,118.04)**

Note 34: Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries, wages and bonus	26,244.58	22,866.54
(b) Contributions to provident and other funds	1,361.13	1,107.52
(c) Share based payment expense (Refer Note 47)	1,336.88	1,555.02
(d) Gratuity expense (Refer Note 43)	477.96	415.23
(e) Staff welfare expenses	872.49	1,055.22
Total	**30,293.04**	**26,999.53**

Notes:

(i) 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.

(ii) Also refer Note 39.

Note 35A : Depreciation and amortization expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Depreciation of property, plant and equipment (Refer Note 3)	4,368.42	3,656.05
(ii) Depreciation of right of use assets (Refer Note 3)	1,558.62	953.69
(iii) Amortization of intangible assets (Refer Note 5)	515.45	304.99
Total	**6,442.49**	**4,914.73**

Notes forming part of the Consolidated Financial Statements

Note 35B : Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on income tax	28.66	95.41
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	790.21	80.53
(ii) Interest on lease liability (Refer Note 42)	671.95	507.89
(iii) Interest - others	128.31	104.23
Total	**1,619.13**	**788.06**

Note 36: Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of packing materials and consumables	6,933.59	6,507.58
Power and fuel	1,906.81	1,582.58
Rent (Refer Note 42)	1,712.87	1,584.31
Repairs and maintenance		
Plant and machinery	395.69	599.02
Building	151.46	99.49
Others	3,073.06	2,377.80
Rates and taxes	457.21	310.19
Travelling and conveyance	3,960.64	2,205.39
Freight and forwarding charges	8,853.83	5,467.72
Advertisement and business promotion expenses	8,920.46	5,713.88
Donations and contributions	0.88	0.45
CSR expenditure (Refer Note 37)	579.93	509.71
Legal and professional fees	4,123.53	2,070.97
Directors' sitting fees	56.36	35.05
Payments to statutory auditors (Refer note (i) below)	101.35	91.51
Loss on property, plant and equipment sold / scrapped / written off (net)	18.17	71.40
Loss allowance for trade receivables (net)	(774.88)	568.15
Impairment allowance for doubtful advances (net)	(308.99)	-
Outsourced manpower cost	8,873.98	6,928.80
Warranty expenses	6,309.19	4,715.93
Contributions to political parties (Refer note (ii) below)	0.31	4.12
Miscellaneous expenses	6,535.23	6,162.70
Total	**61,880.68**	**47,606.75**

Notes forming part of the Consolidated Financial Statements

Notes:

(₹ in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	**Payments to statutory auditors comprises*:**		
	Statutory audit fees	54.70	46.75
	Tax audit fees	7.70	4.65
	Limited review fees	21.00	21.00
	Fees for other services (certifications)	4.00	10.50
	Reimbursement of expenses	13.95	8.61
	Total	**101.35**	**91.51**
(ii)	**Contribution to political parties**		
	National Democratic Alliance	-	2.12
	United Democratic Front	0.08	2.00
	Left Democratic Front	0.23	-
Total		**0.31**	**4.12**

* Payments to statutory auditors include amounts paid by the subsidiaries to their auditors.

Note 37: Details of CSR expenditure

(₹ in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	**Gross amount required to be spent during the year**	576.63	507.77
b)	**Amount spent during the year:**		
	(i) In cash		
	-Construction / acquisition of any asset	-	-
	-On purposes other than (i) above	579.93	509.71
	(ii) Yet to be paid in cash		
	-Construction / acquisition of any asset	-	-
	-On purposes other than (i) above	-	-
c)	**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)	543.29	492.39
	(iv) Others	36.64	17.32
	(v) Unspent amount in relation to:		
	- Ongoing project	-	-
	- Other than ongoing project	-	-

Notes forming part of the Consolidated Financial Statements

d) 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
-	-	576.63	579.93	3.30

e) Refer Note 45 (3) for nature of projects under CSR.

Note 38: Income taxes

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

(a) Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax		
Current income tax charge	4,026.45	7,869.69
Adjustments of current tax relating to earlier years	-	(808.67)
Deferred tax		
Relating to origination and reversal of temporary differences	2,642.49	(508.32)
Income tax expense reported in the Statement of profit and loss	**6,668.94**	**6,552.70**

(b) OCI section

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax related to items recognised in OCI during the year	7.28	18.43

Notes forming part of the Consolidated Financial Statements

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before income tax	25,573.64	29,396.45
Applicable tax rate (Refer note (d) below)	25.168%	25.168%
Computed tax expense at statutory rate	6,436.37	7,398.50
Adjustments in respect of current income tax of previous years (Refer note (d) below)	-	(808.67)
Impact of opting new tax regime from year ended March 31, 2021 (Refer note (d) below)	-	(301.07)
Expenses disallowed for tax purposes	182.33	226.39
Other adjustments	50.24	37.55
Income tax expense reported in to the Statement of profit and loss	**6,668.94**	**6,552.70**

(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 year 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 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 25.168%.

(e) Reconciliation of deferred tax asset (net):

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as at beginning of the year	908.49	381.74
Acquired through business combination	2,514.70	-
Tax income / (expense) during the year recognised in Statement of profit and loss	(2,610.68)	508.32
Tax income / (expense) during the year recognised in other comprehensive income	7.28	18.43
Closing balance as at end of the year	**819.79**	**908.49**

(f) Reconciliation of deferred tax (liability) (net):

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as at beginning of the year	-	-
Acquired through business combination	(10,293.73)	-
Tax income / (expense) during the year recognised in Statement of profit and loss	(31.81)	-
Closing balance as at end of the year	**(10,325.54)**	**-**

Notes forming part of the Consolidated Financial Statements

(g) Movement of deferred tax asset (net) for the year ended March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	Difference between book balance and tax balance of property, plant and equipment and right of use assets	Loss allowance for trade receivables and Impairment allowance for doubtful advances (net)	Disallowances under Section 43B of the Income Tax Act, 1961	Brought forward losses and unabsorbed depreciation	Others including lease liabilities	Total
As at April 1, 2021	**(2,499.77)**	**1,351.07**	**648.70**	**-**	**881.74**	**381.74**
(Charged) or credited:						
- to profit or loss	(339.99)	(260.71)	(114.29)	-	(1,223.31)	508.32
- to other comprehensive income	-	-	18.43	-	-	18.43
As at March 31, 2022	**(2,839.76)**	**1,090.36**	**552.84**	**-**	**2,105.05**	**908.49**
Acquired through business combination (Refer Note 41)	(31.62)	20.71	50.80	2,450.39	24.42	2,514.70
(Charged) or credited:						
- to profit or loss	(471.95)	(300.55)	83.98	(2,450.39)	528.23	(2,610.68)
- to other comprehensive income	-	-	7.28	-	-	7.28
As at March 31, 2023	**(3,343.33)**	**810.52**	**694.90**	**-**	**2,657.70**	**819.79**

(h) Movement of deferred tax (liability) (net) for the year ended March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	Difference between book balance and tax balance of property, plant and equipment and right of use assets	Difference between book balance and tax balance of intangible assets	Others	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Total
As at April 1, 2021	**-**	**-**	**-**	**-**	**-**	**-**
(Charged) or credited:						
- to profit or loss	-	-	-	-	-	-
- to other comprehensive income	-	-	-	-	-	-
As at March 31, 2022	**-**	**-**	**-**	**-**	**-**	**-**
Acquired through business combination (Refer Note 41)	-	(10,293.73)	-	-	-	(10,293.73)
(Charged) or credited:						
- to profit or loss	(79.11)	23.08	(2.86)	6.50	20.58	(31.81)
- to other comprehensive income	-	-	-	-	-	-
As at March 31, 2023	**(79.11)**	**(10,270.65)**	**(2.86)**	**6.50**	**20.58**	**(10,325.54)**

Notes forming part of the Consolidated Financial Statements

Note 39: Details of research and development expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee benefits expenses	1,463.39	1,300.56
Travelling and conveyance	96.16	44.85
Other expenses	504.97	356.79
Total	**2,064.52**	**1,702.20**

Note 40: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,884.60	1,733.76

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.

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claims against the Group not acknowledged as debt	275.58	286.93
(b) Direct tax matters under dispute / pending before Income Tax Authorities	4,323.87	4,365.26
(c) Indirect tax matters for demands raised by goods and services tax / sales tax / VAT department pending before various appellate authorities	1,045.72	1,037.65
(d) Others	31.45	6.82
Total	**5,676.62**	**5,696.66**

Notes:

(i) 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. It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

Notes forming part of the Consolidated Financial Statements

(ii) 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.

(iii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

Note 41: Interest in other entities

The Holding Company's investments in subsidiaries are as follows:

Name of the subsidiaries	Country of incorporation	Ownership interest held by the Group		Ownership interest held by Non controlling interests		Principal business activity
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Guts Electro-Mech Limited	India	100%	74%	Nil	26%	Manufacture of electrical goods
V-Guard Consumer Products Limited	India	100%	100%	Nil	Nil	Manufacture of electronics goods
Sunflame Enterprises Private Limited	India	100%	Nil	Nil	Nil	Manufacture of consumer durables

(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.

With effect from July 27, 2022, the Holding Company acquired balance 26% equity shares of Guts by exercising call option in accordance with the Share purchase and subscription agreement dated August 31, 2017.

Consequent to exercise of call option, the put option liability has been derecognized within other equity.

(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 121,089,961 equity shares of ₹ 10 each as at March 31, 2023 (March 31, 2022 : 59,797,507 equity shares of ₹ 10 each). 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.

(c) In accordance with the Scheme of Amalgamation (Scheme) between the Holding Company and Simon Electric Private Limited ("Simon") as approved by Hon'ble National Company Law Tribunal, Simon was merged with business of Holding Company with effect from March 25, 2023 (appointed date), in consideration of 0.76646 equity shares of the Company of ₹1 each fully paid up for every 100 equity shares held in Simon of ₹10 each fully paid up.The Scheme will enable Holding Company to expand its presence in the switches and home automation products market while also helping to enter a premium modular switches segment. It is also expected to result in revenue and cost synergies. Pursuant to the Scheme, the authorised share capital of Holding Company was increased to ₹19,150.00 lakhs divided into 1,915,000,000 equity shares of ₹1 each. In discharge of the consideration, the Holding Company is to allot 1,083,008 equity shares to the shareholders of Simon. The fair value of consideration amounts to ₹2,683.69 lakhs. The shares pending to be issued as on March 31, 2023 has been disclosed under Other Equity as 'Shares pending issuance'.As per the provisions of the Scheme, transfer of the above business into the Holding Company has been accounted in accordance with Ind AS 103, 'Business Combinations', with effect from the appointed date.

Notes forming part of the Consolidated Financial Statements

Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities of Simon as at the date of acquisition were:

(₹ in lakhs)

Particulars	Amount recognised on acquisition
Assets	
Property plant and equipment	904.06
Right of use assets	556.40
Intangible assets	1.25
Inventories	381.78
Trade receivables (net of provision for expected credit loss of ₹ 82.28 lakhs)	362.35
Cash and cash equivalents	71.28
Other financial assets	554.30
Current tax assets (net)	1.33
Deferred tax asset (net)	2,480.99
Other assets	23.19
	5,336.93
Liabilities	
Provisions	109.72
Trade payables	384.72
Other financial liabilities	72.18
Other current liabilities	40.86
	607.48
Total identifiable net assets at fair value	4,729.45
Bargain purchase gain arising on acquisition (Refer note (i) below)	(2,045.76)
Purchase consideration	**2,683.69**

Notes:

(i) Bargain purchase gain on acquisition of ₹ 2,045.76 lakhs is mainly on account of deferred tax assets of ₹ 2,450.30 lakhs recognised on carried forward losses and unabsorbed depreciation of Simon. The same was not recognised as an asset in Simon books considering absence of virtual certainty regarding future taxable income to set off these carried forward losses and unabsorbed depreciation.

(ii) Subsequent to the year end, the Company has alloted 1,083,008 equity shares to the erstwhile shareholders of Simon (0.76646 equity shares of the Company of ₹ 1 each fully paid up for every 100 equity shares held in Simon of ₹ 10 each fully paid up).

(iii) If the acquisitions had occurred on April 1, 2022, consolidated pro-forma revenue and loss contribution from Simon for the year ended March 31, 2023 would have been ₹ 1,482.47 lakhs and ₹ 836.10 lakhs respectively. These amounts have been calculated using the Simon's results and adjusting them for the additional depreciation that would have been charged assuming the fair value adjustments to property, plant and equipment and right of use asset had applied from April 1, 2022.

(d) Pursuant to the approval of the Board of directors in their meeting held on December 09, 2022, the Holding Company completed the acquisition of 100% shareholding of Sunflame Enterprises Private Limited ("Sunflame") on January 12, 2023 for an aggregate consideration of ₹ 68,033.50 lakhs (including deferred consideration of ₹ 2,500.00 lakhs (excluding the interest component of ₹ 40.31 lakhs)) computed after the closing adjustments relating to working capital and net debt as described in the Share Purchase Agreement dated December 09, 2022.

Acquisition related costs of ₹ 771.00 lakhs that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Notes forming part of the Consolidated Financial Statements

Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities of Sunflame as at the date of acquisition were:

(₹ in lakhs)

Particulars	Amount recognised on acquisition
Assets	
Property plant and equipment	6,147.49
Intangible assets	40,903.36
Investment property	150.00
Investments	0.45
Inventories	3,214.13
Trade receivables (net of provision for expected credit loss of ₹ 50.00 lakhs)	4,297.91
Cash and cash equivalents	1,013.63
Other financial assets	400.00
Current tax assets (net)	121.99
Deferred tax asset	33.71
Other assets	140.10
	56,422.77
Liabilities	
Provisions	29.19
Trade payables	1,626.22
Deferred tax liability	10,293.73
Other current liabilities	1,353.90
	13,303.04
Total identifiable net assets at fair value	43,119.73
Goodwill (Refer note (i) below)	24,913.77
Purchase consideration	**68,033.50**

Notes:

(i) The excess of consideration transferred over the fair value of net identifiable assets acquired is recorded as goodwill of ₹ 24,913.77 lakhs.

(ii) The acquired business contributed revenues and profits of ₹ 5,690.10 lakhs and ₹ 672.18 lakhs respectively to the Group for the period ended March 31, 2023.

(iii) If the acquisition had occurred on April 1, 2022, consolidated pro-forma revenue and profit contribution from Sunflame for the year ended March 31, 2023 would have been ₹ 5,690.10 lakhs and ₹ 419.17 lakhs respectively. These amounts have been calculated using Sunflame's results and adjusting them for the additional amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from April 1, 2022, net of tax impact.

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. Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Group's real estate portfolio, allowing the Group to readily adapt to changing business needs. The Group also has lease for vehicles, which have an average lease term 4 years. 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) Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2023 and March 31, 2022.

(iii) Refer Note 22 for carrying amount and movements of lease liabilities during the years ended March 31, 2023 and March 31, 2022.

Notes forming part of the Consolidated Financial Statements

(iv) Amounts recognised in statement of profit and loss during the year:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on right of use assets	1,558.62	953.69
Finance cost accrued during the year (included in finance costs) (Refer Note 35B)	671.95	507.89
Expense related to short term leases (included in other expenses) (Refer Note 36)	1,712.87	1,584.31
(Gain) / loss on lease modifications	(15.34)	-
Total	**3,928.10**	**3,045.89**

(v) Non-cash investing activities during the year:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Acquisition of right of use assets	4,092.19	2,447.33
Disposal of right of use assets	(288.10)	-
	3,804.09	**2,447.33**

(vi) The maturity analysis of lease liabilities are disclosed in Note 50A.

(vii) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(viii) 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.

(ix) The Group had total cash outflows for leases of ₹ 3,529.61 lakhs during the year ended March 31, 2023 (March 31, 2022: ₹ 2805.30 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.

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	March 31, 2023	March 31, 2022
Components of employer expense:		
Current service cost	448.49	393.38
Net interest expense / (income) on net defined benefit obligation	29.47	21.85
Total expense recognised in the Statement of Profit and Loss	**477.96**	**415.23**
Actual contribution and benefit payments for year:		
Actual benefit payments	148.65	102.49
Actual contributions	319.34	448.36
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(4,429.07)	(3,721.04)
Fair value of plan assets	3,546.56	3,123.64
Net (liability) / asset recognised in the Balance Sheet	**(882.51)**	**(597.40)**

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	3,721.04	3,142.37
Current service cost	448.49	393.38
Interest cost on DBO	244.81	198.01
Transfer to subsidiary	(12.55)	-
Acquired through business combination (Refer Note 41 (c) and (d))	122.33	-
Actuarial losses / (gains)	53.60	89.77
Benefits paid	(148.65)	(102.49)
Present value of DBO at the end of the year	**4,429.07**	**3,721.04**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	3,123.64	2,579.12
Return on plan assets greater / (lesser) than discount rate	4.32	20.79
Expected Return on Plan Assets	0.58	-
Acquired through business combination (Refer Note 41 (c) and (d))	41.82	-
Previous payment received from LIC	(0.46)	-
Actual company contributions	319.34	448.36
Interest income on plan assets	214.75	176.16
Benefits paid	(157.43)	(100.79)
Plan assets at the end of the year	**3,546.56**	**3,123.64**
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	4.32	20.79
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(176.02)	(179.09)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	122.42	89.32
Total amount recognised in OCI	**(49.28)**	**(68.98)**

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	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined Benefit Obligation	4,429.07	3,721.04

(₹ in lakhs)

Particulars	March 31, 2023		March 31, 2022	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	323.16	(286.73)	295.56	(259.22)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(285.24)	314.99	(256.98)	286.92

Notes forming part of the Consolidated Financial Statements

Asset Liability Matching Strategies

The Group 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 Group 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 Group 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 Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

Maturity profile of Defined Benefit Obligation

(₹ in lakhs)

Expected Cash Flows (value on undiscounted basis)	As at March 31 2023	As at March 31 2022
Within 1 year	485.22	362.59
Within 2 years	533.51	405.80
Within 3 years	532.45	463.40
Within 4 years	565.82	470.98
Within 5 years	615.16	511.91
Within 6 to 10 years	3821.63	3,060.38

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2022: 7 years).

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial assumptions:		
Discount rate	7.10%	6.70%
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/payout in the immediate next year (₹ in lakhs)	882.52	597.40

Notes forming part of the Consolidated Financial Statements

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, four reportable segments namely, Electronics, Electricals, Consumer Durables and Sunflame as follows:

Electronics Segment includes Stabilizers, Digital UPS and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.

Sunflame includes products sold under trademark Sunflame and Superflame.

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.

Notes forming part of the Consolidated Financial Statements

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, 2023 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	99400.78	179,883.12	127,630.42	5,690.10	-	412,604.42
Inter-segment	-	-	-	-	-	-
Total revenue	**99,400.78**	**179,883.12**	**127,630.42**	**5,690.10**	**-**	**412,604.42**
Income / (Expenses)						
Depreciation and amortisation	(588.38)	(1,182.28)	(1,309.25)	(185.51)	-	(3,265.42)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	260.00	475.74	332.44	15.69	-	1,083.87
Segment profit	**13,085.36**	**13,856.85**	**790.39**	**799.84**	**-**	**28,532.44**
Total assets	**51,831.19**	**58,672.34**	**60,701.65**	**82,374.58**	**-**	**253,579.76**
Total liabilities	**16,376.78**	**36,837.29**	**21,049.15**	**14,507.01**	**-**	**88,770.23**
Other disclosure: Capital expenditure	4,623.03	2,975.27	2,111.02	4,619.30	-	14,328.62

Year ended March 31, 2022 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	81,559.56	162,059.40	106,399.63	-	-	350,018.59
Inter-segment	-	-	-	-	-	-
Total revenue	**81,559.56**	**162,059.40**	**106,399.63**	**-**	**-**	**350,018.59**
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	**44,583.46**	**62,879.75**	**71,965.27**	**-**	**-**	**179,428.48**
Total liabilities	**12,007.32**	**26,308.51**	**17,000.17**	**-**	**-**	**55,316.00**
Other disclosure: Capital expenditure	5,574.16	4,286.93	2,057.52	-	-	11,918.61

Notes forming part of the Consolidated Financial Statements

Reconciliation of amount reflected in the financial statements

(₹ in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Reconciliation of profit**		
	Segment profit	28,532.44	31,243.79
	Other unallocable income	1,607.93	1,289.49
	Other unallocable expenses	(2,947.60)	(2,348.77)
	Finance cost	(1,619.13)	(788.06)
	Profit before tax	**25,573.64**	**29,396.45**

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(b)	**Reconciliation of assets**		
	Segment operating assets	253,579.76	179,428.48
	Other investments	3,340.45	3,340.00
	Investment property	177.90	27.90
	Deferred tax asset	819.79	862.92
	Cash and cash equivalents	3,954.20	6,077.46
	Other bank balances	2,732.99	46.86
	Income tax assets (net)	3,036.65	2,210.66
	Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of use assets	17,659.03	14,466.10
	Other unallocable assets	5,392.40	4,222.31
	Total assets	**290,693.17**	**210,682.69**
(c)	**Reconciliation of liabilities**		
	Segment operating liabilities	88,770.23	55,316.00
	Borrowings	27,290.60	1,000.00
	Current tax liabilities	-	183.46
	Lease liabilities	4,744.86	2,066.43
	Provision for leave benefits	1,862.08	1,600.86
	Provision for gratuity	814.96	555.55
	Other unallocable liabilities	6,448.41	8,717.73
	Total liabilities	**129,931.14**	**69,440.03**

Revenue from external customer

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	412,088.85	348,197.09
Outside India	515.57	1,007.18

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.

Notes forming part of the Consolidated 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) (ceased to be KMP w.e.f February 02, 2023)
	Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below) (w.e.f February 02, 2023)
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
	Prof. Biju Varkey (wef May 26, 2021)
	Mr. B Jayaraj (ceased to be director w.e.f July 28, 2022)
	Ms. Radha Unni
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)

(b) Transactions with related parties during the year

(₹ in lakhs)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Kochouseph Chittilappilly	Dividends paid	590.27	544.86
	Emoluments	63.69	75.17
Mr. Mithun K Chittilappilly	Dividends paid	1,123.07	1,036.65
	Salaries and allowances	284.19	181.16
	Company contribution to provident fund	22.50	18.00
	Commission	382.14	451.03
Mr. Ramachandran Venkataraman	Dividends paid	21.26	14.25
	Salaries and allowances	241.42	282.12
	Company contribution to provident fund	27.93	26.15
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	420.18	1,098.63
	Issue of Equity shares including premium	149.19	327.23

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Sudarshan Kasturi	Dividends paid	0.03	0.02
	Salaries and allowances	230.37	208.37
	Company contribution to provident fund	13.49	11.58
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	120.24	95.64
	Issue of Equity shares including premium	0.52	0.38
Ms. Jayasree K	Dividends paid	0.52	0.54
	Salaries and allowances	30.49	30.35
	Company contribution to provident fund	1.40	1.32
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	11.15	11.94
	Issue of Equity shares including premium	0.05	0.05
Mr. Vikas Kumar Tak	Salaries and allowances	6.15	-
	Company contribution to provident fund	0.32	-
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid	641.66	592.30
Enterprises in which KMP/ relatives of KMP can exercise significant influence	Dividends paid	788.23	727.60
Non - Executive Directors	Dividends paid	1.76	1.80
	Sitting fees	56.55	35.05
	Commission	18.15	16.50

(c) Related party balances

(₹ in lakhs)

Name of the Related Party	Nature of transactions	As at March 31, 2023	As at March 31, 2022
Mr. Kochouseph Chittilappilly	Emoluments payable	63.69	75.17
Mr. Mithun K Chittilappilly	Commission payable	382.14	451.03
Non - Executive Directors	Commission payable	18.15	16.50
Mr. Ramachandran Venkataraman	Salaries and allowances payable	-	63.00
Mr. Sudarshan Kasturi	Salaries and allowances payable	-	11.50
Ms. Jayasree K	Salaries and allowances payable	-	2.55

Notes forming part of the Consolidated Financial Statements

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. The details of KMP compensation is as below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	1,174.76	1,153.03
Post-employment benefits	65.64	57.05
Share based payment expense	551.57	1,206.21

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, 2023, the Holding Company has contributed ₹ 543.29 lakhs (year ended March 31, 2022: ₹ 492.39 lakhs) towards expenditure for CSR activities. V-Guard Foundation has undertaken various CSR projects like V-Guard Educare and Skill Development, V-Guard Build India, V-Guard Health Care and V-Guard Women Empowerment.

Note 46: Earnings Per Share (EPS)

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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)	18,911.35	22,769.24
Weighted average number of equity shares outstanding	43,17,63,620	43,06,31,935
Basic earnings per share (₹)	4.38	5.29
Net Profit for the year attributable to equity holders of the parent (₹ in lakhs)	18,911.35	22,769.24
Weighted average number of equity shares outstanding	43,50,07,084	43,38,64,144
Diluted earnings per share (₹)	4.35	5.25
Weighted average number of equity shares in calculating basic EPS	43,17,63,620	43,06,31,935
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	32,43,464	32,32,209
Weighted average number of equity shares in calculating diluted EPS	43,50,07,084	43,38,64,144

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

Notes forming part of the Consolidated Financial Statements

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.

<table>
<tr><th>Grant</th><th>Financial year</th><th>Date of grant</th><th>No. of options granted</th><th>Exercise Price per share (₹)</th><th>Vesting period</th><th>Vesting Conditions</th></tr>
<tr><td rowspan="2">Grant I</td><td rowspan="2">2013-14</td><td rowspan="2">11-Jun-13</td><td>21,87,216</td><td>1.00</td><td rowspan="2">Over 3 years</td><td rowspan="4">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.</td></tr>
<tr><td>79,51,888</td><td>34.64</td></tr>
<tr><td rowspan="2">Grant II</td><td rowspan="2">2015-16</td><td rowspan="2">4-May-15</td><td>2,81,266</td><td>1.00</td><td rowspan="2">Over 3 years</td></tr>
<tr><td>9,20,564</td><td>71.36</td></tr>
<tr><td rowspan="2">Grant III</td><td rowspan="2">2016-17</td><td rowspan="2">4-May-16</td><td>4,20,000</td><td>1.00</td><td rowspan="2">Over 4 years</td><td rowspan="2">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.</td></tr>
<tr><td>37,80,000</td><td>68.75</td></tr>
<tr><td>Grant IV</td><td>2016-17</td><td>16-Jun-16</td><td>2,59,504</td><td>1.00</td><td>Over 4 years</td><td rowspan="2">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.</td></tr>
<tr><td rowspan="4">Grant V</td><td rowspan="4">2016-17</td><td rowspan="4">8-Aug-16</td><td>12,61,246</td><td>1.00</td><td rowspan="4">Over 4 years</td></tr>
<tr><td>49,280</td><td>1.00</td><td>100% of the entitlements are time based grants which will vest over 4 years.</td></tr>
<tr><td>2,80,000</td><td>1.00</td><td rowspan="2">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.</td></tr>
<tr><td>11,20,000</td><td>121.79</td></tr>
<tr><td>Grant VI</td><td>2016-17</td><td>21-Oct-16</td><td>1,15,976</td><td>1.00</td><td>Over 4 years</td><td>100% of the entitlements are time based grants which will vest over 4 years.</td></tr>
<tr><td>Grant VII</td><td>2016-17</td><td>30-Jan-17</td><td>82,460</td><td>1.00</td><td>Over 4 years</td><td rowspan="8">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.</td></tr>
<tr><td>Grant VIII</td><td>2017-18</td><td>19-May-17</td><td>2,01,100</td><td>1.00</td><td>Over 4 years</td></tr>
<tr><td>Grant IX</td><td>2017-18</td><td>31-Jul-17</td><td>1,54,854</td><td>1.00</td><td>Over 4 years</td></tr>
<tr><td>Grant X</td><td>2017-18</td><td>22-Jan-18</td><td>2,50,768</td><td>1.00</td><td>Over 4 years</td></tr>
<tr><td>Grant XI</td><td>2018-19</td><td>30-May-18</td><td>46,354</td><td>1.00</td><td>Over 4 years</td></tr>
<tr><td>Grant XII</td><td>2018-19</td><td>31-Jul-18</td><td>99,452</td><td>1.00</td><td>Over 4 years</td></tr>
<tr><td>Grant XIII</td><td>2018-19</td><td>31-Jan-19</td><td>76,190</td><td>1.00</td><td>Over 4 years</td></tr>
<tr><td>Grant XIV</td><td>2019-20</td><td>6-Nov-19</td><td>31,444</td><td>1.00</td><td>Over 4 years</td></tr>
<tr><td rowspan="2">Grant XV</td><td rowspan="2">2020-21</td><td rowspan="2">22-May-20</td><td>12,59,200</td><td>172.05</td><td>Over 4 years</td><td>100% of the entitlements are time based grants which will vest over 4 years.</td></tr>
<tr><td>2,60,000</td><td>1.00</td><td>Over 4 years</td><td>100% of the entitlements based on the Company's performance at the end of 4 years.</td></tr>
</table>

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	3-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	2-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	2-Feb-23	1,23,651	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Weighted average 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)
1.00	22,68,284	3,01,926	1,27,117	3,48,623	2,44,021	20,94,470	7.35
	(21,55,855)	(5,73,173)	(39,476)	(4,21,268)	(2,43,605)	(22,68,284)	(7.76)
34.64	-	-	-	-	-	-	-
	(5,42,581)	-	-	(5,42,581)	-	-	-
71.36	86,463	-	-	66,875	19,588	19,588	1.09
	(1,13,725)	-	(14)	(27,248)	(86,463)	(86,463)	(2.09)
68.75	19,18,000	-	-	2,17,000	17,01,000	17,01,000	1.71
	(22,68,000)	-	-	(3,50,000)	(19,18,000)	(19,18,000)	(2.87)
121.79	6,72,000	-	-	-	6,72,000	6,72,000	1.79
	(6,72,000)	-	-	-	(6,72,000)	(6,72,000)	(2.80)
172.05	12,59,200	-	-	-	6,29,600	12,59,200	5.64
	(12,59,200)	-	-	-	(3,14,800)	(12,59,200)	(6.64)

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2022

Weighted average fair value of the options granted during the year was ₹ 230.78 (March 31, 2022: ₹ 228.34).

Weighted average equity share price at the date of exercise of options during the year was ₹ 247.06 (March 31, 2022: ₹ 238.16).

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, 2023	For the year ended March 31, 2022
Risk-free interest rate (%)	6.80 % to 7.24 %	5.00 % to 6.68 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	29.90 % to 31.91 %	30.44 % to 32.15 %
Dividend yield	0.48 % to 0.56 %	0.48 % to 0.56 %

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: 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets at FVTPL				
Current investments	12.23	-	12.23	-
Other investments	3,340.45	3,340.00	3,340.45	3,340.00
Financial assets at amortised cost				
Trade receivables	56,865.70	48,412.63	56,865.70	48,412.63
Cash and bank balances	6,687.19	6,126.54	6,687.19	6,126.54
Loans	674.14	319.33	674.14	319.33
Other financial assets	2,657.57	1,562.28	2,657.57	1,562.28
Total	**70,237.28**	**59,760.78**	**70,237.28**	**59,760.78**
Financial liabilities at amortised cost				
Borrowings	41,960.83	1,179.22	41,960.83	1,179.22
Put option liability	-	572.55	-	572.55
Trade payables	48,854.70	45,347.59	48,854.70	45,347.59
Other financial liabilities	6772.07	5,828.47	6772.07	5,828.47
Total	**97,587.60**	**52,927.83**	**97,587.60**	**52,927.83**

Notes forming part of the Consolidated Financial Statements

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.

Current investments pertains to investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

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 49 (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.

Note 49: 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	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4)	March 31, 2023	177.90	-	-	177.90
	March 31, 2022	27.90	-	-	27.90
Fair value of financial assets disclosed					
Current investments	March 31, 2023	12.23	12.23	-	-
	March 31, 2022	-	-	-	-
FVTPL - Other investments	March 31, 2023	3,340.45	-	-	3,340.45
	March 31, 2022	3,340.00	-	-	3,340.00
Assets carried at amortised cost for which fair value are disclosed					
Trade receivables	March 31, 2023	56,865.70	-	-	56,865.70
	March 31, 2022	48,412.63	-	-	48,412.63
Cash and bank balances	March 31, 2023	6,687.19	-	-	6,687.19
	March 31, 2022	6,126.54	-	-	6,126.54

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Loans	March 31, 2023	674.14	-	-	674.14
	March 31, 2022	319.33	-	-	319.33
Other financial assets	March 31, 2023	2,657.57	-	-	2,657.57
	March 31, 2022	1,562.28	-	-	1,562.28
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings	March 31, 2023	41,960.83	-	41,960.83	-
	March 31, 2022	1,179.22	-	1,179.22	-
Put option liability	March 31, 2023	-	-	-	-
	March 31, 2022	572.55	-	572.55	-
Trade payables	March 31, 2023	48,854.70	-	-	48,854.70
	March 31, 2022	45,347.59	-	-	45,347.59
Other financial liabilities	March 31, 2023	6,772.07	-	-	6,772.07
	March 31, 2022	5,828.47	-	-	5,828.47

(i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 48.

(ii) Short-term 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.

(iv) Fair value of mutual funds is determined based on the net asset value of the funds.

(v) 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
Other 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 50: 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.

Notes forming part of the Consolidated Financial Statements

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, 2023 and March 31, 2022. 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.

As at March 31, 2023, the Group had ₹ 39,000.00 lakhs (March 31, 2022: ₹ 18,628.49 lakhs) of undrawn committed borrowing / credit facilities including non fund based facilities.

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, 2023				
a) Borrowings	14,791.44	32,088.77	-	46,880.21
b) Lease liabilities	2,373.13	6,588.05	2,262.52	11,223.69
c) Trade payables	48,854.70	-	-	48,854.70
d) Other financial liabilities	4,231.76	2,540.31	-	6,772.07
Total	**70,251.03**	**41,217.13**	**2,262.52**	**113,730.67**
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	45,347.59	-	-	45,347.59
e) Other financial liabilities	5,828.47	-	-	5,828.47
Total	**53,625.28**	**4,702.38**	**2,677.02**	**61,004.68**

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.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2023	371.39	(371.39)
March 31, 2022	-	-

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, 2023	(3.56)	3.56
March 31, 2022	7.47	(7.47)

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.

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 14. The Group does not hold any collateral as security except for the deposits and bank guarantees received from the customers in certain instances. 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.

Notes forming part of the Consolidated Financial Statements

The movement for change in allowance for expected credit loss and credit impairment is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	3,306.66	3,408.05
Acquired through business combination (Refer Note 41 (c) and (d))	132.28	-
Change in allowance for expected credit loss during the year	(774.88)	223.82
Bad debts written off	(125.27)	(325.21)
Balance as at the end of the year	**2,538.79**	**3,306.66**

The Group follows the following provision matrix as on 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%	2.50%	5%	25%	30%	70%	100%

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 51: 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.

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, 2023	March 31, 2022
Borrowings	41,960.83	1,179.22
Less: Cash and cash equivalents and other bank balances	6,687.19	6,126.54
Net debt (A)	**35,273.64**	**(4,947.32)**
Equity	1,60,762.03	1,40,695.87
Capital and Net debt (B)	**1,96,035.67**	**1,35,748.55**
Gearing ratio (A/B)	**18%**	**-**

Notes forming part of the Consolidated Financial Statements

Note 52: Other statutory information

(i) **Details of Benami property held**

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) **Borrowing secured against current assets**

The Group has borrowings from banks and financial institution on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group during the year with banks and financial institution are in agreement with the books of accounts.

(iii) **Wilful defaulter**

The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

(iv) **Relationship with struck off companies**

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) **Compliance with number of layers of companies**

The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) **Compliance with approved scheme of arrangements**

The effect of such Scheme of Arrangement as mentioned in Note 41 (c) have been accounted for in the books of account of the Group in accordance with the Scheme of Amalgamation between Simon Electric Private Limited, the Holding Company and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and in accordance with accounting standards.

(vii) **Utilisation of borrowed funds and share premium**

A. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Notes forming part of the Consolidated Financial Statements

(ix) **Details of crypto currency or virtual currency**

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) **Valuation of property, plant and equipment, right of use assets, intangible assets and investment property**

The Group has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

(xi) **Core Investment Company**

The Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

(xii) **Utilisation of borrowings availed from banks and financial institution**

The borrowings obtained by the Group from banks and financial institution have been applied for the purposes for which such loans were taken.

Note 53: 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, 2023	47.63%	76,584.20	86.45%	16,342.99	100.08%	2,005.43	87.76%	18,348.42
Balance as at March 31, 2022	94.16%	1,33,003.50	99.32%	22,688.48	108.76%	(54.98)	99.30%	22,633.49
Subsidiaries (refer Note 41)								
Guts Electro-Mech Limited								
Balance as at March 31, 2023	1.73%	2,774.42	2.46%	464.53	-0.04%	(0.82)	2.22%	463.71
Balance as at March 31, 2022	1.35%	1,911.40	1.03%	235.13	-6.50%	3.28	1.05%	238.41
V-Guard Consumer Products Limited								
Balance as at March 31, 2023	7.94%	12,764.85	7.81%	1,476.10	-0.12%	(2.32)	7.05%	1,473.78
Balance as at March 31, 2022	4.09%	5,780.97	-0.68%	(154.36)	0.00%	-	-0.68%	(154.36)
Sunflame Enterprises Private Limited								
Balance as at March 31, 2023	42.70%	68,638.57	3.32%	627.73	0.07%	1.47	3.01%	629.20
Balance as at March 31, 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interest in subsidiary								
Balance as at March 31, 2023	0.00%	-	-0.04%	(6.65)	0.00%	-	-0.03%	(6.65)
Balance as at March 31, 2022	0.39%	546.79	0.33%	74.51	-2.27%	1.15	0.33%	75.66

Notes forming part of the Consolidated Financial Statements

Note 54: During the current year, the Company was required to transfer 6,292 equity shares to the Investor Education and Protection Fund Authority ("IEPFA"). However, the Company could not transfer 800 equity shares as the demat account of one shareholder was suspended for trading and inactive. The Company has intimated IEPFA the details of such shares by filing form IEPF-3.

Note 55: 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.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 30, 2023

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/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

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 Ltd	V-Guard Consumer Products Limited	Sunflame Enterprises Private Limited
The date since when subsidiary was acquired	August 31, 2017	July 19, 2021	January 12, 2023
Reporting period for the subsidiary concerned	March 31, 2023	March 31, 2023	March 31, 2023
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	₹ in lakhs
1	Share capital	196.58	12,109.00	15.65
2	Other equity	1,875.47	586.14	11,271.44
3	Total assets	3,110.20	15,818.55	15,582.56
4	Total liabilities	1,038.15	3,123.41	4,295.47
5	Investments	Nil	12.23	0.45
6	Turnover	7,198.97	10,402.97	5,690.10
7	Profit before taxation	482.76	978.09	892.47
8	Provision for taxation	110.16	189.49	220.29
9	Profit after taxation	372.60	788.60	672.18

Other information			
Proposed dividend	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%
Names of subsidiaries which are yet to commence operations		Nil	
Names of subsidiaries which have been liquidated or sold during the year		Nil	

For and on behalf of the Board of Directors of
V-Guard Industries Limited

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 30, 2023

V-Guard Industries Ltd.
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